

Shareholder Rights Directive II Annual Disclosure Implementation of the MIFL Shareholder Engagement Policy

Relevant Period: 1 July 2022 – 31 December 2023¹

Date: January 2024

Introduction

The Shareholders Rights Directive II (SRD II) aims to promote effective stewardship and long-term investment decision making, by enhancing the transparency of asset manager investment and engagement strategies with underlying investee companies. MIFL is an authorized UCITS Fund Management Company and Alternative Investment Fund Manager. MIFL also has permission to provide discretionary portfolio management services to certain clients. As MIFL invests in shares listed on a regulated EEA market, MIFL is an Asset Manager in scope of the SRD II.

For the Funds under management (Funds), MIFL directly manages a portion of the equity assets in-house. However, MIFL has delegated the day-to-day investment management activities of a large portion of its assets under management (AUM) relating to the Funds to third party asset managers (Delegate Investment Managers or DIMs).

As outlined in our Shareholder Engagement Policy (Policy), MIFL will publicly disclose on an annual basis:

1. A summary of how the Shareholder Engagement Policy was implemented during the period; and
2. Information on how its investment strategy complies with the arrangements with institutional investors and contributes to the medium to long-term performance of the assets.

Note:

- The public disclosure for institutional clients has been prepared solely to address where institutional investors are investors of any of the funds under management.
- Where MIFL acts as discretionary portfolio manager for an institutional investor's equity mandate, MIFL will communicate directly with its client to provide any relevant disclosures under SRD II.

This document has been prepared to comply with the disclosure requirements set out in the Policy and to demonstrate how the Policy was implemented for the period 1 July 2022 to 31 December 2023 (Period).

¹ Reporting period has been changed to annual calendar year to match MIFL's financial reporting cycle. This is, it will cover the annual period leading up to 31st December each year and will be published by 30th March each year. This current report covers eighteen months to facilitate the transition to the new cycle. However, going forward reports will cover a standard twelve-month period.

1. How the Policy was implemented during the period

1.1 Summary of Voting Activity and Significant Trends

MIFL is responsible for voting for both the portion of AUM managed directly by MIFL and the portion delegated to the DIMs. MIFL is increasingly incorporating ESG into its investment and stewardship activities and it is important that its proxy voting policies and activities reflect those principles in practice.

MIFL has a customized voting policy in place for number of years, that is aligned to its sustainability focus. The MIFL custom voting policy leverages on the Glass Lewis Climate Change Policy as well as on additional guidelines from the Glass Lewis ESG Policy. As part of the update of its Responsible Investment policy in 2023, MIFL adopted Board Gender Diversity as an additional prioritized United Nations Sustainable Development Goals (SDG). Through MIFL's voting activity, the core SDG pillars (numbers 5, 7, 12 and 13) are affirmed through support of initiatives that encourage increased disclosure and action as it relates to:

SDG 5: Gender Diversity

SDG 7: Affordable and Clean Energy

SDG 12: Responsible Consumption and Production

SDG 13: Climate Action

As it related to the voting trends and highlights for the considered period:

- Overall, MIFL's voting activity was strongly aligned with our policy and consistent with past periods. Voting was most aligned with SDG 13, Climate Action, given the broad nature of the SDG as it focused on taking action to manager climate change and its impacts.
- Greenhouse Gas (GHG) emissions play a large part in managing climate change. For the considered period, MIFL voted on a variety of proposals that deal with GHG emissions. These ranged from holding directors accountable for risk mitigation strategies, to supporting shareholder proposals that seek further disclosure on companies' GHG emissions and strategies.
- MIFL's policy is to ensure there is a strong focus on climate-related oversight and climate risk mitigation by the Board of Directors. In line with this, MIFL voted against directors in companies with insufficient oversight and disclosure of material climate and environmental risk. Conversely, MIFL voted in favor of shareholder proposals requesting companies to provide reporting on their actions with respect to climate change.
- As previously mentioned, during 2023 voting season, MIFL updated its policy on board gender diversity by adding new guidelines for higher female representation on Board of Directors. These guidelines triggered new proposals and MIFL voted consistently in line with the policy.

MIFL believes votes that assist in implementing its ESG and climate focused strategy are significant to its overall stewardship program. MIFL will continue to refine our proxy voting efforts with the aim to create positive change in our prioritized SDGs.

1.2 The use of the services of proxy

MIFL utilizes the services of Glass Lewis. Glass Lewis are an independent provider of global governance services and proxy advisory services. They have significant expertise in conducting proxy research that encompasses collating accurate information gathered from public sources which is then assessed by a dedicated team of analysts and issue specialists. This includes regional analyst teams that are experts in local market laws, regulations and best practices who would collaborate with subject matter experts and apply bounded judgment as they assess each issue on the ballot. MIFL will generally vote in line with Glass Lewis recommendation. However, in certain circumstances MIFL will not vote in line with the recommendation and these have been detailed with MIFL's Proxy Voting Policy.

There are some exceptions to this process whereby Glass Lewis do not vote or provide a recommendation. An example of an event where the Glass Lewis does not provide a recommendation is when votes relate to certain Italian stocks held.

For additional information please refer to the MIFL Proxy Voting Policy.

1.3 Engagement with Delegate Investment Managers

MIFL has delegated the day-to-day investment management activities of a large portion of its assets under management (AUM) to its DIMs. For the equity portfolios, MIFL's appointed DIMs will engage directly with the underlying companies as required (with the exception of voting). MIFL in turn ensures that each of the delegates are improving their investment process to incorporate ESG considerations. This engagement with our partners will help to push forward the ESG and sustainable investment agenda across the broader industry.

During the period under review, the team engaged with all external managers as it relates to these strategies in two separate ways: written engagement and in-person engagement.

Regarding written engagement, MIFL contacted all managers to obtain information on three main ESG areas:

- Key sustainability milestones achieved and the extent to which these have been embedded in the investment process
- Future sustainability objectives in place
- Evidence of how ESG and sustainability considerations directly impacted behavior in the portfolio.

Information received through written engagement was used to provide a more focused and constructive second engagement. The second engagement was conducted through in-person

meetings or via videoconference. An example of topics discussed include the general approach to ESG and PAIs within the strategy, discussion of ESG profiles of certain stocks, engagement with investee companies or a portfolio's carbon footprint.

2. Institutional Investor Disclosures

As required under the SRD II, MIFL must disclose to institutional investors of the Funds under management how MIFL's investment strategy complies with the arrangements with institutional investors and contributes to the medium to long-term performance of the assets, with reference to the following points:

- Key material medium to long-term risks associated with the investments
- How investment decisions are made
- Monitoring of portfolio's composition and/or portfolio's turnover
- MIFL's policy on securities lending
- The use of proxy advisors for the purpose of engagement activities
- How MIFL approaches conflicts of interest that may arise due to engagement activity

The majority of information relating to the above points is already publicly available to investors through regulatory documentation on the MIFL website such as the Funds' Annual Accounts, Prospectus, Key Investor Investment Documents ("KIID") and the Sustainable Finance Disclosure Regulation (SFDR) disclosures. www.mifl.ie

2.1 Investment strategy and medium-long term objectives of the Funds

MIFL makes available to all investors, including its institutional investors, on its website the Fund(s) prospectus, the Fund(s) KIIDs and the Fund(s) periodic reports. The medium to long term investment objectives of the Funds are clearly outlined within the prospectuses and KIIDs.

As outlined in the MIFL Sustainable Finance Disclosure Regulation Statement published on the MIFL website, MIFL maintains a Responsible Investment Policy which outlines MIFL's approach to the integration of Environmental, Social and Corporate Governance into its investment approach. MIFL is committed to long-term sustainable investing and believes a sustainable investment approach is more likely to create and preserve investment capital in the long term.

The above measures assist in demonstrating that the investment strategy of the Fund complies with the arrangements with institutional investors and contributes to the medium to long-term performance of the assets of the institutional investor.

2.2 MIFL's Investment Decisions

MIFL has a documented Board approved Investment Process Document that is reviewed and updated on a regular basis. The Investment process was last updated in September 2023 to bring it in line with MIFL's Responsible Investment Policy on sustainability integration. MIFL recognizes the importance of shareholder engagement and the contribution that Environmental, Social and Governance considerations can make to sustainable investment outcomes in the long term.

2.3 Key Material Medium to Long-Term Risks associated with the investments,

The medium to long term risks associated with investments are set out in the Prospectus and KIIDs. The Fund Annual Accounts also contain a description of some of the key types of risks associated with the investments and an outline of the processes MIFL has implemented to assess, monitor, and control these specific risks.

2.4 Monitoring of Portfolio Composition

The MIFL Investment Team function maintains regular oversight of the portfolios. The team monitors fund positions using different tools. They focus on regional, sector, size, style and risk positioning of the portfolios to ensure that allocations are appropriate. Periodic investment reviews will take place and issues will be escalated to the Investment Committee if appropriate.

2.5. MIFL's Policy on Securities Lending

MIFL has appointed a Securities Lending Agent under a Securities Lending Agreement ("SLA") to manage its Securities Lending program on a day-to-day basis, while MIFL maintains oversight over the agent. The Lending Agent manages the recall process with the borrowers and MIFL is able to recall the securities on loan for voting purposes if required.

MIFL has decided that the securities held into its SFDR's article 8 and article 9 funds are not available to participate in the Securities Lending program.

2.6 Conflicts of interest in connection with engagement activities and how MIFL deals with them

The MIFL Proxy Voting Policy outlines process to follow on the occasions where MIFL may have a material conflict of interest with respect to a matter to be voted. A material conflict of interest may exist, for example, if MIFL has a very significant business relationship with either the company whose stock is being voted, the person soliciting the proxy or a third party that has a material interest in the outcome of the proxy vote.

If a potential conflict of interest arises, the Operations Team within MIFL will raise the issue to the MIFL Compliance Team for further consideration. In the period under review ten potential conflicts in connection with voting activity were referred to Compliance for review. In all cases it was determined that no material conflict of interest was present.

3. Ongoing Review

The above points aim to demonstrate how MIFL has implemented its Shareholder Engagement Policy and is complying with the relevant SRD II disclosure requirements. This document will be updated on a regular basis (at least annually and more frequently if required).