

# Voting Rights Policy

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## **22. Voting rights policy**

In accordance with article 37 of the Delegated Regulation of the EU Commission supplementing Directive 2011/61/EU ("AIFMD Level II") and CSSF regulation 10-4 regarding the management of Undertakings for Collective Investment in Transferable Securities ("UCITS"), Luxembourg investment Solutions S.A. ("LIS"), as Management Company subject to Chapter 15 of the law of 17 December 2010 and AIFM subject to the Law of July 12, 2013, applies voting rights on the basis of the following policy.

### **22.1 Scope of the policy**

The policy applies to the full range of UCI / UCITS for which LIS acts as management company.

### **22.2 Delegation of voting Rights to external managers**

LIS believes that the portfolio managers are in general in the best position to use the portfolios' voting rights in the most beneficial way possible for the funds, and have access to all relevant information to do so. As the case may be and depending on the individual fund management mandate, LIS has delegated the portfolio management function to a licensed third party service provider. In those cases, LIS generally delegates - based on the afore mentioned reasons - the exercise of voting rights relating to General Meetings to the Portfolio Manager of these Funds.

Before entering into agreements with new external Portfolio Managers, LIS will perform a due diligence on the voting rights policies of these Managers, to verify that their voting rights policy complies with the general principles described in the present policy. If the delegated Portfolio Manager's voting rights policy is not compliant with LIS' general principles on the usage of voting rights or if the Portfolio Manager does not possess such a policy, LIS' will exercise the voting rights itself. Otherwise, decisions with a financial impact higher than 1,00% of the respective fund's NAV are subject to prior consent by the Portfolio Management Department of LIS.

The Management Company reserves the right to review the voting strategy of the Investment Manager on a discretionary basis. LIS provides investors on request with the voting rights policies of the Portfolio Management delegates.

## 22.3 General voting procedure & methods

LIS monitors all relevant corporate actions in relation to the UCI's voting rights and ensures that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant UCI. Furthermore, LIS as responsible Portfolio Manager will apply the following general principles when practising voting rights:

### *Capital Measures*

LIS in general only approves changes in the investments' capital structure, if they are not detrimental to the funds' shareholders.

### *Governing Bodies*

In the following cases, LIS considers to vote for a change in the Governing Bodies:

- weak or sharp decline of performance
- significant doubts about the competences of the Governing Bodies
- legal compliance failure or other severe misconduct

### *Mergers and Acquisitions*

LIS will look at mergers and acquisitions on a case by case basis. Only if sufficient information exists and the process is in line with the interests of the investors, LIS will vote for a merger or a takeover.

### *Reporting*

If there is a lack of validity of the reports, LIS will abstain or vote in exceptional cases against the particular agenda items. If the financial statements are not compliant with standard accounting rules, we will vote against the acceptance of the annual financial statements.

### *Conflicts of Interest*

LIS will prevent or manage any conflicts of interest arising from the exercise of voting rights according to its Conflict of Interest Policy.

### *Process*

Voting rights decisions are taken by the responsible Director for Investment Management and are to be approved by the responsible Managing Director of the Department. The process must be documented in a written form.

## **22.4 Contact**

LIS keeps the latest version of this voting right policy on its internet website and at the company's registered office. For any further questions, do not hesitate to contact us under:

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## **Approval by the BoD**

This policy has been extracted from the current Organizational Manual, approved by the BoD of LIS.