

VOTING RIGHTS POLICY

INTRODUCTION

Voting rights allow shareholders to participate in ordinary and extraordinary meetings and in the decision-making process relating to important corporate events. By investing in collective undertakings, investors do not retain their voting rights and are therefore relying on fund managers to act on their behalf.

The voting rights are entrusted to the Investment Manager which is in the best position to use the portfolios' voting rights in the most beneficial way and has access to all relevant information.

In the event the Company wishes to enter into agreements with external delegated investment managers, the Company will perform a due diligence on the voting rights policies of these managers, to verify that their voting rights policy complies with the general principles described in the present policy. If the delegated Investment Manager's voting rights policy is not compliant with general principles of the Company on the use of voting rights or if the Investment Manager does not possess such a policy, the Company's voting rights policy will be applied.

The Board of Directors has therefore adopted and implemented this policy that it believes is reasonably designed to ensure that votes are casted in the best interest of the shareholders.

The Board of Directors is responsible for reviewing and updating on a periodical basis this current policy for new developments in corporate governance practices and changes in regulatory environment.

GENERAL VOTING PROCEDURE

The Board of Directors has established, and periodically reviews, a minimum percentage holding under which it has deemed that – for reasons of cost efficiency - it is in the best interest of the shareholders not to exercise its voting rights. At the moment, such percentage is fixed at 1% for any given managed sub-fund. Furthermore, a member of the Board of Directors can – in the best interest of the shareholders - requests a waiver of this limit.

As a general rule, NSE abstains from voting when its members are in any way connected with the security issuer.

In every case where voting rights are exercised, NSE shall take into account the above mentioned criteria and consider also that:

- In exercising voting rights, the Company shall make a careful assessment of the issues that may materially affect the sub-fund and its shareholders. All proposals will be

reviewed on a case by case basis, taking into consideration elements such as the profitability and the best interest of the sub-fund.

- Consistent with general fiduciary principles, the exercise of voting rights shall be conducted with reasonable care, caution and diligence.
- The Company shall take into consideration the principles of corporate governance of issuers along with the way that voting in a general assembly may influence issuer's traded price.
- When deciding how to vote on any proposed restructuring or recapitalization, the Company shall consider whether the proposed action is the best means of enhancing value for the sub-fund holding the securities and will positively affect the security issuer's long-term prospects.
- When exercising voting rights in relation to securities held by the sub-fund, the Company shall always exercise such voting rights in compliance with the investment objective and policy of the related sub-fund.

In case an Investment Manager exercises the voting rights, it shall report to the Board of Directors, on a semi-annual basis, the list containing all corporate actions exercised and indicating decision taken and results.

In accordance with the Law and CSSF Circular, an abstract of the procedures described in this section is made available to investors on the internet website of NSE, and additional details will be made available for free upon simple request.