

IndexIQ Engagement Policy

I. Introduction

IndexIQ Advisors LLC (“IndexIQ”) is a subsidiary of New York Life Insurance Company (“New York Life”) and is part of a family of affiliated global investment boutiques. IndexIQ has been a signatory of the Principles for Responsible Investment (“PRI” or “Principles”) since 2019.

IndexIQ offers exchange-traded funds (“ETFs”) across a range of strategies including smart beta, alternative and active. IndexIQ also offers services to unified managed accounts, wrap, model portfolio and mutual funds. For certain funds, IndexIQ utilizes third-party subadvisors (each, a “Subadvisor”) for portfolio management and advisory services for the fund. For certain ESG strategies, IndexIQ utilizes indices that incorporate certain ESG selection criteria.

The engagement policy set forth below is guided by the PRI. As a signatory to the PRI, IndexIQ recognizes that applying the Principles may better align investors with broader objectives of society. In alignment with the second Principle of Responsible Investment, where possible and consistent with an investment mandate, we will be active owners and will incorporate ESG considerations into our ownership policies and practices. IndexIQ encourages its Subadvisors to be active owners by engaging with portfolio companies and voting at shareholder meetings, where applicable.

With respect to voting proxies and for more information, see [IndexIQ’s Proxy Voting Policy](#).

II. Scope

The policy set forth in this document applies to assets managed in the IndexIQ ETFs and other funds and accounts managed by IndexIQ. Due to the wide range of investment strategies offered by IndexIQ and IndexIQ’s engagement of multiple Subadvisors, various approaches may be used to implement the policy set forth below.

III. Methods of Engagement

At IndexIQ, we view engagement as interactions between an investor (or an engagement service provider) and current or potential investees (e.g. companies), conducted with the purpose of improving practice on an ESG issue, changing a sustainability outcome, or improving public disclosure. Engagement can also be carried out with non-issuer stakeholders, such as policymakers or standard setters. Engagements can also be collaborative in nature.

While the exact methods may vary, we believe that engagements can be undertaken in the following ways, where appropriate:

- Direct engagement with companies, issuers and other stakeholders
- Industry-level and policymaker engagement through participation in trade associations or other groups that represent industry participants on ESG topics
- Collaborative engagements with the broader industry

With regard to industry-level engagement, IndexIQ is represented through its own and its affiliate's membership and participation in trade associations such as the Investment Company Institute's (ICI) ESG Advisory Board and the Securities Industry and Financial Markets Association (SIFMA). These organizations regularly respond to ESG initiatives across the industry and engage directly with entities such as the SEC.

IV. Subadvised Strategies

For certain strategies, IndexIQ has retained Subadvisors for portfolio management services. We encourage our Subadvisors to become signatories to the PRI and uphold the second Principle, which states that they will be active owners and incorporate ESG considerations into their ownership policies and practices where consistent with investment objectives and their fiduciary duties. Our Subadvisors may engage with companies and issuers to gain a better understanding of their investments, identify material risks and opportunities, and support their investment decision-making process. Each of our Subadvisors have their own approach to engagement.

V. Engagement Topics

At IndexIQ, we believe that the following topics are important to consider when voting proxies, as well as during engagement conversations:

- Increased transparency and enhanced ESG disclosure
- Good corporate governance (including board structure and executive compensation)
- Environmental stewardship and climate change impacts and reporting
- Diversity, equity and inclusion
- Labor and human rights
- ESG risk and opportunity management

Our Subadvisors may have their own set of priorities and objectives in terms of engagements, but we encourage them to consider the above focus areas. We recognize that each Subadvisor will approach engagement on these topics in different ways that are most relevant to the asset class that they manage, as well as to their investment approach and process for specific mandates or strategies.

We also expect that prioritization of engagement topics will consider:

- Materiality of the issue
- Portfolio weight or company/issuer relevance within the portfolio

VI. Monitoring Results & Escalation

Engagement practices and any outcomes related to specific engagements may vary by strategy and Subadvisor, and will be monitored on a periodic basis.

If an engagement practice is utilized and initial engagement efforts are unsuccessful, various escalation methods may be employed to reengage with portfolio companies to accomplish their objectives. Due to the wide range of investment strategies offered by IndexIQ, escalation methods may vary.

Effective methods for escalation can include the following:

- Follow up engagements
- Placement on a watch list for further analysis
- Collaborative engagement initiative
- Exercise of voting rights against management
- In some cases, divestment

VII. Conflicts of Interest

Some conflicts of interest are inherent in the asset management business. IndexIQ is committed to promoting the highest ethical standards and practices, while pursuing its business interests and in its engagement practices. It is IndexIQ's policy to ensure that employees exercise authority and responsibility for the benefit of the firm and its clients and to avoid outside interests that may conflict with those of IndexIQ or its clients. IndexIQ employs various policies and procedures to identify and address potential conflicts of interest. Ultimately, each employee has an obligation to make prompt and full disclosure of any situation which may involve a conflict of interest.

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