



2021 ENGAGEMENT REPORT



TABLE OF CONTENTS

1. INTRODUCTION.....	3
1.1 Permitted business.....	3
1.2 Engagement Policy	3
2. 2021 ENGAGEMENT REPORT.....	4
2.1 Purpose.....	4
2.2 'Nil report'	4
3. DISCLOSURE TO CLIENTS	5

1. INTRODUCTION

1.1 Permitted business

DIVERSIFIED ASSET MANAGEMENT S.A. (hereinafter referred to as “DAM”) is a wealth manager with its registered office in Luxembourg, and which is supervised by the *Commission de Surveillance du Secteur Financier* (hereinafter referred to as the “CSSF”).

DAM conducts its business activities in accordance with Articles 24-1, 24-2, 24-4, 24-5 and 28-6 of the Law of April 5th, 1993 on the financial sector, as amended (hereinafter referred to as the “Law of 1993”). As per Section A of Annex II of the Law of 1993, DAM is licensed, in its capacity as a professional of the financial sector, specifically an investment firm, to provide the following investment services and activities:

1. reception and transmission of orders in relation to one or more financial instruments;
 2. execution of orders on behalf of clients;
 3. portfolio management;
- and
4. investment advice.

In addition, as per Section C of Annex II of the Law of 1993, DAM is licensed to offer the following ancillary services:

1. safekeeping and administration of financial instruments for the account of clients, including custodianship and related services such as cash/collateral management;
 2. granting credits or loans to an investor to allow the latter to carry out a transaction in one or more financial instruments, where the firm granting the credit or loan is involved in the transaction;
 3. foreign exchange services where these are connected to the provision of investment services;
- and
4. investment research and financial analysis or other forms of general recommendation relating to transactions in financial instruments.

Also, DAM is authorised to carry out family office activities, in accordance with the Law of December 21st, 2012 relating to the Family Office activity, as amended.

Finally, it is to be noted that, in accordance with the categorisation of investment firms introduced as of June 26th, 2021, i.e. further to the entry into force of the Investment Firms Regulation¹, DAM is a so-called Class 2 IFR investment firm.

1.2 Engagement Policy

In accordance with the provisions of the Law of August 1st, 2019, amending the Law of May 24th, 2011 on the exercise of certain rights of shareholders at general meetings of listed companies (hereinafter referred to as the “2019 Law”), the Engagement Policy of DAM describes how the latter, when offering discretionary portfolio management services to its clients, integrates shareholder engagement in the respective investment strategies of client portfolios.

Specifically, the Engagement Policy, which is available on the Website of DAM (<https://dam-lux.com>), describes how the latter intends to:

- monitor the companies (hereinafter referred to as “Target Companies”) in the shares of which it invests on behalf its clients in respect of various subject matters, including strategy, financial

¹ Regulation (EU) 2019/2033 of the European Parliament and of the Council of November 27th, 2019 on the prudential requirements of investment firms.

and non-financial performance and risk, capital structure, social and environmental impact and corporate governance;

- conduct dialogues with the Target Companies;
- exercise voting rights attached to the shares of the Target Companies;
- cooperate with other shareholders of the Target Companies;
- manage actual and potential conflicts of interests in relation to its shareholder engagement.

It is to be noted that the Engagement Policy of DAM applies exclusively to the shares of those Target Companies (i) which have their registered offices in European Union (hereinafter referred to as the “EU”) Member States and (ii) the shares of which are admitted to trading on a regulated market situated or operating within EU Member States.

Materiality principle:

Finally, in recognition of the limited ability of DAM to exercise significant influence on Target Companies in those circumstances where shareholdings of client portfolios are not material, the Engagement Policy clarifies that DAM will not integrate shareholder engagement in the respective investment strategies of client portfolios if the aggregate shareholdings of the said portfolios in individual Target Companies amount to less than 3% of the latter’s outstanding shares (as calculated on the basis of the full market capitalisation methodology, as opposed to the free-float methodology).

2. 2021 ENGAGEMENT REPORT

2.1 Purpose

In accordance with the provisions of the 2019 Law, the purpose of this 2021 Engagement Report is to publicly disclose how the Engagement Policy of DAM was implemented over the January 1st to December 31st, 2021 period (hereinafter referred to as the “reporting period”), including in particular a general description of voting behaviour, an explanation of the most significant votes and the use of the services of proxy advisors, if any.

2.2 ‘Nil report’

Over the reporting period, the aggregate shareholdings of DAM’s client portfolios in individual Target Companies always amounted to less than 3% of the latter’s outstanding shares.

Accordingly, in accordance with the materiality principle more fully described above, under ‘1.2 Engagement Policy’, DAM did not integrate shareholder engagement in the respective investment strategies of client portfolios over the reporting period.

As a result, over the reporting period, DAM (i) did not monitor Target Companies in respect of various subject matters, including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance; (ii) did not conduct dialogues with the Target Companies; (iii) did not exercise voting rights attached to the shares of the Target Companies; (iv) did not cooperate with other shareholders of the Target Companies; and (v) did not manage actual and potential conflicts of interests in relation to its shareholder engagement.

Therefore, this 2021 Engagement Report is a ‘nil report’.



3. DISCLOSURE TO CLIENTS

DAM will make arrangements for this 2021 Engagement Report to be published on its Website (<https://dam-lux.com>), so as to facilitate its access to its clients.

Luxembourg, February 18th, 2022