

Voting right policy

Document history

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1 Introduction

1.1 BLI - Banque de Luxembourg Investments

BLI - Banque de Luxembourg Investments (“**BLI**”) is a UCITS and AIFMD compliant management company in accordance with Chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment as amended, whose authorisation covers, in addition to the activity of collective management according to article 101(2), also one or several services provided for by article 101(3) of the law of 17 December 2010, and in accordance with the Luxembourg law of 12 July 2013 relating to alternative investment fund managers.

BLI is a 100%-subsidiary of Banque de Luxembourg, société anonyme.

BLI offers its services to investment funds initiated by Banque de Luxembourg and other entities of Caisse Fédérale de Crédit Mutuel group, in which case it performs itself the portfolio management, as well as by third party funds and fund initiators, where it generally delegates the portfolio management function to external regulated portfolio managers as proposed by the third-party fund or the fund initiator.

1.2 Purpose and scope of the Policy

The purpose of the present voting right policy (the “**Policy**”) is to describe the processes established by BLI as regards the exercise of voting rights related to the securities held by the portfolios (investment funds and discretionary mandates) it manages (the “**Products**”). The Policy is deemed to ensure that the voting rights are exercised in the exclusive benefit of the Products in accordance with applicable laws and regulations (the “**Regulation**”). In this context the Policy determines measures and procedures for:

- monitoring relevant corporate events;
- ensuring that the exercise of voting rights is in accordance with the investment objectives and policy of the Products; and
- preventing or managing any conflicts of interest arising from the exercise of voting rights.

This Policy takes into account BLI’s adherence to the United Nations-supported Principles for Responsible Investments as well as BLI’s commitment to sustainable and responsible investing (“**SRI**”).

It applies to undertakings for collective investment in transferable securities (UCITS) and alternative investment funds (AIFs) managed by BLI. The Policy distinguishes two scenarios:

- Voting right policy applicable to Products for which BLI effectively acts as portfolio manager (see Chapter 2 of the Policy);
- Voting right policy applicable to Products for which BLI has delegated portfolio management to a third party (see Chapter 3 of the Policy).

2 Voting in the case of BLI managing the portfolio

2.1 Appointment of BLI as proxy voter

For funds set up under the contractual form (i.e. FCP), BLI is always entrusted with the voting rights relating to the portfolio securities held by the fund.

For funds set up under the corporate form as well as for discretionary mandates, BLI is only entrusted with the voting rights relating to the securities held by the Product, if it has been mandated to exercise such voting rights in the portfolio management agreement to be entered into between the fund or the mandator and BLI.

2.2 Support provided by the Proxy Voting Advisor

BLI has appointed Institutional Shareholder Services (“ISS”) in order to provide professional advice on the various situations where BLI has to vote in relation to securities held by the Products. In this context, the role of ISS consists of:

- Informing BLI on any voting event alongside the corresponding voting agenda;
- Providing voting recommendations in accordance with the chosen voting policy;
- Executing votes based on BLI's decision; and
- Reporting to BLI in order to allow the latter to monitor the accuracy and timing of the voting.

BLI has subscribed to ISS' Sustainability Policy that is geared to the frameworks set by recognized global governing bodies (such as OECD, UNGC, ILO, EU, ...) promoting sustainable business practices advocating for stewardship of environment, fair labour practices, non-discrimination and the protection of human rights.

BLI's SRI team reviews ISS' sustainable proxy voting policy and its updates at least annually in order to confirm that it is still aligned with the Regulation, BLI's investment philosophy and commitment to socially responsible investing as well as the Products' and their investors' interests.

2.3 Voting decision taken by BLI

On an ongoing basis, ISS will provide the employees of BLI with voting suggestion for each voting event identified. Such suggestions may be challenged by portfolio managers as well as members of the SRI team. Should they not provide any comment within the deadline set in the delegation agreement, then ISS will cast the vote in line with the provided suggestion.

2.4 Ongoing monitoring of the Proxy Voting Advisor's activities

BLI has access to the ISS Proxy Exchange platform that allows to vote at meetings, to find research, to follow up on engagements and to run reports. Additionally, ISS provides BLI with the following key performance indicators as regard the executed votes:

- Annual Exception Reports;
- Statistics on the meetings at which votes were cast;
- Types of agenda items covered;
- Number of ballots cast.

2.5 Conflicts of interest

As part of the exercise of voting rights, BLI ensures

- to comply with its conflict of interest policy and exercise, where applicable, voting rights exclusively in the interest of the Products;
- to refrain from exercising voting rights (attached to instruments held by the Products) at meetings of companies in its home group or if it itself has a personal interest in the result of the vote;
- not to make public information relating to its voting intentions at meetings of the companies held by the Products;
- not to stack the voting rights attached to the financial instruments held in the various Products in order provide the management company with a qualified consolidated participation representing more than 10% of the voting rights at meetings of the companies held by the Products.

2.6 Reporting

Upon request of a representative of an investment fund or mandator, BLI provides reports on

- how voting rights have been executed;
- any material matter concerning the proxy voting activities.

BLI's annual SRI Activity Report contains a chapter dedicated to the exercise of votes at general meetings. It can be consulted [here](#).

3 Voting in the case of BLI having delegated the portfolio management

BLI delegates to its external portfolio managers, as part of the portfolio management delegation contract, the power to exercise the voting rights attached to the instruments held in the portfolio of the third-party funds (the "**Funds**").

As part of the initial and ongoing due diligence performed on the external portfolio managers, BLI ensures that they have a proper voting right policy. They are required to set up appropriate and effective strategies as to when and how the voting rights attached to the instruments held in the portfolios they manage are exercised, so that these rights benefit exclusively the Funds and their investors. The strategies define measures and procedures in order to

- follow up on relevant events;
- ensure that the voting rights are exercised in accordance with the objectives and the investment policy of the Funds;
- prevent or manage any conflict of interest resulting from the exercise of voting rights.

3.1 Conflicts of interest

As part of the exercise of voting rights, the delegate portfolio managers must observe the points listed under 2.5.

3.2 Engagement policy

BLI does not impose its own engagement policy on its delegate portfolio managers. The investment strategy as well as the investment policy of the Funds are defined by the Board of Directors of the Funds and implemented by the external portfolio managers. BLI will monitor the publication and implementation of the engagement policies by the delegate portfolio managers via the initial and ongoing due diligence conducted on the portfolio managers.

3.3 Reporting

BLI asks the delegate portfolio managers to provide a regular report on how their voting rights have been executed and how their engagement policy has been implemented.

4 Publication and update of the Policy

This Policy will be amended to reflect any evolutions in the approach, organizational changes and legislative and regulatory developments. In all cases, it will be reviewed at least once a year by BLI's SRI team and material changes will be approved by the internal Sustainable and Responsible Investment Committee.

In accordance with the Regulation, details of measures taken based on the Policy may also be made available to investors, at their request and free of charge.

5 Legal information

This document has been written by BLI - Banque de Luxembourg Investments and describes the processes it has established as regards the exercise of voting rights related to the portfolio securities held by the funds it manages. This document is not an advertising communication within the meaning of Regulation (EU) 2019/1156 of the European Parliament and of the Council of 20 June 2019 on facilitating cross-border distribution of collective investment undertakings and amending Regulations (EU) No 345/2013, (EU) No 346/2013 and (EU) No 1286/2014.

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