

# Engagement Policy

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## Introduction

Nielsen Capital Management Fondsmæglerselskab A/S (NCMF) manages a number of mandates, all of which are based on stewardship as part of their management. As a result, NCMF acts as a steward of the companies in which investments are made. This has historically generated returns that significantly outperformed the benchmark over a number of years, for the benefit of investors.

One policy goal is to ensure that NCMF complies with the Stewardship Code. This policy forms the basis for stewardship activities, including the exercise of voting rights

## Stewardship

The prerequisites for a high return on investment include the quality of the company's management and board of directors and the defined strategy for the company being invested in. NCMF makes long-term investments and wants to see governance processes in companies supporting long-term value creation in the companies.

Significant areas include, but are not limited to, management remuneration, good corporate practice and the company's Corporate Social Responsibility (CSR) policy. We believe that good governance and a high CSR level enhance companies' opportunities for sound future investments while mitigating shareholder risks.

## Exercise of voting rights

The engagement policy includes:

1. Monitoring relevant areas of the companies in which we invest, including strategy, financial and non-financial performance, risk, capital structure, social and environmental impact and good corporate governance.
2. Maintaining a dialogue with the companies in which we invest.
3. Ensuring that voting rights are exercised pursuant to investment targets and investment strategies.
4. Collaboration with other shareholders, if applicable.
5. Communication with relevant stakeholders in the companies in which we invest.
6. dealing with actual and potential conflicts of interest arising from the company's stewardship activities.



NCMF generally supports the company's board of directors but there may be issues in the individual company or on the individual market where it is assessed that board proposals should generally not be supported. This could include matters relating to performance-based management remuneration where the industry standard can vary from one country to the next.

### **Equity investments**

Equity investments are based on a fundamental, long-term investment approach. NCMF is of the opinion that markets are ineffective due to excessive focus on short-term "noise" and fluctuations in individual factors. All investments are based on an assessment of the company's expected future cash flows. Any new investment must contain an attractive price potential, regardless of the uniqueness of the company's positions.