



Citi Private Bank

Engagement Policy

We set out below the Engagement Policy of Citi Investment Management ('CIM'), acting through Citibank, N.A. with respect to MACS SICAV, a *Société d'Investissement à Capital Variable* formed under the laws of Luxembourg, published in accordance with Luxembourg laws implementing Article 3g1(a) of the Shareholders Rights Directive (2007/36/EC) as amended by Directive (EU) 2017/828.

Integration of shareholder engagement in our investment strategy

CIM's portfolio management team are continuously monitoring companies and holdings to ensure that they remain appropriate and aligned with their investment mandates. The team may engage with management or investor relations of investee companies, but not other stakeholders, as we do not hold significant positions. Meetings may be held with companies to discuss specific results or events as well as more informal dialogue incorporating site visits and other research initiatives. These meetings may cover a range of topics from corporate strategy, risk management, corporate governance, board composition and remuneration issues.

Third party managers utilised in investment strategies may engage on matters relating to environmental, social and corporate governance (ESG) developments; enhancements or clarifications to company analysis or process improvements.

Where any material issues occur, either financial or non-financial, we would review the investment thesis to see if this has affected our investment rationale.

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)

Where direct stocks are selected, analysis is carried out on these companies including the financial and non-financial performance, risk, capital structure and corporate strategy. We use a wide variety of sources including company meetings, company reporting, broker research, industry reports and in-house research. The portfolio management team monitor the public statements of investee companies through financial information platforms like Bloomberg and Factset, financial statements and regulatory announcements, reports and accounts. Citi Investment Management's portfolio managers access to a specialist research provider for environmental, social and governance ('ESG') issues, is the main tool for monitoring these risks.

When we appoint third party managers in our investment strategies, they monitor investee companies on their strategy, capital structure, financial and non-financial performance and risk. We review the third party managers' research process, portfolio construction, sell discipline and risk management process to ensure that these processes incorporate monitoring of investee companies' strategy, capital structure, financial and non-financial performance and risk. Third party managers are assessed



and researched by Citi Private Bank's Investment Manager Research team and approved (for use in discretionary portfolios) by the Forum for the Review and Approval of Managers.

Our approach for third party managers in relation to ESG is to add, via Citi Private Bank's Investment Manager Research team, what we believe are best in class ESG-oriented or focused strategies, by asking associated ESG questions during our due diligence process. The responses to these questions are a key consideration in ESG manager searches. We also ask these questions in non-ESG orientated manager searches although the related responses are not a critical decision parameter in these cases. We believe that incorporating ESG considerations in a manager's approach is likely to enhance returns and reduce risk in addition to producing better outcomes for society and the planet.

Conducting dialogue with investee companies and communicating with relevant stakeholders of the investee companies

We assess the information third party managers gather to make their investment decisions, its quality and depth and the judgement the managers use in making investment decisions. This may include dialogue with the investee companies depending on the nature of the investment strategy, number of holdings and structure of the manager.

We do not currently liaise directly with other stakeholders because CIM does not currently hold significant positions in any companies. However, we do support the principle of collaborative engagement. Where stakeholders' rights are likely to have a significant impact on the fortunes of investee companies such factors are taken into account via our ESG analysis.

Exercising voting rights and other rights attached to shares, cooperation with other shareholders and management of actual and potential conflicts of interests in relation to the firm's engagement.

Institutional Shareholder Services ('ISS') is retained for the management of the voting process and acts as the voting agent for the securities held in portfolios managed by CIM.

This allows us to take advantage of the extensive research carried out by ISS and our default instruction gives ISS consent to vote on our behalf in line with their expert recommendation.

More information about ISS can be found at the below link:

<https://www.issgovernance.com/compliance/business-practices-principles/>

Where CIM does exercise its discretion to vote for or against a particular proposal or co-operate with other shareholders, it will be in a manner consistent with its relevant underlying clients' best interests and when not in violation of anti-trust or any other laws or CIM policies. Any actual or potential conflict of interest that may arise would be managed in line with the relevant Citi Private Bank conflict of interest policy and standard.



Annual Review

On an annual basis, Citi Investment Management ('CIM'), acting through Citibank, N.A. with respect to MACS SICAV, a Société d'Investissement à Capital Variable formed under the laws of Luxembourg, is required to publicly disclose how the Engagement Policy has been implemented. Since the initial publication of the Engagement Policy through 30 September 2021, CIM's engagement activities have been implemented in accordance with the Engagement Policy. On 13 May 2021, the MACS SICAV entered into an agreement to authorize CIM to exercise proxy voting rights or to delegate such power to any external services provider, including ISS. CIM retained ISS for the management of the voting process, and votes are cast by ISS in accordance with their voting guidelines.

Details on ISS's engagement on proxy research can be found here:

<https://www.issgovernance.com/contact/faqs-engagement-on-proxy-research/>