VOTING RIGHTS AND SHAREHOLDER ENGAGEMENT POLICY

Waystone Investment Management (IE) Limited

Background

Waystone Investment Management (IE) Limited (the "Firm") acts as Investment Manager to a number of Collective Investment Schemes ("CIS"). Where the Firm acts as Investment Manager for a portfolio investing in listed companies which have their registered office in a European Union member state (a "Member State"), the Firm is responsible for adhering to the European Union (Shareholders' Rights) Regulations 2020 ("SRD II").

1. Introduction

In accordance with Directive (EU) 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, as implemented by the European Union (Shareholders' Rights) Regulations 2020 amending the Companies Act 2014, the UCITS Regulations and where relevant Company Law, the Firm , to the extent that the Firm invest in shares of companies which have their registered office in a European Union member state and whose shares are traded on a regulated market on behalf of investors, is responsible for ensuring that systems and controls are established, implemented and maintained to ensure that:

- an engagement policy is publicly disclosed that describes how the Firm integrates shareholder engagement in the investment strategy of managed Funds, or publicly disclose a clear and reasoned explanation why they have chosen not to do so,
- a framework of policies, procedures and controls is established to ensure an adequate and effective strategy for determining how and when voting rights attached to instruments held in the relevant Funds are to be exercised, so that these rights attached to instruments held in the managed portfolios are to be exercised, and accordingly benefit mainly to the relevant Funds and their investors.

2. Objectives

The purpose of this policy is to define the minimum measures and procedures required by the Firm, where 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 relevant Funds are exercised if and when such exercise has as its aim to maintain or improve the value of the instruments they are attached to.

In principle the MIFID Firm encourages effective shareholder engagement to the extent it has a positive effect on corporate governance, and believes that shareholder engagement aspects relating to environmental, social and governance ("ESG") principles may strengthen the overall position of a company and allow investment risks to be managed properly on a long-term basis with a view to strengthen trust in financial markets and attract investors willing to make an impact.

Based on the "comply or explain" principle, a specific engagement policy for a Fund (or any sub-fund thereof) might not be publicly available where:

(i) the investment advisor or organ of decision of the Funds does not require to apply a specific engagement policy to the Funds (or to the relevant sub-fund(s) thereof).

Where the Firm Acts as Investment Manager

The Firm may act as investment manager for UCITS and portfolio manager for AIFs.

With respect to UCITS for which the Firm acts as investment manager, the voting rights and shareholder engagement strategies to be developed will not only depend on the investment strategy and nature of underlying investments but also on objective criteria relating to the effectiveness and relevance of the potential exercise of voting rights and shareholder engagement aspects attached to such investments. By way of principle, the Firm when acting as investment manager for UCITS does not intend to participate directly or indirectly in the management of companies the shares of which are held in the portfolio of the relevant UCITS. the Firm shall instead consider the exercise of voting rights and shareholder engagement aspects in accordance with the best interest of the relevant UCITS and/or its investors. In practice, each decision subject to a vote as shareholder depending on a unique set of facts, these should be taken into account when determining whether the vote is in the best interests of the relevant UCITS and/or its investors.

It may be the case that based on the "comply or explain" principle, as further described above, the Firm decides to not apply a Funds specific engagement policy and abstain from voting or to decline to vote when, on basis of a factual analysis, e.g. the cost of the exercise of a voting right exceeds the expected economic value of the effect of the vote on the underlying investment. For example, such a situation may happen when the shareholding held by the relevant UCITS in a given underlying investment is insignificant.

The Firm usually agrees with the initiator of the Funds how to best develop and implement the engagement policy specific to a Funds in the interest of such Funds, its investors and, as the case may be, the listed target company.

Should an investment advisor be appointed in respect of the relevant UCITS or AIF, specific discussions may take place in order to determine and adopt the most efficient engagement and voting rights policy.

From a process perspective, once it has been decided how to exercise voting rights, the Firm may instruct external parties (e.g. the central administration agent of the relevant UCITS, the investment advisor) to perform the necessary diligences and actions to formalise the decision taken.

With respect to AIFs for which the Firm acts as portfolio manager, given the heterogenic nature of the corporate governance arrangements at AIF level and/or the underlying investments, the Firm develops appropriate voting right strategies on a case-by-case basis

For AIFs investing into liquid assets only, a similar approach applicable to UCITS may also be applied to liquid AIFs.

Depending mainly on the investment policy and strategy of the relevant AIF and the arrangements agreed upon with the Institutional Investors, the Firm usually considers engagement in two manners: (i) engaging with target companies, mainly by meetings and direct communications with the senior management of such companies and/or (ii) exercising voting rights in the interest of such AIF, its investors and, as the case may be, the listed target company.

Further actions for engaging with listed target companies may be agreed upon with the Funds, its initiator and/or investment advisor.

The Firm, the initiator of the Funds and/or the investment advisor will also publish (e.g. on its website) at least on an annual basis how the engagement policy has been implemented, including a general description of voting behaviour, an explanation of the most significant votes and the potential use of proxy advisors' services. To distinguish between most significant votes (being subject to disclosure) and insignificant votes (not being subject to disclosure) qualitative criteria (e.g. due to the subject matter of the vote) or quantitative criteria (e.g. due to the size of the holding in the listed target company) may be applied. Based on the "comply or explain" principle, such information might not be publicly available, e.g. in case the investment strategy of the Funds does not justify for such an implementation.

The Firm, the initiator of the Funds and/or investment advisor will also disclose at least on an annual basis to Institutional Investors or publicly make available how the investment strategy and implementation thereof complies with the applicable arrangements entered into with Institutional Investors. For the avoidance of doubt, the Firm as Investment Manager in principle does not enter into any agreement with Institutional Investors.

In addition, the Firm shall ensure to evidence and document that any investment decision taken and the exercise of voting rights or any other engagement related action are in line with this policy and, as the case may be, any Fund specific engagement policy.

3. Asset Stripping

When an AIF, individually or jointly, acquires control of a non-listed company or an issuer pursuant to paragraph (1) of Article 30 of Alternative Investment Fund Managers Directive (2013), the Firm shall for a period of twenty- four months following the acquisition or control of the company by the AIF, in so far as DMS IMS or the appointed portfolio manager are authorised to vote on behalf of the AIF at the meetings of the governing bodies of the company, shall not be allowed to vote in favour of a distribution, capital reduction, share redemption and/or acquisition of own shares by the company as described hereafter:

a) any distribution to shareholders made on the closing date of the last financial year the net asset value as set out in the company's annual accounts are, or following such a distribution would become, lower than the amount of the subscribed capital plus those reserves which may be not distributed under the law or the articles of incorporation, on the understanding that where the uncalled part of the subscribed capital is not included in the assets shown in the balance sheet, this amount shall be deducted from the amount of subscribed capital;

b) any distribution to shareholders, the amount of which would exceed the amount of the profits at the end of the last financial year, plus any profits brought forward and sums drawn from reserves available for this purpose, less any losses brought forward and sums placed to reserve in accordance with the law or the articles of incorporation;

c) to the extent that acquisitions of own shares are permitted, any acquisition by the company, including shares previously acquired by the company and held by it, and shares acquired by a person acting in his own name but on the company's behalf, that would have the effect of reducing the net assets below the amount mentioned in point a).

The term "distribution" referred to in points (a) and (b) above shall include, in particular, the payment of dividends and of interest relating to shares.

The provisions on capital reductions shall not apply on a reduction in the subscribed capital, the purpose of which is to offset losses incurred or to include sums of money in a non-distributable reserve provided that, following that operation, the amount of such reserve is not more than 10% of the reduced subscribed capital.

The restriction set out in point (c) above shall be subject to points (b) to (h) of Article 20(1) of Directive 77/91/EEC.

4. UCITS specific rules

Pursuant to article 48 (1) of the law of 17 December 2010 on undertakings for collective investments, as amended, "an investment company […] may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body."

Accordingly, in the case where the Firm has the possibility to exercise such significant influence, it may have to take relevant steps so as to safeguard the best interests of the UCITS and its investors. As per sub-sections 2 and 3 above, the Firm or, as the case may be, the relevant investment manager/sub investment manager must therefore establish an adequate and effective strategy for determining when and how voting rights attached to the instruments held in the portfolio of the relevant UCITS are to be exercised, to the exclusive benefit of the relevant UCITS and its investors.

The Firm shall ensure that no significant influence is exercised through the voting rights attached to instruments held across different portfolios under control by the investment manager. Significant influence in this context is mainly determined based on the numeric limits as applicable based on the laws under which the instrument is issued. In some situations, the investment manager may be deemed to exercise significant influence even if the aggregated voting rights are less than a numeric limit.

If a significant influence may be exercised, the Firm may abstain from voting on behalf of the UCITS or transfer the voting rights to an independent third party, which would act in the best interest of the UCITS and its investors.

5. Review and Update

The Voting Rights and Shareholder Engagement Policy will be reviewed regularly and on an at least annual basis. Any changes to this Policy must be approved by the Board of Directors.

6. Public Disclosure

The Voting Rights and Shareholder Engagement Policy, or a substantive version thereof, shall be made available on the Firm website, and a hard copy be provided on request by institutional investors.