

Legal Entity Policy Vontobel Asset Management S.A.

Voting Policy

General information

Scope of application	Vontobel Group: <input type="checkbox"/> Legal Entities: Vontobel Asset Management S.A. Business-/Support-Units: <input type="checkbox"/> AM <input type="checkbox"/> IB <input type="checkbox"/> WM <input type="checkbox"/> CS <input type="checkbox"/> FR <input type="checkbox"/> OP
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Signing Authority	Head Business Unit AM / 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
1 st July 2011	CO VAMSA	---	---
5 th July 2018	CO VAMSA	Update / Approval	----
12 th Dec. 2018	CO VAMSA	Annual Review	New Layout

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1. Introduction

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 concerned funds.

2. Objective and scope

Proxy voting is subject to strict regulation as described in Article 23 of the Regulation 10-4 and Article 37 of AIFM-CDR, and provides for the establishment of

- Appropriate and effective strategies for the exercise 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 funds managed by Vontobel Asset Management S.A. ("VAMSA" of "Company").

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.

3. Applicable rules

Applicable rules in force are defined as the rules with which the Company shall comply 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 10-4 transposing commission directive 2010/43/EU of 1 July 2010 implementing directive 2009/65/EC (the "CSSF Regulation 10-4");
- Commission Delegated Regulation 231/2013 ("AIFM-CDR");
- CSSF circular 18/698 on authorisation and organisation of Luxembourg management companies (the "CSSF circular 18/698").

4. Different set-ups

The approach of Vontobel Asset Management S.A. is to exercise or to have voting rights exercised – on behalf of the funds - exclusively when it is either prescribed by the investment policy of each sub-fund, or requested by the investment/portfolio manager (VT internal portfolio managers and 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.

There are currently three different set-ups.

4.1 Set-up 1: with Hermes and Ethos as an agent

VAMSA has delegated the exercise of voting rights for certain sub-funds of Vontobel Fund to Hermes Equity Ownership Services Limited ("HEOS") and Ethos Services SA ("ETHOS") who are specialized in the exercise of voting rights - to act as its agent based on the "Agreement for the provision of voting and engagement services" between VAMSA and HEOS, dated 01.04.2011 and 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 s from 1 January 2018 and as subsequently amended.

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

HEOS/ETHOS provides the management company with its recommendations how it is intended to vote. The management company has the right to decline the recommendation. In this case the vote will be not exercised by HEOS/ETHOS.

HEOS/ETHOS provides the management company with reports on exercised voting rights (on a quarterly basis).

4.2 Set-up 2: Portfolio manager request

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).

¹ Portfolio manager is the responsible for investment management of the sub-fund. Portfolio managers are usually employed within the Vontobel Group. As an exception, votes coming from Vontobel Asset Management AG will not

be taken into consideration due to Swiss FinFraG requirements.

Each 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.

4.3 Set-up 3: for 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. Management company (on behalf of the fund) will check whether the principles of proxy voting from the external manager are equivalent to them of the management company itself (see chapter 5 of 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 (and why this voting recommendation is in the investors' interests). The documentation 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 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 set-up 3.

In charge at the management company for receiving notifications and coordination is the Outsourcing & Risk Monitoring team.

The management company (Outsourcing & Risk Monitoring and compliance function) monitors (on behalf of the fund) the execution of voting rights and its documentation on a regular basis.

5. Principles

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, etc., and thereby to generate potential increase in shareholder value for the investor.

The management company 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>

6. Disclosure and update

This policy is available to investors free of charge, via <https://funds.vontobel.com>. The CSSF has the right to request a copy of this policy all times.

This 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 VAMSA's Board of Directors.

7. Entry into force

This policy comes into force with immediate effect.

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