

**Crédit Andorrà Asset Management Luxembourg (CAAM Lux)**

Société anonyme

**Registered office: 30 Boulevard Royal,**

**L-2449 Luxembourg, Luxembourg**

R.C.S. Luxembourg B 98.745

**VOTING RIGHTS POLICY**

In accordance with the law of 17 December 2010 on undertakings for collective investment and the CSSF Regulation N° 10-4, art.23, Crédit Andorrà Asset Management Luxembourg (hereafter the “Company”) has established and implemented an appropriate policy to determine how and when the voting rights of the shares in the portfolios under management will be exercised.

An integral part of the Company’s investment strategy is to closely monitor the business, operational and financial status of companies held in the portfolios.

This includes reviewing proposals which are put to a shareholder vote.

**General Principles**

In most cases the matters submitted to a vote are routine in nature and are not deemed to be material to the value of the UCITS’s investment. In such cases any potential benefit to be gained from exercising its voting rights is outweighed by the time and costs of doing so. In these cases, the Company will not make use of its voting rights.

For matters that could have a material impact on the interests of investors, such as long-term impact applies namely in the following instances:

- Mergers and acquisitions,
- Takeovers,
- Reorganizations,
- Disposals of sub-areas,
- Changes in the structure of capital and voting rights of companies.

In cases where the result of a shareholder vote could lead to a material change in the value of a UCITS’s investment in a security, the Company does exercise its rights.

The Company naturally exercises its voting rights solely on the basis of what it is determined to be the best interest of the UCITS and its shareholders.

## **Voting Procedure**

### Phase 1

The depositary bank is in charge to monitor and inform the Conducting Officers of the Company the events affecting the securities held in the portfolio for which the Company may exercise its voting rights.

### Phase 2

When an annual general shareholders' meeting is announced, the Conducting Officer in charge of the Investment management department of the Company receives information relating to the holding of the meeting (cut off date and voting/meeting date, proposed resolutions, etc...).

### Phase 3

In case voting rights would be used, the Company would delegate the voting rights by virtue of a Power of Attorney to either the conducting officers or a legal external advisor or to a legal/compliance representative from the promoter's entity which exercises voting rights on their behalf for all Annual General Meetings and Extraordinary General Meetings (if any), for each fund covered by the Power of Attorney which has a holding entitled for a voting process. However, the Company retains the right to either instruct the proxy holders on how to vote or to vote themselves.

The Company will maintain records of proxies voted. Such records include copies of general meeting invitations; number of shares voted, communications received and internal documents created that were material to the voting decision. On a monthly basis, a report on how these general meetings were voted will be submitted to the UCITS' Board of Directors and to the Conducting Officers of the Company.

The request for exercising voting rights can come also from the Investment advisor of the managed UCITS, who provides the Investment Manager of the UCITS with the voting recommendations (if any) to be submit to the Board of Directors of UCITS involved in the voting.

The votes will be performed with the shares available at the custodian banks of the Managed UCITS at the time of the general meeting. For voting purpose, no recall from securities lending program will be allowed unless it is agreed with the Board of Directors in advance that such a recall is in the best interest of the UCITS and its investors.

The Conducting Officers shall apply the provisions of the Voting Policy of the Company to the resolutions announced.

Any vote that deviates from the Voting Policy of the Company shall be justified by the Conducting Officers and shall be subject to prior approval by the Board of Directors of the UCITS.

The Execution of voting rights comes into effect on July 1 2013.

The Company reserve the right to amend this procedure from time to time if circumstances (e.g. changes to legislation and regulations or progressive insight) make this necessary.

The Company will follow the appropriate procedures for this and will notify its staff members and Service Agents immediately.

### **Conflicts of interest procedure**

During the proxy voting process, the Company may be confronted with conflicts of interest, especially with entities within his group.

To avoid such problems, a procedure has been developed for resolving these conflicts.

The Company has identified the following circumstances where a potential conflict of interest may primarily arise (not an exhaustive list):

- The UCITS invests in financial instruments issued from a Group's company;
- The Directors of the Company or a Third Party is likely to make a financial gain, or avoid a financial loss, at the expense of the UCITS.
- The Directors of the Company or a Third Party has a financial or other incentive to favor the interest of a group of clients over the interests of all the clients.
- The Directors of the Company or a Third Party receives or will receive an inducement in relation to a service provided, in the form of monies, goods or services, other than the standard commission or fee for that service.

The first preventive measure is to make available to the shareholders its voting policy and criteria.

Secondly, in cases where conflicts of interest have been identified, the following procedure will be followed:

- 1 The board of directors of the Company will be warned that certain resolutions are in conflict with the Voting Policy;

- 2 An explanatory document is prepared by the Conducting Officers;
- 3 A meeting of the Board, Conducting Officers, Compliance officer of the Company is organized;
- 4 The Board of the UCITS makes the final voting decision, accordingly to the Law of 17 December 2010 as well as CSSF regulation n°10-4, art.23.