



**IndexIQ Advisors LLC**  
**Proxy Voting Policy and Procedures**

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**I. Introduction**

IndexIQ Advisors LLC (“IndexIQ” or the “Adviser”) has adopted these “Proxy Voting Policy and Procedures” (“Policy”) to ensure compliance with Rule 206(4)-6 under the Investment Advisers Act of 1940, as amended (the “Advisers Act”), and Rule 30b1-4 under the Investment Company Act of 1940, as amended. The Policy is designed to provide guidance to portfolio managers and others in discharging the Adviser’s proxy voting duty and to ensure that proxies are voted in the best interests of IndexIQ’s clients.

**II. Policy**

It is IndexIQ’s policy that where proxy voting authority has been delegated to the Adviser by clients, all proxies shall be voted in the best interest of clients without regard to the interests of the Adviser or other related parties. In voting proxies, IndexIQ strives to take into account long term economic value in evaluating issues relating to items such as corporate governance, including structures and practices, accountability and transparency, the nature of long-term business plans, including sustainability policies and practices to address environmental and social factors that are likely to have an impact on shareholder value, and other non-financial measures of corporate performance. Accordingly, the Adviser votes all proxies with these goals in mind in accordance with the guidelines outlined below. It is further IndexIQ’s policy that complete and accurate disclosure concerning its proxy voting policies and procedures and proxy voting records, as required by the Advisers Act, be made available to clients.

**II. Procedures**

A. Account Set-up and Review

Initially, the Adviser must determine whether the client seeks to retain the responsibility of voting proxies or seeks to delegate that responsibility to the Adviser. The responsibility to vote proxies and the voting guidelines that will be followed for such client will be specified in the client’s investment advisory contract with the Adviser. The client may choose to have the Adviser vote proxies in accordance with the Adviser’s guidelines, discussed below, or the Adviser, in its discretion, may permit a client to adopt modified guidelines for its account (“Custom Guidelines”). Alternatively, the Adviser may decline to accept authority to vote such client’s proxies. The portfolio management team will be responsible for ensuring that each new client’s account for which the client has delegated proxy voting authority is established on the appropriate systems.

## **B. Proxy Voting**

### **i. Use of Third-Party Proxy Service**

The Adviser has selected Institutional Shareholder Services Inc. (“ISS”), a proxy research and voting service, to assist it in researching and voting proxies. ISS helps institutional investors research the financial implications of proxy proposals and cast votes that will protect and enhance shareholder returns. ISS provides research and analytical services, operational implementation, recordkeeping, and reporting services to research each proxy and provide a recommendation to the Adviser as to how to vote on each issue.

### **ii. Guidelines for Recurring Issues**

The Adviser has adopted ISS’s Sustainability proxy voting guidelines with respect to recurring issues (“Sustainability Guidelines”) for those funds without an environmental, social, governance (“ESG”) focus (“Non-ESG Funds”). These Guidelines address interests of sustainability-minded investors, which are concerned not only with economic returns and good corporate governance, but also with ensuring corporate activities and practices are aligned with the broader objectives of society. For clients incorporating ESG factors in their investment strategies, the Adviser has adopted ISS’s Socially Responsible Investing proxy voting guidelines (“SRI Guidelines”), which are designed to address the dual financial and social objectives of ESG focused shareholders.<sup>1</sup>

The Adviser’s Portfolio Oversight Committee reviews the Sustainability and SRI Guidelines as needed and will make modifications to these guidelines if it determines that a change is appropriate. The Sustainability and SRI Guidelines are meant to convey the Adviser’s general approach to voting decisions on certain issues. Nevertheless, the Adviser’s portfolio managers maintain responsibility for making final decisions based on the merits of each case and when ISS defers a determination to the Adviser.

For clients using proxy voting guidelines different from the Adviser’s Sustainability and SRI Guidelines, the Adviser will instruct ISS to make its voting recommendations in accordance with such modified guidelines. ISS will cast votes in accordance with its recommendations unless instructed otherwise by a portfolio manager as set forth below.

### **iii. Review of Recommendations**

The Adviser’s portfolio managers have the ultimate responsibility to accept or reject any ISS proxy voting recommendation (“Recommendation”). Consequently, the portfolio managers are responsible for understanding and reviewing how proxies are voted for their clients, taking into account the Policy, the guidelines applicable to the account(s), and the best interests of the client(s). The portfolio manager shall override the Recommendation should he/she believe that such Recommendation, based on all facts and circumstances, is not in the best interest of the client(s). The Adviser will memorialize the basis for any decision to override a Recommendation or to abstain from voting, including the resolution of any conflicts as further discussed below. The Adviser may have different policies and procedures for different clients which may result in different votes. Also, the Adviser may choose not to vote proxies under the following circumstances, including but limited to:

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<sup>1</sup> IQ Candriam ESG International Equity ETF, IQ Candriam U.S. Equity ETF and IQ Healthy Hearts ETF are referred to as the “ESG ETFs”. The remaining IQ ETFs are referred to as the “Non-ESG ETFs”.

- If the effect on the client’s economic interests or the value of the portfolio holding is indeterminable or insignificant;
- If the cost of voting the proxy outweighs the possible benefit; or
- If a jurisdiction imposes share blocking restrictions which prevent the Adviser from exercising its voting authority.

iv. Addressing Material Conflicts of Interest

Prior to overriding a Recommendation, the portfolio manager must complete the Proxy Vote Override Form and submit it to Investments Compliance for determination as to whether a potential material conflict of interest exists between the Adviser and the client on whose behalf the proxy is to be voted (“Material Conflict”). Portfolio managers have an affirmative duty to disclose any potential Material Conflicts known to them related to a proxy vote.

If Investments Compliance determines that there is no potential Material Conflict mandating a voting recommendation from the Portfolio Oversight Committee, the portfolio manager may override the Recommendation and vote the proxy issue as he/she determines is in the best interest of clients. If Investments Compliance determines that there exists or may exist a Material Conflict, it will refer the issue to the Portfolio Oversight Committee for consideration. The Portfolio Oversight Committee will consider the facts and circumstances of the pending proxy vote and the potential or actual Material Conflict and make a determination by majority vote as to how to vote the proxy – i.e., whether to permit or deny the override of the Recommendation or whether to take other action, such as delegating the proxy vote to an independent third-party or obtaining voting instructions from clients. In considering the proxy vote and potential Material Conflict, the Committee may review the following factors, including, but not limited to:

- The percentage of outstanding securities of the issuer held on behalf of clients by the Adviser;
- The nature of the relationship of the issuer with the Adviser, its affiliates or its executive officers;
- Whether there has been any attempt to directly or indirectly influence the portfolio manager’s decision;
- Whether the direction of the proposed vote would appear to benefit the Adviser or a related party; and/or
- Whether an objective decision to vote in a certain way will still create a strong appearance of a conflict.

The Adviser may not abstain from voting any such proxy solely for the purpose of avoiding conflict.

In the event ISS itself has a conflict and thus is unable to provide a recommendation, the portfolio manager may vote in accordance with the recommendation of another independent service provider, if available. If a recommendation from an independent service provider other than ISS is not available, the portfolio manager will make a voting recommendation and complete a Proxy Vote Override Form. Investments Compliance will review the form and if it determines that there is no potential Material Conflict mandating a voting recommendation from the Portfolio Oversight Committee, the portfolio manager may instruct ISS to vote the proxy issue as he/she determines is in the best interest of clients. If Investments Compliance determines that there exists or may exist

a Material Conflict, it will refer the issue to the Portfolio Oversight Committee for consideration as outlined above.

v. Lending

The Adviser will monitor upcoming meetings and call stock loans, if applicable, in anticipation of an important vote to be taken among holders of the securities or of the giving or withholding of their consent on a material matter affecting the investment. In determining whether to call stock loans, the relevant portfolio manager(s) shall consider whether the benefit to the client in voting the matter outweighs the benefit to the client in keeping the stock on loan. For clients incorporating ESG factors<sup>2</sup> in their investment strategies and for which the Adviser has adopted ISS's SRI Guidelines, the Adviser will call stock loans in anticipation of all votes to be taken among holders of the securities and of the giving or withholding of their consent on a matter affecting the investment.

vi. Use of Subadvisers

To the extent that the Adviser may rely on subadvisers, whether affiliated or unaffiliated, to manage any client account on a discretionary basis, the Adviser may delegate responsibility for voting proxies to the subadvisers. In such instances, the subadvisers either (i) follow the Policy or (ii) has demonstrates that their proxy voting policies and procedures are consistent with this Policy or otherwise implemented in the best interests of the Adviser's clients and appear to comply with governing regulations.

### **III. Compliance Monitoring**

A. Monitoring of Overrides

Investments Compliance will quarterly review ISS reports of portfolio manager overrides to confirm that proper override and conflict checking procedures were followed. All portfolio manager requests for overrides require a completed and signed Proxy Override Request Form.

B. Monitoring of Alerts

Investments Compliance will monitor ISS's voting platform (ProxyExchange) for Alerts where an issuer intends to file, or has filed, additional soliciting materials with the Securities and Exchange Commission after ISS's recommendation but before the voting submission deadline. ISS will also notify Investments Compliance via e-mail of any additional information that has been issued in an Alert.

In the event an Alert is issued sufficiently in advance of the voting submission deadline with additional information that may be expected to affect the Adviser's voting determination, Investments Compliance, in conjunction with portfolio management, will consider such additional information prior to exercising its voting authority.

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<sup>2</sup> Currently, the ESG ETFs.

### C. Oversight of Sub-advisers

Investments Compliance will annually review the proxy voting policies and procedures of the Adviser's sub-advisers and report to the Portfolio Oversight Committee its view as to whether such policies and procedures appear to comply with governing regulations. The Portfolio Oversight Committee will also review the voting records of the Adviser's sub-advisers as necessary.

### D. Oversight of Service Providers

Investments Compliance will review ISS to ensure that it has implemented effective compliance policies and procedures administered by competent personnel. These steps may include, but are not limited to:

1. Maintaining an active working relationship with ISS personnel and ensuring that the Adviser has direct access to such personnel;
2. Reviewing ISS's policies and procedures, including those related to conflicts of interest, and other documentation the Adviser may request from time to time to conduct general due diligence;
3. Reviewing copies of regulatory comments, deficiency letters and any material litigation concerning ISS;
4. Reviewing SSAE 18/SOC reports (or their equivalent), concerning ISS if available;
5. Reviewing ISS's cybersecurity program to ensure that ISS has policies and procedures designed to protect against and respond to cybersecurity threats; and
6. Reviewing ISS's business continuity and disaster recovery plan to ensure that ISS has policies and procedures designed to mitigate operational risks related to significant business disruptions to ensure their ability to continue operations during a business disruption event.

### E. Annual Proxy Voting Committee and Compliance Reporting

The Adviser's Portfolio Oversight Committee will serve as the "Proxy Voting Committee". The Portfolio Oversight Committee consists of representatives from various functional areas within the Adviser.

Annually, Investments Compliance will provide the Portfolio Oversight Committee with sufficient information to enable the Portfolio Oversight Committee to:

- Review the guidelines and make modifications to the selected guidelines as it deems appropriate.
- Recommend and adopt changes to this Policy, as needed.
- Review all portfolio manager overrides, if applicable.
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- Review the performance of ISS and determine whether the Adviser should continue to retain ISS's services.
- Review the Adviser's voting record or applicable summaries of the voting record.

- Review the voting records or applicable summaries of the voting records of the sub-advisers.
- Oversee compliance with regulatory disclosure requirements, as applicable.

#### **IV. Client Reporting**

##### **A. Disclosure to Advisory Clients**

The Adviser will provide a copy of this Policy and the Standard and ESG Guidelines upon request from a client. In addition, the Adviser will provide any client who makes a written or verbal request with a copy of a report disclosing how the Adviser voted securities held in that client's portfolio. Reports will be available for each twelve-month period from July 1 to June 30 of the following year. The report will be produced using ISS's services and will generally contain the following information:

- The name of the issuer of the security;
- The security's exchange ticker symbol;
- The security's CUSIP number;
- The shareholder meeting date;
- A brief identification of the matter voted on;
- Whether the matter was proposed by the issuer or by a security holder;
- Whether the Adviser cast its vote on the matter;
- How the Adviser voted; and
- Whether the Adviser voted for or against management.

##### **B. Investment Company Disclosures**

For each investment company that the Adviser manages, the Adviser will ensure that the proxy voting record for the twelve-month period ending June 30 for each registered investment company is properly reported on Form N-PX no later than August 31 of each year. The Adviser will also ensure that each such fund states in its Statement of Additional Information ("SAI") and its annual and semiannual report to shareholders that information concerning how the fund voted proxies relating to its portfolio securities for the most recent twelve-month period ending June 30 is available by calling the Fund, through the fund's website and on the SEC's website.

The Adviser will ensure that proper disclosure is made in each fund's SAI describing the policies and procedures used to determine how to vote proxies relating to such fund's portfolio securities. The Adviser will further ensure that the annual and semiannual report for each fund states that a description of the fund's proxy voting policies and procedures is available: (1) without charge, upon request, by calling a specified toll-free telephone number; and (2) on the SEC's website.

#### **V. Recordkeeping**

Either the Adviser or ISS, as indicated below, will maintain the following records:

- A copy of the Policy and SRI and Sustainability Guidelines (Adviser);
- A copy of each proxy statement received by the Adviser regarding client securities (ISS);
- A record of each vote cast by the Adviser on behalf of a client (ISS);
- A copy of all documents created by the Adviser that were material to making a decision on

the proxy voting or abstaining from voting of client securities or that memorialize the basis for that decision including the resolution of any conflict, a copy of all Proxy Vote Override Forms and all supporting documents (ISS and Adviser);

- A copy of each written request by a client for information on how the Adviser voted proxies on behalf of the client, as well as a copy of any written response by the Adviser to any request by a client for information on how the adviser voted proxies on behalf of the client. Records of oral requests for information or oral responses will not be kept. (Adviser); and
- Minutes of Portfolio Oversight Committee meetings with supporting documents. (Adviser).

Such records must be maintained for at least eight years.

**Attachments:**

Proxy Vote Override Form

**Proxy Vote Override Form**

Portfolio Manager Requesting Override: \_\_\_\_\_

Security Issuer: \_\_\_\_\_ Ticker symbol: \_\_\_\_\_

Cusip #: \_\_\_\_\_ # of Shares held: \_\_\_\_\_

Percentage of outstanding shares held: \_\_\_\_\_

Type of accounts holding security: exchange traded fund (name each fund): \_\_\_\_

Separate Accounts (specify number): \_\_\_\_

IndexIQ General Account: \_\_\_\_

Other (describe): \_\_\_\_\_

Applicable Guidelines (check one):  Standard  ESG

Other (specify): \_\_\_\_\_

Shareholder Meeting Date: \_\_\_\_\_

Response Deadline: \_\_\_\_\_

Brief Description of the Matter to be Voted On:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Proposal Type (check one):  Management Proposal

Shareholder Proposal (identify proponent: \_\_\_\_\_)

Recommended vote by issuer's management (check one):  For  Against

Recommended vote by ISS (check one):  For  Against  Abstain

No Recommendation

Portfolio manager recommended vote (check one):  For  Against  Abstain

Describe in detail why you believe this override is in the client's best interest (attach supporting documentation):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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Are you aware of any relationship between the issuer, or its officers or directors, and New York Life Investment Management or any of its affiliates?

No  Yes (describe below)

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Are you aware of any relationship between the issuer, including its officers or directors, and any executive officers of IndexIQ or any of its affiliates?

No  Yes (describe below)

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Are you aware of any relationship between the proponents of the proxy proposal (if not the issuer) and IndexIQ or any of its affiliates?

No  Yes (describe below)

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Are you aware of any relationship between the proponents of the proxy proposal (if not the issuer) and any executive officers of IndexIQ or any of its affiliates?

No  Yes (describe below)

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Has anyone (outside of your portfolio management area) contacted you in an attempt to influence your decision to vote this proxy matter?

No  Yes

If yes, please describe below who contacted you and on whose behalf, the manner in which you were contacted (such as by phone, by mail, as part of group, individually etc.), the subject matter of the communication and any other relevant information, and attach copies of any written communications.

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Are you aware of any facts related to this proxy vote that may present a potential conflict of interest with the interests of the client(s) on whose behalf the proxies are to be voted?

No  Yes (describe below)

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Certification:

The undersigned hereby certifies to the best of his or her knowledge that the above statements are complete and accurate, and that such override is in the client's best interests without regard to the interests of IndexIQ or any related parties.

\_\_\_\_\_ Date: \_\_\_\_\_

Name:

Title:

Supervisor Concurrence with Override Request:

\_\_\_\_\_ Date: \_\_\_\_\_

Name:

Title:

Investments Compliance Action:

- Override approved
- Referred to Portfolio Oversight Committee

\_\_\_\_\_ Date: \_\_\_\_\_

Name:

Title: