

## Shareholders Rights Notice

The amended European Shareholder Rights Directive II (“SRD II”) was implemented on 10 June 2019. Its main objective is to encourage long-term shareholder engagement with investee companies regarding performance on strategy, governance, environmental and social issues.

Whilst the EU Directive applies to investee companies whose shares are admitted to trading on a regulated market in the European Economic Area (“EEA”), the FCA transposed SRD II into the FCA Handbook of Rules and Guidance and, in so doing, extended the scope of the SRD II requirements to include investee companies whose shares are listed on a comparable market outside the EEA (“UK SRD”).

Under UK SRD, CQS is required to:

- Develop and disclose an Engagement Policy that describes how we integrate shareholder engagement in our investment strategy [CQS Shareholder Rights and Stewardship Policy](#)
- Disclose, on an annual basis, how the engagement policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes and the use of the services of proxy advisors. These disclosures can be found in our [Stewardship and Shareholders’ Rights Report 2020](#).
- Disclose, on an annual basis to our institutional investors, how our investment strategy contributes to the medium/long term performance of the investor or relevant fund. These disclosures for institutional investors include the following:
  - 1) **Key material medium to long-term risks associated with the investments**  
These risks are listed in the offering document of each relevant fund.
  - 2) **Portfolio Composition**  
Information on the portfolio composition is disclosed in the offering document of each relevant fund.
  - 3) **Turnover and turnover costs**  
Information on portfolio turnover and turnover costs is available for each fund, on request.
  - 4) **The use of proxy advisers**  
Information on the use of proxy advisors and a copy of our 2020 voting activity can be found in our [Stewardship and Shareholders’ Rights Report 2020](#).
  - 5) **Securities lending**  
From time to time CQS may lend securities. Securities on loan can generally be recalled for upcoming shareholder meetings. The decision to recall securities lies with the individual portfolio manager.
  - 6) **How investment decisions are made based on the evaluation of medium to long-term performance of the investee company**  
Please refer to our [Stewardship and Shareholders’ Rights Report 2020](#).
  - 7) **Details of any conflicts which have arisen relating to engagement activities and how these were dealt with**  
Please refer to our [Stewardship and Shareholders’ Rights Report 2020](#).

Please contact your usual relationship manager at CQS should you have any additional questions about the contents of this Notice.

### Important Information

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**PRI Note:** PRI is an investor initiative in partnership with UNEP Finance and the UN Global Compact.

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Signatory of:



**NET ZERO ASSET  
MANAGERS INITIATIVE**



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