

## POLICIES/ PROCEDURES

**Subject:** Voting rights policy

Last updated by: Portfolio Management

Date: 11/2023

**Approved by:** Board of Directors

**Date:** 11/12/2023

### 1. INTRODUCTION

Alma Capital Investment Management S.A. (hereafter “ACIM”) is a Luxembourg-based management company, authorised and regulated by the CSSF, subject to Chapter 15 of the UCI Law of 17 December 2010, and to chapter 2 of the AIFM Law of 12 July 2013 as amended. ACIM is the management company for UCITS and alternative investment funds or sub-funds.

Under the freedom of establishment and freedom to provide services in another Member State of the European Union, ACIM has established a branch in France, Alma Capital Investment Management, French branch (the “French Branch”), authorised by the Autorité des Marchés Financiers (“AMF”).

Following the Brexit, ACIM has established a subsidiary in the United Kingdom, Alma Capital London (hereafter “ACL” or “the subsidiary”), authorised by the Financial Conduct Authority (“FCA”) to manage UCITS funds. This subsidiary is fully owned by ACIM and only performs activities that are linked to the funds managed by ACIM (mostly portfolio management and distribution). Also, the Board of Directors of ACL has acknowledged that all policies and procedures applicable to ACIM should also be applicable to ACL, considering that ACL employees only work for ACIM benefits. In particular and for the avoidance of doubt, this policy specifically applies to the operations of the Investment Management teams employees of ACL, in charge of the Portfolio Management of some of the ACIM Funds.

This Policy applies to ACIM, including its French Branch, and to its Subsidiary. Reference in this Policy to “Alma” or the “Company” includes its French Branch and its Subsidiary.

Portfolio management of most of the UCITS funds managed by ACIM is delegated to external investment managers. However, the portfolio management of some UCITS is performed internally, through ACL. In addition, acting as AIFM, ACIM ensures the portfolio management function of the alternative investment funds under its responsibility.

The current policy has been implemented in order to disclose the strategy and guidance to be adopted by the Investment Managers (internal to Alma or delegates) on the exercise of the voting rights attached to the instruments held in the managed portfolios in the best interests of the shareholders of the funds.

Voting rights attached to instruments held in the funds are to be exercised to the exclusive benefit of the concerned fund and of its investors.

## **2. LEGAL AND REGULATORY FRAMEWORK**

The main regulatory references for the voting rights are:

- Directive 2009/65/EC of the European Parliament and of the council of 13 July 2009 (“UCITS Directive”);
- Directive 2011/61/EU of the European Parliament and of the council of 8 June 2011 on Alternative Investment Fund Managers (“AIFMD”);
- Directive 2017/828 of the European Parliament and of the council of 17 May 2017 (amending Directive 2007/36/EC) as regards the encouragement of long-term shareholder engagement (“SRD II”);
- Luxembourg Law of 17 December 2010 concerning undertakings for collective investment;
- Luxembourg Law of 12 July 2013 on alternative investment funds managers;
- Luxembourg Law of 24 May 2011 on the exercise of certain rights of shareholders at general meetings of listed companies;
- UK Conduct of Business Sourcebook;
- CSSF Regulation 10-04 dated 24 December 2010;
- CSSF Circular 18/698 dated 23 August 2018 related to the 3apitalizatio and 3apitalizati of investment fund manager incorporated under Luxembourg law;
- EFAMA Stewardship Code.

## **3. SRD II ENGAGEMENT POLICY**

SRD II applies to Management Companies and asset managers based in the European Union that invest in shares of EU listed companies. It aims to strengthen investor rights and improve communication between listed companies and their shareholders.

Considering that:

- The funds managed internally do not invest in shares in EU listed companies;
- The delegated investment managers of funds investing in shares of EU listed companies are all based outside of the European Union (and thus out of scope of SRD II).

ACIM has no obligation to make publicly available such engagement policy in compliance with SRD II and decided not to do so. However, ACIM strives to ensure the delegated investment managers adopt engagement policies and/or apply strong governance principles in the portfolio management activities.

## **4. MONITORING OF CORPORATE EVENTS**

All equities are held with the Custodian Bank of each respective fund. As part of its duties, the Custodian Bank monitors and communicates to the Investment Manager any corporate event connected to instruments held.

Such notification is done with minimum delay and certainly within an appropriate lapse from publication and/or notification of a meeting of the company issuing the relevant financial instruments, with sufficient notice to allow attendance.

## 5. EXERCISE OF THE VOTING RIGHTS

### 5.1 Investment Management performed internally (i.e. via ACL)

For the UCITS portfolio that is managed internally (only Alma Capital Investment Funds – Alma Eikoh Japan Large Cap Equity Fund as of the date of this policy, investing in large cap Japanese equities considering that the actual investment management of Alma Platinum IV – UBS Multi Strategy Alternatives is delegated to sub-Investment Managers), the Investment Management team strives to vote each time it has the opportunity to do so. Voting decisions are discussed among the Investment Management team in order to reflect the position which is – in the opinion of the Investment Management team – in the best interest of the shareholders of the fund taking into account not only financial perspectives, but also sustainability factors.

Considering the features of the target companies (3apitalization over USD 1 billion), it is expected that the weight of the shares held by Alma Capital Investment Funds – Alma Eikoh Japan Large Cap Equity Fund would not represent enough to enable to swing a particular decision on one side or another.

A record of all decisions, including the rationale for such decisions when the outcome is to vote against the management of the company, is kept on file by the Investment Management team.

As highlighted in the personal transactions policy of ACIM, the members of the Investment Management team are not permitted to invest into large cap Japanese equities; which should prevent any conflict of interest between the fund holdings and their personal holdings.

### 5.2 Investment Management function delegated

When the Investment Management function of a fund is delegated, the voting rights are carried out by the delegate in accordance with its own procedures.

Such procedures are obtained and reviewed by ACIM as part of the due diligence and oversight process in order to ensure they comply with the current regulatory framework applicable in the country of domicile of the fund and with the offering documents of the fund.

## 6. CONFLICTS OF INTEREST

It is reminded that voting rights attached to instruments held in the funds are to be exercised to the exclusive benefit of the concerned fund and of its investors. Should the interest of the fund (and its shareholders) conflict with the interest of ACIM or of a delegated Investment Manager, the interests of the fund shall be placed ahead of the interests of ACIM or of the

delegated Investment Manager. Such conflict of interest (if it arises) shall be reported to the Compliance Officer and recorded in the register of conflicts of interests.

It is expected that no significant influence is exercised through the voting rights attached to instruments held across different funds.

**7. SECURITY LENDING**

Security lending could impair the ability of the fund to execute its voting rights. At the date of this procedure, it has been decided not to use such efficient portfolio management technique.

**8. COMMITMENT TO THE UNITED NATIONS PRINCIPLES FOR RESPONSIBLE INVESTMENT (“UNPRI”)**

As a signatory of the UNPRI, ACIM incorporates Environmental, Social and Governance (“ESG”) issues into its investment analysis and decision-making processes, including voting activities.

It also encourages its delegated Investment Managers to consider ESG criteria when casting their votes on behalf of the fund’s investors.

For the internally managed funds (i.e., managed by ACL), the managers of the portfolio consider each vote on its own merits and will always vote to ensure the long-term benefit of the investee companies and in turn, investors. Besides, ACIM has engaged with Broadridge to enable the investment team to exercise 100% of voting rights for Alma Capital Investment Funds – Alma Eikoh Japan Large Cap Equity Fund.

**9. RECORD KEEPING**

For the internally managed funds, ACIM and ACL keep the record of the voting decisions.

When the investment management function is delegated, ACIM also delegates the responsibility of record-keeping to the delegated Investment Managers to ensure the availability of these records to the shareholders.

These records will be retained for a period of five (5) years.

Details of the actions relating to the exercise of voting rights are available free of charge, upon request of investors.