PCM Global Funds ICAV – Polaris Global Value UCITS Fund
Engagement Policy
June 30, 2020

Engagement Policy

The following Engagement Policy describes how Polaris Capital Management, LLC acting in its capacity as Investment Manager for the PCM Global Funds ICAV – Polaris Global Value UCITS Fund carries out the following in accordance with the Shareholder Rights Directive (SRD II):

- integrates shareholder engagement in its overall investment strategy
- monitors the listed companies on relevant matters, including strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance
- conducts dialogues with the listed companies
- exercises voting rights and other rights attached to shares
- cooperates with other shareholders of the listed companies
- communicates with relevant stakeholders of the listed companies
- manages actual and potential conflicts of interest in relation to its activities

This Engagement Policy is reviewed annually. The policy and findings from its annual review are available on the Fund's website at https://www.pcmglobalfundsicav.com.

Annual Disclosure

- indicates how the Engagement Policy has been implemented, including a general description of voting behavior and the use of the services of proxy advisors; and indicates how Polaris has cast votes in the general meetings of EU Listed Companies in which it holds shares.

Institutional Investor Disclosures Regarding Asset Managers

Where Polaris invests on behalf of EU institutional investors through PCM Global Funds ICAV – Polaris Global Value UCITS Fund, certain additional disclosure requirements apply to the EU institutional investor including:

- how Polaris is incentivized to align its investment strategy with the profile and duration of the liabilities of the EU institutional investor, in particular long-term liabilities
- how Polaris is incentivized to make investment decisions on medium to long-term performance of the EU Listed Company and to engage with the EU Listed Company in order to improve its performance
- how the method and time horizon of Polaris' performance and remuneration align with the profile and duration of the liabilities of the EU institutional investor
- how the EU institutional investor monitors portfolio turnover costs incurred by Polaris

- the duration of the arrangement with Polaris

Annual Disclosures to Institutional Investors

On an annual basis, Polaris will disclose to EU institutional investors information about:

- how Polaris' investment strategy complies with the arrangements entered into with such institutional investors
- how that strategy contributes to the medium to long-term performance of the assets of the institutional investors or of the funds

SHAREHOLDER ENGAGEMENT

Fundamental research, company and performance monitoring, risk and capital structure, corporate governance and dialogue with companies are key components of the Polaris investment strategy.

Polaris seeks to invest in the most undervalued companies worldwide that generate future cash flow for investors. A company partaking in unethical or irresponsible activities is not likely to be able to sustain future cash flows over the long term and may have other inherent risks that would not pass Polaris investment and risk screening.

The Polaris investment philosophy strongly emphasizes valuation over growth. The companies that typically enter the portfolios generate strong sustainable free cash flows and have conservative balance sheets. These companies are capable of performing well in difficult economic environments. Each company's valuation model begins with expectations of future cash flows from operations with extremely conservative assumptions.

Potential portfolio investments must meet the firm's required rate of return which is referred to as the PCM Global Cost of Equity. The proprietary PCM Global Cost of Equity is comprised of three components: the long-term average return on equity markets (assumed to be 7% after inflation); addition of a 2% active management premium and a country risk premium which serves as a means of addressing currency risk using real bond yields in each respective country. The firm's professionals apply the discount rate to extremely conservative estimates of future cash flows to determine the fair value of the investment. The approach is likely to continue to be effective as the growth rates of cash flow needed to justify investment are always far more conservative than forecasts.

The universe of securities includes approximately 40,000 global stocks that are screened at least monthly to narrow the selection down to approximately 500. The portfolio managers review these results and direct the research team to further evaluate those companies which look compelling based on both valuation and complementary characteristics the company may provide to the existing portfolios.

The analyst assigned to a particular company will conduct rigorous fundamental research on the company including: in-depth financial statement analyses, research on suppliers, customers, and competitors; and visiting or contacting company management, competitors, suppliers, and customers. Firm professionals assess industry conditions, competitive advantages, profitability, operating and financial leverage, and the quality of management. The research process considers possible catalysts or detractors that may help realize, or conversely hinder the value of the firm.

Fundamental analysis of companies that pass the screen:

- Industry analysis/Competitive analysis
- Management contact/meeting/site visit
- Reading annual and quarterly filings
- Financial statement analysis for past 5 or more years- volumes, pricing, cost, debt, capex, cash flows, use of free cash flows, etc. and financial ratio analysis
- Build financial model to find buy/sell price
- Multi point check list - Corporate governance, local press, view of fixed income market, sell side reports, etc.

A face-to-face meeting is not required in advance of a purchase. However, numerous calls with management are required as the analyst builds the investment rationale for purchase of the stock. The team typically participates in face-to-face meetings with more than 75% the companies in the portfolios. The team meets with 500 or more companies a year at company locations, in Polaris' offices and at conferences. The investment team prefers and actively seeks visits to company locations where analysts/portfolio managers can visit with all levels of the organization.

When a stock appreciates to its price target (when the valuation of the stock rises such that it is no longer priced to include the 2% alpha) the team will flag it as a sell candidate. A decision to sell a stock may be made if a company exists on the team's watch list that has better risk/ reward characteristics. Polaris may also sell when a company's fundamentals have deteriorated, affecting the outlook for the company's ability to meet the required rate of return over the next market cycle.

The investment team is responsible for monitoring the risk of the portfolio. Management of investment risk is a key aspect of the firm's investment process, and is reviewed continuously as part of the team's research effort. Applying the Polaris Capital Global Cost of Equity throughout the investment process attempts to ensure the investments selected will generate a return greater than market averages over time. Risk is measured using the beta of client returns versus the appropriate benchmark.

Almost all invested portfolio companies have stated numerical goals and projects that focus on sustainable business models and cash flows while ensuring that they pay due attention to all stakeholders; A majority follow UN standards. Polaris engages a media consultant who continuously looks for 'negative press' on any portfolio companies and brings these to the attention of the investment and client service teams for dialogue with company management.

The Polaris investment team regularly engages with portfolio companies on corporate governance issues. While Polaris is proactive in its communication with portfolio companies and potential buy candidates, final results do not always meet expectations. Topics and dialogue continue to be part of discussions and regular meetings with companies to ensure that continued concerns remain in focus. The team asks direct questions on topics and looks for concrete examples of actions meeting with words.

Although ESG is not directly defined in Polaris' investment policy, it is given strong consideration for the potential risk posed and is also weighed for individual client portfolios and investment guidelines. The investment team screens its multi-cap portfolio holdings for ESG issues as part of its overall investment research process. Annual ESG screening involves a thorough review of company literature, SEC filings, press and other resources. Companies that potentially have red-flag issues are contacted for clarification and resolution. Investment and client service team members work with an external public relations firm to screen its multi-cap portfolio companies for ESG issues. An initial analysis is presented to the larger investment team. Follow up with companies for clarification and dialogue is conducted by an investment team member and Polaris' public relations firm. Depending upon the company's response, a change to the client's portfolio may be necessary.

In order to influence companies and promote better corporate governance, risk management, performance or disclosure standards and on ESG-related issues, Polaris may cooperate with other shareholders if deemed to be in the best interest of clients and when not in violation of any laws or internal policies. For example, Polaris may cooperate with other shareholders when more likely to exert influence within the area of concern.

PROXY VOTING POLICY

Polaris will vote proxies delivered to it by the fund's custodian in accordance with this proxy policy. The vote will be cast in such a manner, which, in Polaris's judgment, will be in the best interests of shareholders. Boston Investor Services, Inc. has delegated responsibility for processing proxies on behalf of Polaris and its clients.

Polaris and its investment personnel will generally apply the following principals and guidelines:

- *Routine Corporate Governance Issues*
  Polaris will vote in favor of management.
  Routine issues may include, but are not be limited to, election of directors, appointment of auditors, changes in state of incorporation or capital structure. In certain cases the Adviser will vote in accordance with the guidelines of specific clients.
- *Non-routine Corporate Governance Issues*
  Polaris will vote in favor of management unless voting with management would limit shareholder rights or have a negative impact on shareholder value. Non-routine issues may include, but are not be limited to, corporate restructuring/mergers and acquisitions, proposals affecting shareholder rights, anti-takeover issues, executive compensation, and social and political issues.
  In cases where the number of shares in all stock option plans exceeds 10% of basic shares outstanding, Polaris generally votes against proposals that will increase shareholder dilution or allows management to issue shares during a hostile takeover.

- *Non-Voting of Proxies*
  Polaris may opt to not vote proxies if voting may be burdensome or expensive, or otherwise not in the best interest of clients.

- *Conflicts of Interest*
  Should a conflict of interest exist with regard to voting a proxy, the Polaris will disclose such conflict to the client and obtain client direction as to how to vote the proxy.

On rare occasions, Proxy voting proposals may raise conflicts between the interests of Polaris, its employees, or its affiliates and the interests of clients. Polaris must take steps designed to ensure, and must be able to demonstrate that those steps resulted in, a decision to vote the proxies that was based on the clients' best interest and was not the product of the conflict. For example, conflicts of interest may arise when:

- A proponent of a proxy proposal has a business relationship with Polaris or its affiliates
- Polaris or its affiliates has a business relationship with participants in proxy contests, corporate directors, or director candidates
- A Polaris employee has a personal interest in the outcome of a particular matter before shareholders; or
- A Polaris employee has a business or personal relationship with participants in proxy contests, corporate directors or director candidates.

Polaris investment personnel are responsible for identifying proxy voting proposals that present a conflict of interest. If Polaris receives a proxy relating to an issuer that raises a conflict of interest, the Compliance Officer along with Polaris management shall determine whether the conflict is considered "material" to any specific proposal included within the proxy. The Compliance Officer will determine whether a proposal is material as follows:

- Routine Proxy Proposals – Proxy proposals that are "routine" shall be presumed not to involve a material conflict of interest for Polaris, unless the Compliance Officer has actual knowledge that a routine proposal should be treated differently. For this purpose, "routine" proposals would typically include matters such as uncontested election of directors, meeting formalities, and approval of an annual report/financial statements.

- Non-Routine Proxy Proposals – Proxy proposals that are "non-routine" will be presumed to involve a material conflict of interest, unless the Compliance Officer determines that Polaris does not have such a conflict of interest. For this purpose, "non-routine" proposals would typically include any contested matter, including a contested election of directors, a merger or sale of substantial assets, a change in the articles of incorporation that materially affects the rights of shareholders, and compensation matters for management (e.g., stock option plans, retirement plans, profit sharing, or other special remuneration plans). The Compliance Officer will determine on a case-by-case basis that particular non-routine proposals do not involve a material conflict of interest, and will consider whether Polaris or any of its officers, directors, employees, or affiliates may have a business or personal relationship with a participant in a proxy contest, the issuer itself or the issuer's pension plan, corporate directors, or candidates for directorships.

- Any decision to override a vote due to a conflict of interest will be made by the investment personnel and reported to the Chief Compliance Officer.

- The Compliance Officer will record in writing the basis for any such determination.

Record Keeping

The following records will be kept:

- Copies of proxy voting policies and procedures.

- Copies of all proxy statements received.

- A record of each vote Polaris casts along with any notes or documents that were material to making a decision on how to vote a proxy including an abstention on behalf of a client, including the resolution of any conflict.

- A copy of each written client request for information on how Polaris voted proxies on behalf of the client and a copy of any written response by Polaris.

This proxy policy is distributed to all Polaris clients and in included in Part II of Form ADV as well as in the firm's Compliance Program.

The Compliance Officer is responsible for implementing, monitoring and updating this policy, including review of decisions made on non-routine issues and potential conflicts of interest. The Compliance Officer is also responsible for maintaining copies of all records and backup documentation in accordance with applicable record keeping requirements. The Compliance Officer can delegate in writing any of his or her responsibilities under this policy to another person.