

# Davy Global Fund Management **Engagement Policy**

June 2021

Davy Global Fund Management Limited (the “Company”) is authorised by the Central Bank of Ireland to act as an Alternative Investment Fund Manager (“AIFM”) and a UCITS Management Company (“UCITS ManCo”), with extended permission to provide individual portfolio management and other non-core services. The Company has formalised this engagement policy in light of the European Union (Shareholders' Rights) Regulations 2020 (the “SRD II Regulations”) and to summarise generally its engagement activities when it invests in listed shares (being shares of EU companies listed on a regulated market, as defined in the SRD II Regulations) on behalf of investors. In certain cases, discretionary portfolio management is delegated by the Company to other investment managers and where that delegate is subject to the SRD II Regulations, it is required to adopt an engagement policy (which may differ from this engagement policy) or publicly disclose a clear and reasoned explanation for its failure to do so.

### **Monitoring of investee companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance.**

As a steward of investor capital, the Company has a fiduciary responsibility to consider the full range of risks and opportunities that may influence investment outcomes on an ongoing basis. To better understand an investee company's long-term strategic vision and management of risks and opportunities, including those pertaining to environmental, social and governance (“ESG”) matters, the Company, may engage with the management teams and, if appropriate, board members of investee companies.

### **Dialogue with investee companies**

We engage with companies at an investor-to-management level where we feel that an issue has the potential to materially impact a company's performance. We believe manager-led engagements delivered directly are more likely to yield a positive response.

### **Exercise of voting rights and other rights attached to shares of investee companies**

The Company works with a leading third-party service provider to provide research and recommendations on individual ballots, complementing our own fundamental research. For certain of our funds under management, the Company has adopted a set of proxy voting guidelines consistent with our sustainable investment approach, emphasising best practice in ESG terms. Our service provider's approach to governance adapts to regional interpretations of best in class governance, offering additional insight to support our own fundamental research. Where a client in a segregated account has their own predefined set of proxy voting guidelines, the Company may facilitate voting in line with these guidelines. In the case of some funds, the Company may abstain from voting or choose to decide each voting opportunity on a case-by-case basis. Our voting record is disclosed and updated annually via our website; [www.davygfm.com](http://www.davygfm.com).

### **Co-operation with other shareholders**

Collaborative engagement, where we pool with asset managers or asset owners on a specific issue, may be used where the Company considers it appropriate, to a) ensure that a consistent message is being delivered to corporates, b) use scale to amplify our message and improve corporate access, c) share ideas with like-minded peers in order to effect positive change. The most common form of cooperation with other shareholders is in shareholder resolutions where we take an active role in voting.

### **Communication with relevant stakeholders of investee companies**

We may, where suitable, notify a company of our intention to vote prior to a meeting or how we voted after a meeting.

### **Management of actual or potential conflicts of interest**

As a regulated fund manager, the Company is subject to UCITS and AIFMD rules which require it to identify, prevent, manage or disclose conflicts of interest as well as to establish appropriate criteria for determining the types of conflicts of interest whose existence may damage the interests of funds under management. Where the proxy voting process is implemented, oversight is provided by the Company's Proxy Voting Oversight Group. The purpose of the group is to identify and mitigate any conflicts of interest and review proxy voting processes and outcomes.

## Contact DGFM

If you are a client of Davy Global Fund Management, this communication has been sent to you as part of our service offering. If you are not a client of Davy Global Fund Management, you can opt out of further similar communications at any stage by emailing [davygfm@davygfm.com](mailto:davygfm@davygfm.com).

The Davy Group Privacy Notice can be found at [www.davygfm.com](http://www.davygfm.com).

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Davy Global Fund Management Limited, trading as Davy Global Fund Management, is regulated by the Central Bank of Ireland. In the UK, Davy Global Fund Management Limited, trading as Davy Global Fund Management, is deemed authorised and regulated by the Financial Conduct Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. In Luxembourg, Davy Global Fund Management Limited is authorised by the Central Bank of Ireland and is subject to limited regulation by the Commission de Surveillance du Secteur Financier.

Davy Global Fund Management Luxembourg S.A. ('the Company') is registered with the RCS under no. B124965 with the registered office at 1, rue Hildegard von Bingen, L-1282 Luxembourg, G.D. Luxembourg. The Company is supervised by the CSSF as a Management Company authorised under Chapter 15 of the Law of 17 December 2010 with number S00000727 and an Alternative Investment Fund Manager according to the Law of 12 July 2013 with number A00000148.

Details about the extent of our authorisation and regulation by the Central Bank of Ireland, the Financial Conduct Authority and Commission de Surveillance du Secteur Financier are available from us upon request.