

# **Voting Policy Statement**

## **Vontobel Asset Management**

**Version 1.0**



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### **About Vontobel**

At Vontobel, we actively shape the future. We create and pursue opportunities with determination. We master what we do – and we only do what we master. This is how we get our clients ahead. As a globally operating financial expert with Swiss roots, we specialize in wealth management, active asset management and investment solutions. We empower our employees to take ownership of their work and bring opportunities to life. Because we are convinced that successful investing starts with assuming personal responsibility. We relentlessly question the achieved, striving to exceed the goals and expectations of our clients. The registered shares of the Vontobel Holding AG are listed on the SIX Swiss Exchange. The Vontobel families' close ties to the company guarantee our entrepreneurial independence. We consider the resulting freedom an obligation to assume social responsibility as well. As of December 31, 2018 Vontobel held CHF 247.3 billion of total client assets. Around the world and in our home market, we serve our clients from 26 locations.

### **About Vontobel Asset Management**

Vontobel Asset Management is an active asset manager with global reach and a multi-boutique approach. Each of our boutiques draws on specialized investment talent, a strong performance culture and robust risk management. We deliver leading-edge solutions for both institutional and private clients. Our commitment to active management empowers us to invest on the basis of our convictions. We deliver value through our diverse and highly specialized teams. Employing over 400 professionals worldwide – including 170 investment specialists – we operate across 13 locations including Switzerland, Europe and the US. We create strategies and solutions covering equities, fixed income, and multi-asset investments. The goal of achieving excellent and repeatable performance has been fundamental to our approach since 1988. A strong and stable shareholder structure guarantees our entrepreneurial independence and protects the long-term mind-set that guides our decision-making.

## 1. Introduction

Vontobel Asset Management (VTAM) recognizes that portfolio management of the assets of clients, which include stocks, may include an obligation to vote in relation to the stock. If authorized to do so, VTAM will vote in respect of the stock, typically by proxy, in a manner which it reasonably believes to be in the best interest of the client and in line with any specific legal or regulatory requirements in different jurisdictions or markets that may apply. In order to fulfil this responsibility, VTAM has implemented the voting policy set out below.

## 2. Objective and scope

Proxy voting is subject to strict regulations that typically provide for the establishment of

- appropriate and effective processes for the exercise and documentation of voting rights;
- measures and procedures to
  - monitor corporate events,
  - ensure that voting rights are properly exercised,
  - prevent or manage conflicts of interest resulting from the exercise of voting rights.

The scope of this policy covers all actively managed funds and discretionary mandates managed by Vontobel Asset Management (VTAM) unless VTAM has not been authorized to vote on behalf of clients in relation to the assets managed. Funds and mandates managed based on quantitative investment strategies are out of scope.

The policy applies broadly to all VTAM entities. However, this policy is subject to any entity specific policies that may be in place as required by law, regulation or market practice. The aim of this policy is to set an overarching framework for any local entity specific policies such as policy No 719 (VAMSA) and policy No 219 (VFSAG). In the unlikely event of a conflict, the local policy shall prevail.

## 3. Applicable rules

Applicable rules in force are defined as the laws and regulations applicable to a VTAM entity in the conduct of its business. The implementation of a proxy voting strategy shall take into account the rules in force at local jurisdictions.

## 4. Principles

The medium and long-term aim of shareholders' votes is to increase shareholder value, which may include but are not limited to achieving improvements in corporate governance and areas of sustainable business including social, ethical and environmental responsibility. The aim is to support the generation of shareholder value for investors through providing a healthy balance of shareholders with the operating social and environmental context of the business.

VTAM and its portfolio managers pursue established principles which are provided by the proxy voting service providers. These service providers follow, among others, the following guidelines and 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>
3. ICGN Global Corporate Governance Principles

## 5. Different set-ups

VTAM's authorization to exercise or to have voting rights exercised, on behalf of funds and discretionary mandates it manages is set out in the relevant investment management agreement.

There are currently two different set-ups.

### 5.1 Set-up 1: with proxy voting agents

The portfolio managers, in coordination with the respective management company, are ultimately responsible for determining how to vote and therefore have the discretion to independently decide any final vote on a proposal. For exercising voting rights VTAM has engaged Hermes Equity Ownership Services Limited ("HEOS"), Institutional Shareholder Services, Inc. ("ISS"), and Ethos Services SA ("ETHOS") who are specialized in the exercise of voting rights and also provide research services.

Voting rights are exercised on the basis of the principles stipulated in the agreements with the agents. These principles must be compatible with the investment policy pursued by each fund and mandate.

The proxy service providers provide VTAM and its responsible portfolio managers with their voting recommendations. The portfolio manager<sup>1</sup> will notify the final proposal to vote in writing and by providing justification for any choices that deviate from those recommended by the engaged proxy voting service provider. The respective management company will validate the justification and coordinate with the depositary bank all further steps. Each deviating advice on the exercise of voting rights must be documented by the portfolio manager and the documentation has to be provided to the management company in each particular case on a timely basis.

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<sup>1</sup> The portfolio manager is the responsible for investment management of the sub-fund. Portfolio managers are usually employed within the Vontobel Group due to Swiss FinFraG requirements.

The voting of “controversial” proxies of “impactful holdings” can be discussed by the VTAM’s Executive Committee. An “impactful holding” is defined by a larger holding across all VTAM’ investment teams (typically 5% of outstanding share capital). A controversial issue could include: remuneration topics, M&A activities or other issues which are regarded as controversial by the voting agents.

The agents provide VTAM with reports on exercised votes at least on a yearly basis.

## **5.2 Set-up 2: for external asset managers**

Where a VTAM management company entity appoints an external asset manager<sup>2</sup>, they are expected to provide the VTAM management company in advance with their respective voting policy to ensure that the principles of voting from the external manager are equivalent to this policy.

Each exercise of voting rights must be documented by the external asset manager (or its voting agent) including the reason for its voting recommendation. The documentation has to be provided to the management company which will validate them and coordinate with the depository bank if required.

The external asset managers need to provide the management company with at least a yearly report on the exercised votes and corresponding documentation.

## **6 Disclosure and update**

This voting policy statement is available to investors free of charge, via <https://funds.vontobel.com> and <https://am.vontobel.com/de/sustainable-investing>.

The policy shall be subject to regular updates. Any amendments to the policy may be made by the compliance function and executive management and must be duly approved by the Head Business Unit AM.

## **7 Entry into force**

This policy comes into force as per December 31, 2019.

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<sup>2</sup> External asset managers are also responsible for investment management of the sub-fund. However, they are not employed within the Vontobel Group.