



SMBC NIKKO

**SMBC Nikko Investment Fund Management
Company S.A.**

Proxy Voting Policy

PRESENTATION

From	Management Committee
Reviewed by	Compliance Officer, PWC
Approved by	Board of Directors

Revision history

Establishment/ Revision date	Details
26 May 2014	First approval and implementation date
29 February 2016	First amendment

Scope

This proxy voting policy (the “Policy”) sets out the legal & regulatory requirements, as well as the related actions, which SMBC Nikko Investment Fund Management Company S.A. (hereinafter referred to as the “SNIF”) complies with in order to meet its obligations, in the area of voting rights, as management company authorised as Alternative Investment Fund Manager pursuant to the Luxembourg law of 12 July 2013 on Alternative Investment Fund Managers (the “AIFM law”).

Target audience

The target audience of this Policy is all employees involved in proxy voting activities of SNIF.

Effective date

This Policy is to be used with immediate effect and replaces all policies previously issued on this subject.

Frequency of occurrence

Daily	Weekly	Monthly	Quarterly	Annually	Upon occurrence
				✓	✓

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PROXY VOTING POLICY

1 Presentation

SNIF develops adequate and effective strategies for determining when and how any voting rights held in the portfolios of the funds it manages, which qualify as alternative investment funds by the AIFM Law (each a “Fund” and collectively referred to as the “Funds”), are to be exercised to the exclusive benefit of the relevant Funds and their investors.

SNIF within the framework of its role of management company or manager of the Funds, as the case may be, has delegated the investment management of these Funds to third party investment managers (each, an “Investment Manager” and collectively the “Investment Managers”). Each Investment Manager shall manage the assets of the Funds in accordance with the investment objectives and policies, and investment restrictions as set forth in the constituent documents of the Funds as well as in any contracts or agreements entered into between the SNIF and the Investment Manager (collectively, the “Investment Policies”).

SNIF, on behalf of the Funds, shall appoint a central administrator (the “Central Administrator”) to delegate part of its functions relating to proxy voting activities.

This Policy sets out the strategy, measures and procedures defined by SNIF so as to comply with the AIFM law in the area of voting rights.

2 Strategy and purpose

Within the framework of delegation of the investment management function to Investment Managers, SNIF has also made the decision to delegate the exercise of voting rights of the Funds to Investment Managers of such Funds and to apply the proxy voting policies, currently in force at their level. To this end, the delegation of the exercise of voting rights from SNIF to each Investment Manager is formalised in the relevant investment management agreement concluded between SNIF and the relevant Investment Manager.

Each Investment Manager remains entitled to sub-delegate to a service provider specialised in the area of voting rights (the “Service Provider”) the function of monitoring, centralizing voting events and reporting them to the Investment Manager.

In addition, when appointing an Investment Manager, SNIF ensures that a proxy voting policy does exist at the Investment Manager’s level and that such policy has the long-term economic interests of the relevant Fund as its purpose and is in adherence with the Investment Policies thereof. As part of its supervision duties, SNIF remains entitled to provide the Investment Manager with specific instructions and guidelines as to the way of exercising voting rights. SNIF also ensures that any amendments made to the proxy voting policy initially provided by each Investment Manager are sent to SNIF within a reasonable timeframe. Upon receipt thereof, SNIF ensures that the proxy voting policy, as amended, of the Investment Manager still maintains the long-term economic interests of the relevant Fund as its purpose and is still in adherence with the Investment Policies thereof.

SNIF also makes sure that the Investment Manager has internal procedures in place to prevent or manage any conflicts of interests arising from the exercise of voting rights of the relevant Fund. Please refer to clause 4 hereof for further details.

So as to comply with its supervision duties, SNIF supervises the Investment Managers' decisions when they exercise the voting rights so as to ensure that the voting decision taken by each Investment Manager on behalf of the Fund is consistent with the best interest of the Fund and its investors. This supervision consists in the measures detailed and defined in section 3 hereof.

3 Measures and procedures to exercise voting rights

Upon occurrence of a voting event, the Central Administrator shall inform the relevant Investment Manager of the details thereof so as to enable the Investment Manager to take a decision in relation thereto, unless a Service Provider has been appointed by the Investment Manager. In such a case, the Investment Manager shall not be informed of the voting event and the details thereof by the Central Administrator, but it shall be informed directly by the Service Provider.

In order to ensure that the voting rights are exercised in accordance with the Investment Policies and, as the case may be, the instructions and guidelines of SNIF, SNIF has set up the following procedure:

- The Central Administrator provides SNIF with an annual report detailing; i) the voting events which occurred during the past year, and ii) the way voting rights were exercised by the relevant Investment Manager with respect to each Fund. SNIF then assesses the exercise of voting rights by Investments Managers to ensure the voting rights were exercised, to the exclusive benefit of the Funds concerned and their investors.
- SNIF requests from each Investment Manager an annual written confirmation stating that the voting rights attached to the portfolios of the Funds have been exercised over the past year in accordance with the Investment Policies and, as the case may be, the instructions and guidelines of SNIF.
- SNIF requests from each Investment Manager an annual written confirmation stating that no amendment was made during the past year to the proxy voting policy provided by the Investment Manager while it was entrusted with the function of exercising voting rights of the Funds it manages, and if amendment was made, confirmation stating that such statement does not affect the purpose of the proxy voting policy to secure the long-term economic interests of the relevant Fund.
- SNIF requests from each Investment Manager an annual written confirmation stating that no conflict of interests arising from the exercise of voting rights occurred during the past year or, in case of any identified potential conflicts of interest(s), that the related potential conflict(s), as the case may be, was (were) prevented or managed in a way as described in clause 4 below.

4 Conflicts of Interests

A conflict of interest may exist if an Investment Manager, its personnel or another related entity has a business relationship with, or is actively soliciting business from, either the company soliciting the proxy or a third party that has a material interest in the outcome of a proxy voting or that is actively lobbying for a particular outcome of a proxy voting.

A conflict of interest also may arise if an individual employed by the Investment Manager, who is involved in the proxy voting decision, has a direct or indirect personal relationship or other interest in either the company soliciting the proxy or in a third party that has a material interest in the outcome of a proxy voting or that is lobbying for a particular outcome of a proxy voting.

When an Investment Manager becomes aware of such potential conflicts of interest or any other type of conflict of interests not mentioned above, the Investment Manager votes such proxy in a manner consistent with, and uninfluenced by considerations other than, the best interest of the Fund concerned and its investors.

When SNIF becomes aware of such potential conflicts of interest or any other type of conflict of interests not mentioned above, it informs the Investment Manager accordingly so as to request from the Investment Manager to vote the concerned proxy in question in a manner consistent with, and uninfluenced by considerations other than, the best interest of the Fund concerned and its investors.

5 Disclosure of the voting rights policy to investors

This procedure was agreed by the Board of Directors of SNIF on 29th February 2016

Upon their request, SNIF makes available to investors of each Fund a summary description of the strategies for the exercise of voting rights and details of the actions taken on the basis of those strategies.