

VOTING & ENGAGEMENT REPORT

APRIL 2023



1. INTRODUCTION

Voting in AGMs form an integral part of our approach as a responsible investor. Bank Nagelmackers is committed exercising its voting rights with the best interest of shareholders at heart. As a UN PRI signatory since 2019, Bank Nagelmackers strives to act as an active owner and incorporate ESG issues into voting & engagement practices.

As voting strengthens the signal provided to companies on specific issues, we strive to vote 100% of AGMs.

2. VOTING ACTIVITY 2022

In 2022, Bank Nagelmackers participated in **101** annual and extraordinary general meetings for **93** companies and voted **1,337** proposals for its open-ended equity funds and multi-asset funds holding equity positions, as defined by its [Voting Policy](#). Votes were expressed for **97,8%** of all votable proposals, close to our commitment to vote 100% of AGM.¹

Naturally nearly all of the proposals originated from company management. The number of proposals submitted by shareholders represent 2,4% of the total number of proposals on which Bank Nagelmackers carried out its vote.

Institutional Shareholder Services ("ISS") supports Bank Nagelmackers in executing proxy vote instructions and analysis of management and shareholder proposals scheduled at the meetings.

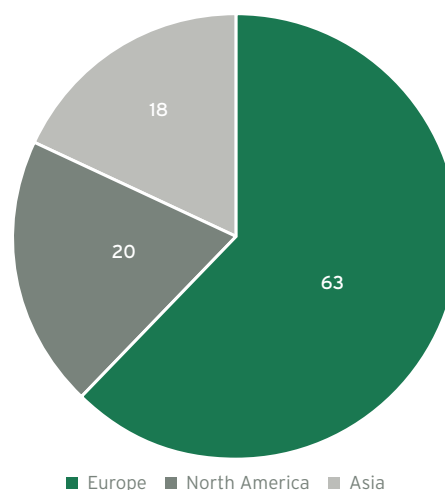
An overview of the open-ended funds that were part of the voting scope in 2022:

- Nagelmackers China New Economy Fund
- Nagelmackers Equity Small & Mid Cap Fund
- Nagelmackers European Real Estate Fund
- Nagelmackers Private Fund Conservative
- Nagelmackers Private Fund Balanced
- Nagelmackers Private Fund Growth
- Nagelmackers Institutional European Equity Large Cap

Geographical breakdown

The voting activity in 2022 took part largely in Europe, as well as North America and Asia.

Geographical breakdown of meetings



Bank Nagelmackers' strong local anchoring as well as its gateway capabilities to Asia are also clearly present in our voting activities. The Benelux and China are well represented as they account for respectively 26% and 35% of voted meetings in 2022.

2022

Number of meetings voted	101
Benelux	26
China, Hong Kong & related ²	35
Rest of World	40

¹ Bank Nagelmackers voted in 101 of 103 votable meetings. For the iShares VI Public Limited Company - iShares Edge MSCI World Minimum Volatility ESG and iShares IV plc - iShares MSCI USA ESG Enhanced UCITS ETF meetings, vote instructions were rejected.

² Related refers to Chinese companies domiciled in Bermuda and the Cayman Islands

Approval rate

Nagelmackers approved overall 84% of management proposals.

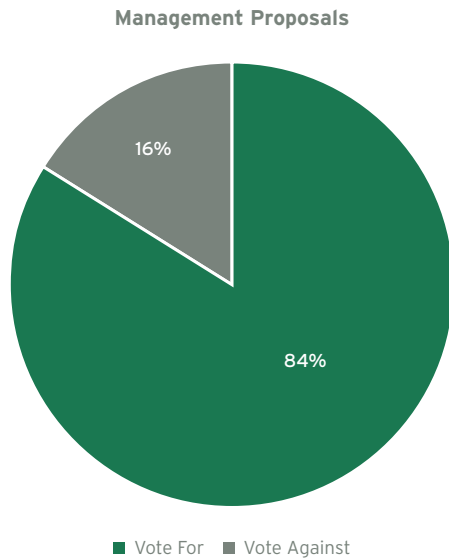


Figure 1: Overall approval rate

Nearly half of all votes expressed against management are attributable to Chinese companies, in which we had exposure in the Nagelmackers China New Economy Fund. Within our fund range, the China New Economy Fund had the highest percentage of votes against management, at over 30%.

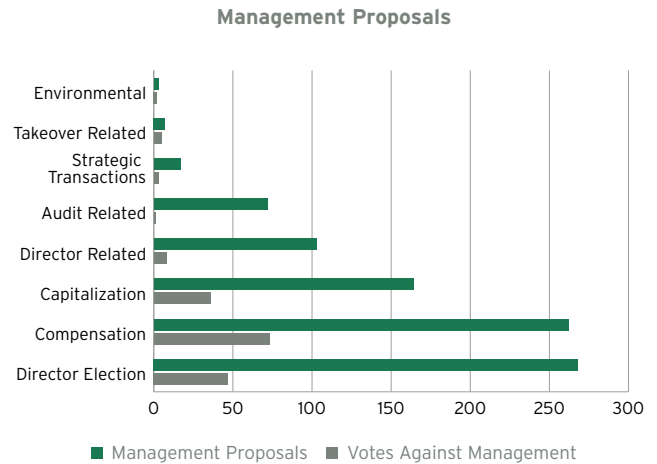
	Number of proposals voted	Against management
Total	1337	219
of which China, Hong Kong & related	347	107

Fund	% of votes "against"
NAGELMACKERS CHINA NEW ECONOMY FUND	30,6%
NAGELMACKERS EQUITY SMALL & MID CAP FUND	22,5%
NAGELMACKERS EUROPEAN REAL ESTATE FUND	7,6%
NAGELMACKERS INSTITUTIONAL EUROPEAN EQUITY	5,3%
NAGELMACKERS PRIVATE FUND BALANCED	12,6%
NAGELMACKERS PRIVATE FUND CONSERVATIVE	13,4%
NAGELMACKERS PRIVATE FUND GROWTH	10,1%

Bank Nagelmackers detected no conflicts of interest involving the votes in which it participated in 2022.

Topics in focus

Aligned with our voting guidelines consisting of sound corporate governance, protection of shareholder rights, transparency of financial information and environmental & social issues, several topics were in focus for 2022:



Say on Climate

On climate proposals launched by management, we approved the plans of Amundi SA. Although the company has not provided a roadmap to align its portfolios with a 1.5° C trajectory, its ambition to align portfolios towards achieving carbon neutrality by 2050 as well as its commitment to organize an annual say-on-climate vote warranted a vote in favor.

For other companies such as TotalEnergies SE and Carrefour SA, such commitment could not be displayed or lacked in fullness or methodology to include and disclose scope 3 targets, which resulted in a vote against management.

Company	Country	Meeting Date	Nagelmackers Vote/Rationale	Voting Outcome
Amundi SA	France	2022/05/18	For: Management committed to annual SoC vote. Ambition to align portfolios to achieve 2050 carbon neutrality	For: 97.7%
TotalEnergies SE	France	2022/05/25	Against: Targets not science-based. Absence of scope 3 targets and partial disclosure	For: 88.9%
Carrefour SA	France	2022/06/03	Against: Company not committed to annual SoC Vote. Limited disclosure on scope 3 GHG emissions	For: 98%

Shareholder proposals

As mentioned earlier, the number of shareholder proposals remained limited (32).

Environmental issues included mostly whether companies' retirement funds should assess and report management of systemic climate risk, to which we had a favorable view.

Social issues included several topics, among which the adoption of a Policy on China Sourcing, following also the Uyghur Forced Labor Prevention Act that was signed into US law at the end of 2021. As

adoption of the proposal serves to further enhance companies' commitment to address labor issues, including forced labor, in its supply chain, we voted in favor of the proposal. Other topics regarded the reporting on government use of technology that would pose data security & privacy concerns, as well as disclosure on whether companies developed products for military use. As important element in our Exclusion Policy, we believe it is essential to declare this information as it benefits shareholders' assessment of companies' management and oversight of risks related to the production and development of military products and how they are managing and mitigating cyber risks.

Finally, governance issues were mostly related to the protection of minority shareholders and supporting proposed slates. Wherever minority shareholders put forward a slate, we voted in favor.

3. ENGAGEMENT ACTIVITIES

In 2022, Bank Nagelmackers participated in collaborative engagement activities. As a signatory of the CDP, together with over 600 other signatories, it took part in the annual main information request towards companies to disclose complete, comparable and TCFD-aligned environmental information and complete the CDP questionnaires. While over 5,000 companies disclosed through the main information request, there are still nearly 6,000 companies that failed to disclose to CDP in 2022, which highlights the significance of the scope with which to engage further.

Bank Nagelmackers also backed CDP's Science-Based Targets Campaign. Together with 317 financial institutions and multinational firms with 37 trillion USD in assets, over 1,000 high impact companies in terms of emissions and market capitalization were requested to adopt science-based targets for reducing emissions in line with the Paris Agreement's 1,5°C goal.

The list of companies targeted is heavily weighted towards Asia and the United States with nearly half (48%) of all companies based in the Asia Pacific region and 23% for the US. Companies include China's largest retailer JD.com, Caterpillar and BASF.

As part of its commitment to engage with small cap companies in which we invest on topics such as board effectiveness and improving non-financial information disclosure, we engaged with French Real Estate company Argan. At present, data availability is limited to none at the main ESG data providers (e.g. MSCI). Being a family-owned company with only 27 employees and 45 mio EUR of revenues, Argan does not fall under the "Group 1" nor "Group 2" disclosure thresholds for reporting under the Corporate Sustainability Reporting Directive (CSRD). Nevertheless, through our engagement, Argan management acknowledged the need for additional non-financial disclosure and committed to collecting the necessary data.

4. OUTLOOK FOR 2023

Bank Nagelmackers is committed towards increasing the exercise of its voting rights in annual and extraordinary general meetings, as its financial product offer continues to expand. Our determination is to vote systematically independent of the percentage interest we hold in the share capital of investee companies. We strive for continued and increased involvement of fund managers and analysts voting for the companies in which they have a direct involvement, as an essential element to gain thorough knowledge of companies and make the correct decisions as a minority shareholder at annual general meetings. They are guided in this process through the bank's Sustainability Committee and ESG team, supported by ISS's ProxyExchange platform to exercise the voting rights and analysis of proposals.

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