

Legal Entity Policy

Voting Policy

General information

Scope of application	Vontobel: <input type="checkbox"/> Legal Entities: Vontobel Asset Management S.A. Client Units / Centers of Excellence / Additional Units: <input type="checkbox"/> AM <input type="checkbox"/> DI <input type="checkbox"/> WM <input type="checkbox"/> FR <input type="checkbox"/> HR <input type="checkbox"/> IN <input type="checkbox"/> LC <input type="checkbox"/> MA <input type="checkbox"/> SST <input type="checkbox"/> TS <input type="checkbox"/> CD <input type="checkbox"/> IA <input type="checkbox"/> IR
Original issuance	July 1, 2011
Current version effective from	December 1, 2022
Policy Owner	AM/GPS/PSL/FO
Policy Number	713
References	701, 146
Languages	EN
Signing Authority	Executive Management of VAMSA / Board of Directors VAMSA

Content information

The objective of this policy is to provide clear rules for proxy voting, which is subject to strict regulation as described in Article 23 of the Regulation 10-4 and Article 37 of AIFM-CDR.

History

ISSUANCE DATE	POLICY OWNER	REVISION TYPE	CHANGES
July 1, 2011	CO VAMSA	---	---
July 5, 2018	CO VAMSA	Update / Approval	----
Dec. 12, 2018	CO VAMSA	Annual Review	New Layout
Apr. 2, 2020	CO VAMSA	Update / Approval	---- ---
May 21, 2021	CO VAMSA	Update / Approval	Include ISS (VAM Inc)
Mar. 1, 2022	LC/AMINV/AML/LELUX	Minor Changes	New layout, adoption to new organizational structure, new chapter on internal control system (ICS) and exception to policy (EtP)
Dec 1, 2022	AM/GPS/PSL/FO	Annual Review	No changes

Table of Content

1. Introduction and Objectives	3
1.1 Objectives of the Policy	3
1.2 Scope of the Policy	3
1.3 Applicable rules	3
2. General Principle	3
3. Different Set-ups	3
3.1 Set-up 1: Appointed Agents	3
3.2 Set-up 2: Portfolio manager request	4
3.3 Set-up 3: External asset managers with their own voting agent	4
4. Conflict of Interest	4
5. Monitoring of relevant corporate events	5
6. Environmental, Social and Governance Criteria (“ESG criteria”)	5
7. Disclosure and update	5
8. Internal Control System (ICS)	5
9. Exception to Policy (EtP)	5
10. Entry into force	5

1. Introduction and Objectives

Vontobel Asset Management S.A. (hereafter “**VAMSA**”, the “**Management Company**”, the “**Firm**” or the “**Company**”) is a Luxembourg domiciled Management Company established on 29 September 2000 and registered in the Registre de Commerce et des Sociétés under number B78142.

VAMSA is subject to Chapter 15 of the Law of 17 December 2010 on undertakings for collective investment (UCI Law) and is also an external manager of alternative investment funds pursuant to Chapter 2 of the Law of 12 July 2013.

According to Article 23 of CSSF Regulation 10-4 and Article 37 of Commission Delegated Regulation 231/2013 (“AIFM-CDR”), the management company shall develop adequate and effective strategies for determining when and how voting rights attached to instruments held in the managed portfolios are to be exercised, to the exclusive benefit of the UCI and its investors.

1.1 Objectives of the Policy

VAMSA is committed to conduct its business in accordance with applicable laws and regulation.

In this context, the Company has developed a Voting Policy (hereafter “**policy**”). This policy aims to support the company to implement adequate and effective strategy for determining when and how voting rights attached to instruments held in portfolios are to be exercised.

This policy describes VAMSA’s strategies for the exercise of voting rights, taking into account the specificities of each Investment Funds’ portfolio. It covers all funds for which VAMSA acts as a Management Company.

1.2 Scope of the Policy

The policy shall apply to all employees of the Company (including its branches) and to the delegates (e.g. investment/portfolio managers) of the Company.

1.3 Applicable rules

Applicable rules in force are defined as the rules the Company shall comply with in the conduct of its business. The implementation of proxy voting strategy shall take into account the rules in force at local jurisdiction. In particular, reference is made to:

- Law of 17 December 2010 (the “UCITS Law”);
- Law of 12 July 2013 on Alternative Investment Fund Managers (the “AIFM Law”);
- CSSF Regulation 10-04 transposing commission directive 2010/43/EU of 1 July 2010 implementing directive 2009/65/EC (the “CSSF Regulation 10-04”);
- Commission Delegated Regulation 231/2013 (“AIFM-CDR”);
- Section 5.5.10 of Luxembourgish CSSF circular 18/698

2. General Principle

The approach of VAMSA is to exercise or to have voting rights exercised – on behalf of the funds - exclusively when:

- Prescribed by the investment policy of each sub-fund;
- Requested by the investment/portfolio manager, internal or external asset managers, of the sub-fund due to investors’ interests.

VAMSA, acting on behalf of the funds, is responsible for the exercise of voting rights actively, independently and exclusively in the interests of investors and the UCI.

The purpose of the policy is to:

- Prevent or manage conflicts of interest resulting from the exercise of voting rights;
- Establish appropriate and effective strategies for the exercise of voting rights;
- Monitor relevant corporate events.

3. Different Set-ups

There are currently three different set-ups.

3.1 Set-up 1: Appointed Agents

VAMSA has delegated the exercise of voting rights for certain sub-funds of Vontobel Fund.

The following agents, who are specialized in the exercise of voting rights, were appointed:

- **Institutional Shareholder Services (“ISS”)**; acting as its Agent. A “Custom Policy Implementation Document” established between Vontobel Asset Management Inc. and Institutional Shareholder Services Inc. on 18th November 2020;
- **Hermes Equity Ownership Services Limited (“HEOS”)**, acting as its agent based on the “Agreement for the provision of voting and engagement services” between VAMSA and HEOS, dated 1st April 2011 and
- **Ethos Services SA (“ETHOS”)**, acting as its agent based on the “Beratungsvertrag betreffend der Analyse der Tagesordnungen der Generalversammlungen mit Stimmempfehlungen und administrative Unterstützung zur Stimmrechtsausübung” between VAMSA and ETHOS, dated 8 January 2018 and effective as from 1 January 2018 and as subsequently amended.

Role and Powers of the Agents

Voting rights are exercised on the basis of the principles stipulated in the above agreements. These principles are compatible with the investment policy pursued by each of the sub-funds.

ISS, HEOS and ETHOS provides the management

company with their recommendations about how it is intended to vote.

The management company has the right to decline the recommendation and in this case, requests ISS, HEOS or ETHOS to vote differently, based on additional factors considered by the management company.

The management company has full access to open ballots and history of exercised votes on respective ISS, HEOS and ETHOS online platforms.

3.2 Set-up 2: Portfolio manager request

The Portfolio manager¹ notifies the management company about his proposal to vote in writing and by providing the justification for his voting recommendation (especially why this voting recommendation is in the investors' interests).

The management company validates the justification and coordinates with the depositary bank of Vontobel Fund all further steps – in case the justification has found consent of the management company (on behalf of the fund).

Each advice on the exercise of voting rights must be documented by the portfolio manager and the documentation has to be provided Fund Oversight within the management company in each particular case on a timely basis.

3.3 Set-up 3: External asset managers with their own voting agent

External asset managers² are required to appoint a voting agent and need to provide the management company in advance with its voting policy for approval. VAMSA (on behalf of the fund) will check whether the principles of proxy voting from the external manager are equivalent to the ones of the management company (Please refer to chapter of this policy "Environmental, Social and Governance Criteria").

Each exercise of voting rights must be documented by the external asset manager (or its voting agent) including the reason for its voting recommendation (and why this voting recommendation is in the investors' interests).

The documentation of the recommendation has to be provided to the management company which will validate them and coordinate with the depositary bank – if required.

The external asset managers need to provide to Fund Oversight of the management company with regular

(quarterly) reports on the exercised voting rights and corresponding documentation.

On an exceptional basis and subject to professional judgment, a different approach may be chosen by VAMSA's board for the method described here.

VAMSA has the right to decline the recommendation and request ISS, HEOS or ETHOS to vote differently, based on additional factors considered by the management company.

It is the role of the Management Company to receive notifications and coordination is the role of the Fund Oversight team (AM/GPS/PSL/FO).

The management company (Fund Oversight and L&C AM/INV) monitors (on behalf of the fund) the execution of voting rights and its documentation on a quarterly basis.

4. Conflict of Interest

Before exercising voting rights, VAMSA shall analyse potential conflict of interests arising from the exercise of voting rights and treats them, in accordance with Legal Entity policy 701 "VAMSA Conflict of Interest" in place.

The afore-said analysis includes in particular the following points:

- Conflict of Interests
 - between the voting agents (ISS, HEOS and ETHOS, see below) and investments to which voting rights are attached;
 - between VAMSA and investees on shares of which voting rights are to be cast;
- Exercise of voting rights for the funds under VAMSA's management.

Due to the nature of VAMSA and its legal environment, the Company cannot hold positions that lead to significant influence on an issuer's monitoring. Please refer to extract of Article 48 in UCITS Law:

"A UCITS may acquire no more than:

(...) 25% of the units of the same UCITS or other UCIs within the meaning of Article 2(2)"

Please refer to Group policy "146 - Internal Conflict of Interest Policy of the Vontobel Holding AG.

¹ Portfolio manager is the responsible for investment management of the sub-fund. Portfolio managers are usually employed within the Vontobel Holding AG. As an exception, votes coming from Vontobel Asset Management AG will not be taken into consideration due to Swiss FinFraG requirements.

² External asset managers are also responsible for investment management of the sub-fund, however they are not employed within the Vontobel Holding AG.

5. Monitoring of relevant corporate events

When determining a strategy for exercising voting rights, the firm shall ensure that the relevant corporate event and event are properly monitored.

VAMSA shall, when exercising voting rights in relation to securities held by the sub-funds, always exercise such voting rights in compliance with the investment objective and policy of the relevant sub-fund.

6. Environmental, Social and Governance Criteria (“ESG criteria”)

We believe the value of a company is driven by the sustainability of its business over the long term. We believe environmental, social and governance (ESG) factors will increasingly generate returns today and over long term to companies.

The medium and long-term aim of proxy voting is to achieve improvements in corporate governance and in the areas of sustainable business and social, ethical and environmental responsibility, and thereby to generate potential increase in shareholder value for the investor.

VAMSA pursues the principles listed below for the exercise of voting rights (and ensures their voting agents follow these or equivalent principles):

1. OECD Principles of Corporate Governance
<http://www.oecd.org/corporate/oecdprinciplesofcorporategovernance.htm>
2. EFAMA’s Code for External Governance – Principles for the exercise of ownership rights in investee companies
<http://www.efama.org>

We expect companies to understand the risks they face and create but also the opportunities ESG might bring to their businesses, and to act responsibly towards all stakeholders. All companies should seek to meet high corporate governance, environmental and social standards to ensure stakeholders’ long-term interests.

As per “Custom Policy Implementation Document” dated 18 November 2020, ISS considers ESG factors, in providing its recommendations.

7. Disclosure and update

This policy is available to investors free of charge, via <https://www.vontobel.com/funds>.

This policy shall be subject to regular updates. Any amendments to the policy must be duly approved by VAMSA’s Executive Committee and Board of Directors.

8. Internal Control System (ICS)

A general review of compliance with the Policy is not possible due to the nature of the content. In this sense, it can only be assessed on the basis of reported cases whether the provisions of the Policy have been complied with. For this reason, the provisions of this Policy are reviewed on the basis of individual cases which are brought to the attention of the responsible policy owner

and appropriate measures are taken in the event of non-compliance.

9. Exception to Policy (EtP)

To fulfill the scope and reasoning of this Policy no exception to policy is foreseen and will be granted.

10. Entry into force

This policy enters into force on December 1, 2022.