

ETFs ENGAGEMENT & VOTING RIGHTS



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The Engagement & Voting Rights Website Policy will be reviewed and updated on a bi-annual basis.

Equity Trustees Fund Services (ETFS) is authorised by the Financial Conduct Authority and an entity under the holding company of non-authorised Equity Trustees (UK & Europe) Limited.

All references to an ETFS within the Policy encompass ETFS in their roles as ACD And AFM



OVERVIEW

This policy is designed to ensure that Equity Trustees Fund Services (ETFS) complies with all Regulatory requirements (COLL 6.6A.6) and the environment relating to the exercise of voting rights and appropriate recording and communication where these voting rights have been exercised.

In addition, this Voting Right Policy also covers the European Commission Directive 2017/828 (amending Directive 2007/36/EC on the exercise of certain rights of shareholders in listed companies) ("**SRD II**"), as reproduced in COBS 2.2B – SRD requirements.

ETFS is an Authorised Fund Manager and delegates the Investment Management function of its Funds to third parties whilst retaining overall responsibility for ensuring that the schemes are managed in accordance with the funds' scheme documentation and all applicable regulations.

The Voting Right Policy will be reviewed and updated, if necessary, on at least a two-year cycle.

PROCEDURE

COLL 6.6A.6 R requires the management company to have adequate documented procedures for exercising its rights as the owner of the assets held by the fund. This includes identifying and responding to corporate events (e.g. rights issues in shares); deciding how and when voting rights should be exercised; ensuring that it is in accordance with the investment objectives and policy of the fund; preventing or managing any conflicts of interest arising from the exercise of voting rights and acting in the exclusive interest of the fund and its investors.

1) Voting Strategy

An Authorised Fund Manager of a UCITS scheme is required to develop adequate and effective strategies for determining when and how voting rights attached to instruments held in the portfolios are to be exercised.

ETFS's strategy shall be for the delegated Investment Manager to vote in accordance with their own policy, subject to that meeting with the objectives of each sub fund.

The Investment Manager shall retain appropriate records for each vote showing the nature of the vote and how it was exercised with appropriate rationale as may be required.

2) Documentation

Each Investment Manager is required to maintain their own voting rights policy and ensure that they maintain up to date policies.

The Investment Manager will be responsible for ensuring that its policy and any instructions applied are reviewed on an annual basis and more frequently if required due to business activities or regulatory changes.

ETFS will review at each regulatory and operational oversight visit the Voting Rights Policy and any decisions taken by the Investment Manager.

3) Reporting and monitoring

The Investment Manager is responsible for:



Monitoring corporate events

Ensuring that the exercise of voting rights is in accordance with the investment objectives and policy

Preventing and managing any conflicts of interest arising in the exercise of voting rights.

ETFS's monitoring approach will be to:

Ensure an appropriate policy is in place and that this is regularly reviewed.

Understand and review what internal monitoring is undertaken to ensure that the Investment Managers adhere to their policy

Ensure that Investment Managers provide all records of any decision made under the voting policy.

4) Shareholder Rights Directive

The SRD II require firms to make publicly available an Engagement Policy which describes how the firm:

- integrates shareholder engagement in its investment strategy;
- monitors investee companies on relevant matters;
- conducts dialogues with investee companies;
- exercises voting right and other rights attached to shares;
- cooperates with other shareholders;
- communicates with relevant stakeholders of investee companies; and
- manages actual and potential conflicts of interest in relation to the firms engagement.

In addition to the above, the SRD II also require a firm to make publicly available an annual disclosure which described its voting behaviour, the use of any proxy advisors and details of its most significant votes. The above requirements only apply to the extent which a firm invests in shares which are traded on regulated markets.

Since ETFS does not carry out investment management for its funds, does not invest in shares of companies traded on a regulated market and since such activities are delegated to third party authorised and regulated Investment Managers, ETFS is out of scope of the SRD II and has therefore chosen not to comply with the requirements. Although ETFS delegates the investment management activity of its funds to third party Investment Managers, it does not delegate the overall responsibility for the fund's adherence with the applicable regulations and legislations and ETFS maintains robust oversight over the activities of its funds and its delegate Invested Managers. ETFS will monitor its delegate Investment Managers adherence to the requirements in COBS 2.2B.5R and COBS 2.2B.6R of the FCA Handbook and will oversee the implementation of the SRD II by its delegate Investment Managers, which involves the publication of an annual disclosure on how they have implemented and met the objectives of their Engagement Policies.

5) Governance

This policy will be reviewed and approved by the Investment Management Oversight Committee.

6) Escalation

In the event of any issues arising the Investment Manager will escalate to ETFS.

A Summary of a delegate Investment Manager's strategy is available to investors upon request.

ETFS is authorised and regulated by the Financial Conduct Authority and is entered on the register under reference 227807. The FCA's address is 12 Endeavour Square, London, E20 1JN. Registered in England number 04856420. Registered office: 4th floor Pountney Hill House 6 Laurence Pountney Hill EC4R 0BL

