

Engagement Policy Statement

Vontobel Asset Management

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About Vontobel

We are a globally active investment firm with Swiss roots, specialized in wealth management, active asset management and investment solutions. Vontobel Holding AG shares are listed on the SIX Swiss Exchange and majority owned by the founding family. Their close ties to the company guarantee entrepreneurial independence, and the resulting freedom creates an obligation to assume social responsibility.

At Vontobel, we actively shape the future. We create and pursue opportunities with determination. We master what we do – and we only do what we master. With our exclusive focus on the buy-side business, we think and act purely from the client's perspective – as an investor for investors, without conflicts of interest.

We empower our employees to take ownership of their work and bring opportunities to life. We do so based on the conviction that successful investing begins with the assumption of personal responsibility. We continuously scrutinize our achievements as we strive to exceed the expectations of our clients.

Vontobel Asset Management is an active asset manager with global reach and a multi-boutique approach. Each of our boutiques draws on specialized investment talent, a strong performance culture and robust risk management. We deliver leading-edge solutions for both institutional and private clients.

1. Purpose and scope

1.1. Purpose

This policy details how Vontobel Asset Management (VTAM) approaches shareholder engagement (SE). In particular, it explains the rationale, SE objectives, governance structure and how the policy is implemented.

1.2. Scope

This policy applies to all VTAM entities. Where appropriate, portfolio managers should consider engagement for all investment strategies.

Given VTAM's multi-boutique approach, the level of engagement may vary reflecting the different investment approaches and the difference in client needs.

This policy reflects our current SE approach, and we expect that this policy will evolve over time to reflect changes in business practices, business structures, technology, and the law.

2. Legal basis

Applicable rules in force are defined as the laws and regulations applicable to a VTAM entity in the conduct of its business. The implementation of an engagement strategy shall take into account the rules in force at local jurisdictions.

3. Definitions

Shareholder engagement – Engagement is the process through which asset owners and / or managers use their influence to encourage investee companies to improve their management of ESG issues. This may, in turn, improve the companies' financial performance and the long-term performance of investment portfolios.

4. Tasks and responsibilities

4.1. Monitoring of investee companies

VTAM is an active asset manager and strongly believes in the fundamental analysis and monitoring of investee companies. VTAM's portfolio managers¹ invest in the bonds and equities (or similar instruments) of companies after seeking to gain a deep understanding of a company's business strategy, risks, capital structure, and corporate governance structure.

VTAM is committed to integrating Environmental, Social and Governance factors ("ESG") into the investment processes where appropriate. We believe an effective identification of material ESG risks, and opportunities requires thorough analysis and continuous monitoring. See also the Sustainable investing and advisory policy available on <https://am.vontobel.com/en/esg-investing>.

VTAM's investment teams have developed research and monitoring models in accordance with the individual investment approaches. The investment teams have access to internal as well as to external ESG data providers and ESG specialists.

4.2. Engagement with investee companies

VTAM considers engagement to be an important element of its investment activities. We use both direct engagements,

which are undertaken by our investment and ESG professionals, as well as indirect engagements, which are undertaken by professional proxy voting and engagement service providers (proxy agents). More information about how our relationships with proxy agents are governed can be found in our Voting Policy Statement available on <https://am.vontobel.com/en/esg-investing>.

VTAM does not have a standalone engagement team. It believes in the direct contact between investee company management teams and investment professionals such as portfolio managers and analysts who have the specific expert knowledge and understanding of the context in which the company has been selected as an investment. The investment teams are often supported by proxy agents in their engagement activities and decision-making processes.

Reasons to engage with an investee company can include: business strategy, corporate governance issues, change in the capital structure, remuneration issues, and identified environmental and social risks.

Engagement includes ongoing communications between the investment team and / or proxy agent and the management teams of investee companies and can range from ongoing updates and questioning of the current and future business model, to engagement on specific issues that may cover ESG concerns.

In certain circumstances, investment teams may take a more targeted and focused approach, depending on the circumstances and the nature of the situation. Engagement could be escalated through additional meetings with the management and dialogue with the board chairman and non-executive directors.

Where these engagements do not progress in the direction that the investment team believe is in the best interests of shareholders or the shareholding is insufficient for an effective escalation on a standalone basis, other options are considered, including, but not limited to:

- Voting against resolutions at shareholder meetings;
- Collaborating with other institutional investors; and/or
- selling some or all of the investment in the context of the value proposition of the investment as a whole.

4.3. Cooperation with other shareholders

In certain cases, VTAM's investment teams may collaborate with other asset managers if it is considered to be in the best interest of the clients. This can be done by signing up to collaborative shareholder initiatives, participating in an engagement effort via a proxy voting agent (see more details in our Voting Policy Statement available on <https://am.vontobel.com/en/esg-investing>) or joining other asset managers in company meetings.

As a signatory of the Principles for Responsible Investment (PRI) we consider this asset owner driven investor network a good partner for collaborative engagement.

¹ Portfolio managers are responsible for investment management of the sub-funds and discretionary mandates. Portfolio managers are usually employed within a Legal Entity of the Vontobel Holding AG ("Vontobel").

The full list of our memberships and initiatives is available on <http://www.vontobel.com/am>

4.4. Voting rights

VTAM recognizes that the exercise of voting rights is an important aspect of shareholder engagement, particularly if the holding is material with regard to the outstanding share capital of the investee company and as a position in the managed portfolios.

Portfolio managers are ultimately responsible for determining how to vote, within a framework established by the Fund Management Companies of VTAM. To support them, VTAM has engaged proxy service providers in order to have access to their research and recommendations.

Details are described in separate internal Voting policies and in our Voting Policy Statement available on <https://am.vontobel.com/en/esg-investing>

4.5. Stock lending

VTAM does not currently engage in stock lending. However, there may be some clients who choose to participate in stock lending programs. For those clients that lend stock, Vontobel will on a best effort basis recall the stocks on loan in order to vote those shares, if so agreed with the client.

5. Disclosure

VTAM will publish on a yearly basis a Shareholder Engagement Report, outlining its voting history and the use of proxy voting and engagement service providers.

VTAM will also report to its clients on an individual basis.

6. Entry into force

This policy comes into force as per March 1, 2022.