



INDEXIQ ADVISORS LLC **PRINCIPLES FOR RESPONSIBLE INVESTING POLICY**

I. Introduction

IndexIQ Advisors LLC (“IndexIQ”) offers index and actively managed exchange-traded funds (“ETFs”) that include liquid alternatives and factor-based equity and fixed-income ETFs. IndexIQ also offers services to unified managed accounts, wrap, model portfolio and mutual funds.

In certain instances, IndexIQ has retained third-party subadvisers (each, a “Subadviser”) for portfolio management services. IndexIQ has also entered into an investment subadvisory agreement with New York Life Investment Management LLC (“NYLIM”) to subadvise a mutual fund managed by NYLIM.

As an institutional money manager, IndexIQ has a fiduciary duty to act in the best interest of its clients. We believe that environmental, social, and governance (“ESG”) issues are important in our product development process and with respect to the companies in which our products invest. In conjunction with these beliefs, IndexIQ is a signatory of the Principles for Responsible Investment (“PRI” or “Principles”). PRI believes that an economically efficient, sustainable global financial system is a necessity for long-term value creation. Such a system will reward long-term, responsible investment and benefit the environment and society as a whole. The PRI works to achieve this sustainable global financial system by encouraging adoption of the Principles and collaboration on their implementation; fostering good governance, integrity and accountability; and addressing obstacles to a sustainable financial system that lie within market practices, structures and regulation.

II. Policy Statement

The PRI provides a framework for incorporating ESG considerations into investment and ownership practices. In becoming a PRI signatory, IndexIQ commits to the following six aspirational Principles where appropriate and consistent with our fiduciary duty to clients:

- We will incorporate ESG issues into investment analysis and decision-making processes, as appropriate.
- We will be active owners and incorporate ESG issues into our ownership policies and practices.
- We will seek appropriate disclosure on ESG issues by the entities in which we invest.
- We will promote acceptance and implementation of the Principles within the investment industry.



- We will work together to enhance our effectiveness in implementing the Principles.
- We will each report on our activities and progress towards implementing the Principles.

III. ESG Integration

IndexIQ recognizes that applying the Principles may better align investors with broader objectives of society and the way the global economy interacts with society. Generally speaking, IndexIQ provides investment advisory services to open-end RICs operating as ETFs. In certain instances, IndexIQ may retain Subadvisers to manage an ETF's assets. IndexIQ utilizes both passive and actively managed ETF investment strategies

IndexIQ's passive ETF strategies generally seek investment results that correspond to the performance of an underlying index (the "Passive Strategies"). IndexIQ, through affiliated Subadvisers, provides actively managed ETFs, which generally seek investment results that do not seek to replicate the performance of a specific index. Instead, these active ETFs use an active management strategy to meet their investment objectives.

The Passive Strategies generally seek to track the performance of a specific index and therefore the level of ESG integration within the strategy may be limited. However, certain IndexIQ ETFs aim to track indices comprised of equity securities of companies meeting certain ESG investing criteria.

IndexIQ may: (i) launch and maintain products whose strategies incorporate ESG considerations and data; (ii) develop and implement ESG marketing content; and (iii) provide ESG investor education opportunities

IndexIQ is committed to strengthening and refining our ESG approach through continued dialogue and education. Corporate leadership, investment professionals and key stakeholders will continue to define IndexIQ's ESG strategy and vision for the future.

IV. Active Ownership, Including Engagement and Voting

As outlined in the Principles, active ownership is the use of the rights and position of ownership to influence the activities and/or behavior of investee companies. Active ownership can be applied differently in each asset class. For listed equities in particular, it includes, where IndexIQ deems relevant and appropriate and consistent with IndexIQ's fiduciary duty to clients, engagement and voting activities.

- Shareholder engagement captures any interactions between the investor and current or potential investee companies on ESG issues and relevant strategies, with the goal of improving (or identifying the need to influence) ESG practices and/or improving ESG disclosure. Shareholder engagement can involve a range of processes, including dialogue

and monitoring a company's ESG activities and initiatives. These interactions might be conducted individually or jointly with other investors.

- Collaborative engagements include groups of investors working together, with or without the involvement of a formal investor network or other membership organization.
- Voting refers to the exercise of voting rights on management and/or shareholder resolutions to formally express approval (or disapproval) on relevant matters. In practice, this includes taking responsibility for the way votes are cast on topics raised by management, as well as submitting resolutions as a shareholder for other shareholders to vote on (in jurisdictions where this is possible). Voting can be done in person or by proxy. Ballot items are not always closely related to environmental and social issues and cover financial performance, risk management, strategy and corporate governance matters. Voting and engagement practices are interrelated and feed into each other; one can be the initiator or the complementary tool of the other.¹

Passive Strategies may present more limited opportunities for IndexIQ to engage in active ownership. However, IndexIQ continues to look for opportunities to develop its active ownership processes, which may address: (i) an alignment with the Principles; (ii) asset classes covered; (iii) expectations and objectives with respect to undertaking engagement and voting activities; (iv) organizational structure and resources dedicated to ESG and active ownership; and (v) conflicts of interest when conducting active ownership activities.²

With respect to voting proxies on behalf of clients invested in ESG strategies or indices seeking to track the performance of equity securities of companies meeting ESG investing criteria, IndexIQ instructs the proxy vendor to vote proxies in accordance with the proxy vendor's socially responsible investing proxy voting guidelines (the "SRI Proxy Voting Guidelines"). SRI Proxy Voting Guidelines are designed to address ESG financial and social objectives of such investment strategies. IndexIQ believes that investors in such strategies expect portfolio companies to take more urgent action on proposals related to ESG issues.

Moreover, with respect to our securities lending program:

- IndexIQ seeks to recall all securities for voting on all ballot items for clients in invested in ESG strategies; and
- IndexIQ generally elects to withhold a portion of each holding from the securities lending program to permit the exercise of voting rights for non-ESG strategies for at least a portion of each ETF's holdings.

¹ UNPRI.org

² Id.



Governance

IndexIQ and NYLIM have established a joint ESG Governance Committee (the “Committee”), which has oversight and monitoring of this policy amongst other issues.

As applicable, the Committee will meet to:

- Review and discuss active ownership including our engagement and voting practices;
- Engage with the Subadvisers, as applicable, to assist in recognizing and understanding the impact of ESG and to discuss potential emerging ESG issues; and
- Evaluate current research practices related to ESG issues and identify enhancement opportunities.

V. Training and Reporting

In recognition that best practices in ESG integration are continuously developing, IndexIQ will participate in ESG-related training programs, as applicable.

As part of our commitment as a signatory, IndexIQ will report on our ESG activities to the PRI on an annual basis. This reporting will, include an organizational overview, strategy and governance information and business specific information among other items.

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