



Shareholder engagement policy

Last review : 26/04/2023

1. Presentation

Pursuant to Commission delegated regulation (EU) 231/2013 and articles L533-22 and R533-16 of the French Financial and Monetary Code ("COMOFI"), ABC arbitrage Asset Management S.A. ("ABAM") edit a document setting out the conditions under which they intend to exercise voting rights attached to the securities held by the alternative investment funds ("AIF") that they manage.

In a report drawn up within four months of the end of its financial year, annexed, where appropriate, to the board of directors management report, ABAM must detail the conditions under which it exercised the voting rights. When ABAM did not exercise any voting rights during the financial year (case for 2022), they did not draw up the mentioned report but ensured that their voting policy was communicated to the AIF shareholders.

2. Structure of detention

ABAM design and implement for their clients, in particular AIFs, either alternative strategies or strategies exploiting structural or statistical inefficiency in price formation relationships within the financial markets.

As part of these strategies implemented for their customers, financial instruments can be held by AIFs under synthetic format (CFDs, swaps). In this case, the AIFs **do not own** the financial instruments; therefore, they have no voting rights and are not, in the most general case, concerned by the vote on resolutions submitted to the approval of the General Meeting of an issuer on which the AIF would have a position.

In addition, the contracts signed between AIFs and Prime Brokers provide that the latter can dispose of financial instruments via rehypothecation, unless requested to block the position on the account with no Prime Brokers reuse. As a result of rehypothecation, the AIFs are no longer in possession of the securities and therefore, no longer have the right to vote.

In their due diligence questionnaire sent annually to investors, ABAM reminds that they ensure that they do not acquire any financial instruments in such a way that their influence will require the exercise of voting rights.

It has to be noted that the exercise of the voting right requires the blocking of financial instruments, which can be a source of risk if a rapid unwinding is necessary for the alternative strategy.

In view of this detention structure, and the in-principle non-exercise of voting rights, the items below are not relevant:

- Monitoring of strategy, financial and non-financial performance, risks, capital structure, environmental social impact and corporate governance
- Dialogue with the companies on which there is a position
- Cooperation with other shareholders
- Communication with relevant stakeholders
- The prevention and management of actual or potential conflicts of interest in relation to their commitment

Although this is not their original intention, ABAM reserves the right, if necessary, to take the appropriate decisions in order to use the voting rights of their AIFs or to table a draft resolution. For example, when a position is taken, ABAM is not excluded from supporting resolutions or votes relating to environmental, social or quality of governance issues (ESG).