

## Engagement & Proxy Voting Policy Disclosure

(October 2019)

### Responsibilities

GFM will manage voting rights with the same level of care and skill as it manages the investments of its Funds. GFM may rely on the delegate investment managers/sub-managers or any other proxy agents (“the delegates”) to manage investments in EU investee companies and to place votes for and on behalf of the Funds.

In such case, by way of initial due diligence and ongoing monitoring, GFM will ensure that the delegates comply with the applicable regulatory requirements on engagement and proxy voting strategy principles and that the delegates have adopted and implemented written engagement and voting policies that are in line with the GFM’s general engagement and voting principles and in accordance with the investment objectives and policies of the relevant Funds.

GFM will ensure that it has access to the delegates’ policies and the actual proxy voting records upon request.

### General voting principles

- **Investor’s Best Interest** – The investment in Funds’ EU investee companies are managed and respective proxies are exclusively voted in the Funds’ and Investors’ long-term best interests.
- **Shareholder Activism** - When the Fund gives the authority to vote proxies for securities held in its account, generally GFM does not assume the role of an active shareholder. Rather, if GFM is dissatisfied with the performance of a particular company, it will generally reduce or terminate the position in the company rather than attempt to force management changes through shareholder activism.
- **Management recommendations** – Each vote is ultimately cast on a case-by-case basis, taking into account the relevant facts and circumstances at the time of the vote. Nevertheless, and in absence of a particular reason to the contrary, GFM or its delegate votes in line with the management’s recommendations. However, GFM reserves the right to depart from this policy in order to avoid voting decisions that GFM or its delegate believes may be contrary to the Funds’ and Investors’ best interests.
- **Material Conflicts of Interest** – Material conflicts of interest are resolved in the best interest of the Funds and the Investors. When a material conflict of interest arises between any of GFM, the Funds and their respective Investors, a delegate or an EU investee company, this is handled in line with the principles as described in GFM’s Conflicts of Interest Policy or the respective policy of GFM’s delegates.
- **Investor Protection** – When investing in foreign markets, protection for shareholders may vary significantly from jurisdiction to jurisdiction. Proxy voting in some countries requires share blocking (shareholders wishing to vote must deposit their shares with a designated depository and cannot be sold during the blocking period shortly before/after the meeting), and in case GFM considers the value of casting the vote does not outweigh the detriment of not being able to transact in shares during the blocking period, GFM or its delegates may decide not to vote on the affected shares.

### Engagement and Proxy Voting

GFM has delegated the portfolio management to specialized delegates. Where the investment policy and objectives of a Fund provide for, such delegate typically analyses potential EU investee companies applying numerous criteria before investing in such company.

In case a Fund gives the authority to vote proxies for securities of EU investee companies held in its account the attached voting rights may be exercised by the delegate in such manner as the delegate may determine in its sole discretion pursuant to this policy, always acting in the best interest of the Fund and its Investors. Such exercise may be based on several aspects including, but not limited to an EU investee company's business strategy, financial and non-financial performance and risk, capital structure, social and environmental impact and corporate governance. If the delegate deems it appropriate or necessary the delegate may interact and cooperate with other shareholders and other stakeholders of an EU investee company to safeguard the interests of the Fund and its Investors.

The respective delegation agreement (e.g. (Sub-)Investment Management Agreement) will refer to proxy voting arrangements. The agreement should include language authorizing to vote or to refrain from voting.

### **Available information**

The Engagement & Proxy Voting Policy is available free of charge to unitholders at GFM's registered office or by writing to:

- Global Funds Management S.A., P.O. Box 289, L-2012, Luxembourg; or to
- [info-GFM@nomura.com](mailto:info-GFM@nomura.com)

As of the date of this document GFM does not consider the size of the holdings in any of its Funds' EU investee companies to which voting rights are attached as significant. Details of the actions taken on the basis of those strategies are available to the unitholders free of charge upon request.