HEPTAGON Capital

Engagement and Proxy Voting Policy

This Engagement and Proxy Voting Policy applies to Heptagon Capital LLP ("Heptagon") with regard to engagement through listed equities that Heptagon Capital LLP invests in on behalf of its clients through our in-house Funds and discretionary portfolios.

Heptagon aims to promote sustainable investing in a way that considers the diversity of our independent investment teams. Through active dialogue with the investment managers, and in line with their investment freedoms, each manager is responsible for defining and determining the potential impact of environmental, social and governance (ESG) risks on their investments. Furthermore, investments made by the Portfolio Managers are discussed during meetings of the Heptagon ESG Committee. We believe that this is the best way to meaningfully integrate ESG factors and to ensure long-term sustainability.

1. Introduction to Heptagon Capital

Heptagon, founded in London in 2005, is a leading provider of asset management services and investment solutions to Institutional Investors, Family Offices and Ultra High Net Worth Individuals. Heptagon's investment ideas can be accessed through three different lines of businesses: Heptagon UCITS Fund Platform, External Manager Platform and Discretionary Portfolio Management.

Our offering includes a broad range of different investment managers who have autonomous decision-making responsibilities and independent investment philosophies and processes. Each investment team manage their portfolios according to their own specific expertise and convictions and are exposed to unique factors that may impact their fundamental analyses. Our aim is to offer ESG portfolios on our UCITS platform, and to fully integrate ESG in our in-house Funds. Furthermore, we maintain an active dialogue with every investment team to gauge potential areas of improvement in this field as the landscape of ESG continues to evolve.

2. Signatory of the Principles for Responsible Investment

As signatories of the Principles for Responsible Investment ('PRI'), Heptagon is committed to incorporating the six principles within its sustainability process and encourages other players in the industry to consider signing the PRI in order to promote the adaption of the principles. Heptagon aims to incorporate ESG issues in all the in-house strategies and promotes the incorporation of ESG issues with all sub-investment managers on the UCITS platform as well as for selected external managers.

We believe that ESG factors are an important part of robust fundamental analysis and that the proactive integration of such factors is essential to sustainable long-term shareholder value. We continue to strengthen and deepen our ESG understanding and evaluation, seeking to use more quantifiable criteria to enhance our qualitative work. Whilst each investment team manage their portfolios according to their own specific expertise and convictions,

generally all investee companies are subject to ESG analysis. Aspects we engage in with investee companies may include, alignment with UN sustainable development goals, environmental and social reporting, disclosures and transparency, employee and board-member diversity, anti-corruption policies, board structure and executive compensation.
Heptagon proactively reaches out to its diverse client base to understand the changing requirements and demands regarding environmental, social and governance factors and responsible investing. Feedback from clients is then used to improve both our existing and future offerings.

3. Engagement, Monitoring and Dialogue with investee companies for in-house Funds

Consideration of responsible investing has long formed part of the investment process of Heptagon's in-house Funds. The Portfolio Managers conduct their own primary research that includes extensive due diligence with the aim of identifying drivers that create long-term sustainable shareholder value.

The Portfolio Managers undertake fundamental analysis, including the review of company statements such as quarterly results and detailed company filings. Furthermore, third party ESG research may be utilized to supplement the Portfolio Managers fundamental research by supplying information on risk-based scoring systems, product involvements and controversies.

As active investors, the Portfolio Managers engage investee and universe companies. This proactive involvement helps to develop an in-depth understanding of their individual companies and supports their company's management conversations around ESG concerns. Meeting investee companies is an important part of the investment process and contributes to the monitoring of companies. Portfolio Managers may have meetings and/or conference calls with company management, attend investor days, as well as thematic events and industry conferences, which provide our Portfolio Managers the opportunity to engage with investee companies.

The focus of analysis of possible issues with investee companies may include, amongst other factors, business structure and strategy, performance, capital structures, management, as well as internal controls and risk management. Should concerns with investee companies be identified, the Portfolio Managers will aim to engage investee companies, which may include senior management. Unsatisfactory engagement, or the deterioration of expected standards from an investee company may lead to the Portfolio Manager divesting from the company. All engagements are logged electronically by the Portfolio Managers in order to monitor the specifics of each meetings (attendees, timing, location, etc).

4. Proxy Voting and exercising voting rights

The fiduciary duties of Heptagon include voting proxies and to make voting decisions consistent with the best interests of its clients. The Portfolio Managers believe that being actively involved in the voting process on issues that involve investee companies encourages both the Portfolio Managers and the investee company to focus on long-term sustainable value creation.

The Portfolio Managers conduct their own proxy research, analyse each proxy, and keep various records necessary for tracking proxy voting materials and proxy voting actions taken. Each portfolio manager approaches their proxy votes in a way that they believe protects shareholder values and generates long-term sustainable value creation. This means that cast votes may not always support the Board of the investee company. The Portfolio Managers of Heptagon's in-house Funds actively vote on all proxies received from their portfolio companies.

The Portfolio Managers are entitled to vote at their own discretion and are not required to provide prior notice to the client. The Firm is not required to disclose votes that are insignificant due to the subject matter of the vote or the size of the holding in the company. The Firm will consider the significance of each vote on an ongoing basis and in accordance with its proxy voting policy.

Nonetheless, records of proxy voting activities may be available upon request, including votes cast and whether the Portfolio Managers have abstained or voted against recommendations of investee companies.

5. Cooperation with other shareholders

Should it seem as though issues with investee companies may not get resolved, the Portfolio Managers will raise the difficulties internally first with senior management, such as the Chief Investment Officer, as well as during the Heptagon ESG Committee. It is acknowledged that the current size of Heptagon's in-house Funds and therefore relatively small percentage holding in any single company may limit the ability to bring forward change in investee companies, and hence, where appropriate, Portfolio Managers may consider working together with other shareholders in accordance with applicable laws and regulations. This may involve attendance of industry forums, group company meetings with company management, and investor days, where Portfolio Managers are able to participate in discussions and public debates, and challenge investee companies' management on certain business practices.

6. Management of actual and potential Conflicts of Interest

There may be instances where the interests of Heptagon may conflict or appear to conflict with the interests of its clients. In such situations, Heptagon will cast its vote in manner consistent with its duty of care to its clients and only after disclosing the conflict to and receiving approval from the Investment Committee

7. Reporting and Disclosures

The Firm does not currently publicly disclose its proxy voting and engagement policy, nor the results from proxy voting or engagement activities. The Firm is considering its position with respect to obligations under the Shareholder Rights Directive and will in due course publish in full an appropriate disclosure regarding its policy, related processes, and engagement with investee companies (as per FCA rules at COBS 2.2B.5 R). In-house funds may publish reports on their ESG activities, and further information on their investment process, proxy voting and engagement activities is available upon request.