
Voting Rights

Policy

Version 5.0

31/01/2020

1. Legal reference

The Voting Rights Policy (the "Policy") is designed with a view to allow MUFG Lux Management Company S.A. (hereafter "MUFGLM") to comply with the requirements related to the exercise of voting rights set out in:

- the CSSF Regulation 10-04 of 20 December 2010, transposing Commission Directive 2010/43/EU of July 1st, 2010 implementing Directive 2009/65/EC of the European Parliament and of the Council, as regards organizational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a Depositary and a Management Company (the "CSSF Regulation 10-04");
- the Circular CSSF 18/698 regarding authorisation and organisation of investment fund managers incorporated under Luxembourg law & specific provisions on the fight against money laundering and terrorist financing applicable to investment fund managers and entities carrying out the activity of registrar agent (hereafter "Circular 18/698");
- the European Commission Delegated Regulation (EU) 231/2013 of December 19th, 2012, supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision (the "European Commission Delegated Regulation") ("AIFMD Level 2").

2. Fundamental principles

The relevant provisions of the CSSF Regulation 10-04 (article 23), the European Commission Delegated Regulation 231/2013 (article 37), and the Circular 18/698 (points 392-396) require that the strategy for the exercise of voting rights determines measures and procedures for:

- a) monitoring relevant corporate events;
- b) ensuring that the exercise of voting rights is in accordance with the investment objectives and policy of the relevant fund managed by MUFGLM;
- c) preventing or managing any conflicts of interest arising from the exercise of voting rights.

3. Scope of the Policy

The Policy applies to MUFGLM and to the appointed portfolio managers and advisors, as applicable, in the context of managing undertakings for collective investment in transferable securities ("UCITS") and alternative investment funds ("AIFs") located either in Luxembourg or other jurisdiction, and defines the minimum measures and procedures required by MUFGLM, when it is responsible to

develop a strategy for the exercise of voting rights, to ensure that the voting rights attached to instruments held by the funds are exercised to the exclusive benefit of the funds and its investors.

According to point 393 of Circular 18/698, a fund that has not specifically mandated MUFGLM to exercise the voting rights to the instruments held in its portfolio, must develop its own policy for the exercise of voting rights.

MUFGLM's strategy is to entrust the relevant portfolio manager with the exercise of any such voting rights for the funds for which the portfolio management function is delegated. In this case, MUFGLM gets the confirmation from the portfolio manager(s) that they always vote in a manner which is in line with a particular fund's investment strategy, policy and objectives, and in the exclusive interests of its investors.

As part of its due diligence duties, MUFGLM ensures that the portfolio manager has established and maintains up-to-date a policy relating to the exercise of the voting rights attached to the securities held by the relevant sub-fund(s) and implements such policy by monitoring any action taken on behalf of the funds/sub-funds.

In some cases, MUFGLM acts also as portfolio manager for some Cayman funds for which MUFGLM may decide at its absolute discretion whether or not to perform the exercise of any voting rights attached to the investments if appropriate and if needed.

4. Reporting to MUFGLM

Where the portfolio management function is delegated, the portfolio manager shall report to MUFGLM on a regular basis on the exercise of voting rights.

Quarterly KPIs are organized by MUFGLM by which it is requested from the portfolio manager to confirm if any voting rights have been exercised during the reporting period.

MUFGLM will ensure that the guidelines described in the portfolio manager's voting policy are, to the extent possible, followed by the portfolio manager and that a report shall be presented to it by the former at least annually, such report including all the proxies received and the decisions which were taken for each proxy, communications received, decision's support documentation, or any document which may be relevant.

MUFGLM maintains in an adequate and orderly manner records of these voting activities. To this end, MUFGLM puts in place "management information" permitting the follow-up of these delegated activities.

Finally, it is ensured that this management information is available in Luxembourg and kept in a central database accessible at any time in Luxembourg.

5. Ongoing Monitoring and Review

The proxy voting process will be periodically reviewed by MUFGLM conducting officers and compliance officer in order to ascertain that voting rights are exercised in the best interests of MUFGLM's clients, i.e. the funds, and their investors, and that the portfolio managers' voting processes remain well-structured, efficient and exercised in the best interests of the funds and their investors.

6. Disclosure of voting strategy

A brief description of MUFGLM's voting strategy and/or the one from a delegate will be made available to investors free of charge, in particular by way of a website.

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