



Shareholder engagement policy

Last review : 09/09/2025

1. Presentation

Pursuant to Commission Delegated Regulation (EU) 231/2013 and Articles L533-22 and R533-16 of the French Monetary and Financial Code, ABC arbitrage Asset Management S.A. ("ABAM") edits a document setting out the conditions under which it intends to exercise voting rights attached to the securities held by the alternative investment funds ("AIFs") that it manages.

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 voting rights. When ABAM did not exercise any voting rights during the financial year (as in 2024), it did not draw up the mentioned report but ensured that its voting policy was communicated to the AIF shareholders.

2. Structure of detention

ABAM designs and implements for its clients, in particular AIFs, either alternative strategies or strategies exploiting structural or statistical inefficiency in price formation within the financial markets.

Due to the nature of its business, which relies on alternative strategy management, our Alternative Investment Funds ("AIFs") are generally not designed or intended to hold positions over extended periods. In addition, financial instruments are often held synthetically, through contracts such as CFDs or swaps, rather than directly. As a result, AIFs can't acquire voting rights.

Nonetheless, ABAM investigated further the possibilities for AIFs to vote and ask questions in relation to resolutions. It came to the conclusion that voting in general assemblies is simply neither feasible nor compatible with its investment approach given the operational constraints and the structural misalignment between its strategies and the requirements, for the following reasons:

- Positions not held at record date: Short-term, dynamic trading strategies mean positions are rarely held on voting record dates, making ABAM ineligible to vote.
- Complexities of CFDs, shorting, and Prime Brokers: The use of synthetic instruments like CFDs/swaps and reliance on prime brokers require positions to be blocked to vote, which compromises trading efficiency and increases risk.
- Advance mailing incompatibility: Advance notice requirements (e.g., five business

days) for voting requests conflicts with a real-time, short-cycle trading approach, adding administrative burden and making participation impractical.

- Cumulative cost impact: Margin requirements, operational burdens and resource costs linked to tracking and voting for thousands of companies would critically erode strategy profitability and threaten their economic viability and, by extension, the sustainability of ABAM's business model.
- Conflicting positions: Simultaneous long and short holdings in the same stock further complicate voting decisions.
- Broader question of relevance: With short holding periods, the interests of the funds managed by ABAM, acting as temporary shareholders, may not align with the company's long-term goals, making its participation in these decisions not only operationally challenging but arguably not meaningful. Some laws (e.g., Ireland) even require holding shares for ~30 days around the record date to qualify for some rights associated with shares.

The combined effect of these constraints makes voting activity incompatible with ABAM's investment strategies as these restrictions would undermine the efficiency, profitability, and flexibility of its activities.

In its due diligence questionnaire sent annually to investors, ABAM reminds that it ensures that it does not acquire any financial instruments in such a way that its influence would require the exercise of voting rights.

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.

Nevertheless, ABAM reserves the right, if possible and necessary, to take the appropriate decisions in order to exercise the voting rights or to table a draft resolution. For example, when a position is taken, it might still support resolutions or votes relating to ESG issues.