

Documentation

Engagement Policy

Exercising voting rights within investment portfolios
managed by BANTLEON Invest GmbH

Introduction

BANTLEON sees itself as an active asset manager with a commitment to sustainability. We support the Principles for Responsible Investment (PRI) by explicitly incorporating sustainability criteria into our investment strategies. Taking account of environmental, social and governance (ESG) factors in investment decisions forms an integral part of our investment philosophy, especially within our equity strategies. This also includes exerting an influence on portfolio companies by exercising shareholder rights in order to rectify inadequate sustainability standards, thereby avoiding associated risks and contributing to positive performance of the portfolio companies over the long term for the benefit of our investors.

The EU's Shareholder Rights Directive (SRD; Directive 2007/36/EC) was superseded by the extensively revised and expanded SRD II (Directive (EU) 2017/828). The revision was intended to achieve a further improvement in shareholder engagement in listed companies and to facilitate the provision of information across national borders and the exercise of shareholder rights. In adopting and publishing this Engagement Policy, BANTLEON Invest GmbH is complying with the requirements set out in § 134b of the German Stock Corporation Act and the requirements of SRD II (ARUG II).

BANTLEON Invest GmbH is a responsible asset manager that, as a matter of principle, attaches a great deal of importance in the equity strategies to active engagement in portfolio companies through regular dialogue with company representatives and the strategic exercise of voting rights. This Engagement Policy thus applies to all companies whose shares are held by investment portfolios managed by BANTLEON Invest GmbH, with the exception of those that qualify as insignificant shareholdings under § 134b para. 3 of the Stock Corporation Act. BANTLEON Invest GmbH defines an investment as insignificant if less than 0.5% of the outstanding shares of a portfolio company are attributable to the total managed investment assets. In such cases, BANTLEON Invest GmbH exercises voting rights at its own discretion, in particular when specific features of individual investment strategies to which voting rights are attributed require it (e.g. ESG compliance). With regard to active dialogue with portfolio companies' governing bodies and key stakeholders, BANTLEON Invest GmbH focuses on listed companies within the European Economic Area (EEA) as well as those outside the EEA for which this form of active influence is justified and important in view of the extra workload involved.

Exercising shareholder rights (voting rights)

To exercise voting rights at ordinary and extraordinary general meetings, BANTLEON Invest GmbH uses the *ProxyExchange* platform provided by Institutional Shareholder Services Inc. (ISS), the market leader in corporate governance and proxy voting. The full asset allocations of all investment portfolios subject to this Engagement Policy are reported on this platform. The portfolio managers responsible at BANTLEON Invest GmbH are automatically kept informed of upcoming general meetings and agenda items, ensuring that they can exercise voting rights within the stated deadlines at all times, even when a large number of portfolio companies are involved. Before every vote, each agenda item undergoes rigorous analysis in line with internal best-practice principles and the AGM analysis guidelines published by the German Investment Funds Association (BVI).

BANTLEON Invest GmbH does not currently use any services provided by external voting rights consultants beyond the purely informative scope of the *ProxyExchange* platform.

Monitoring significant developments at portfolio companies

An important part of BANTLEON Invest GmbH's investment process for the portfolios it manages is actively and diligently monitoring developments at portfolio companies. The portfolio managers have various systems, data sources and measures at their disposal for this purpose, from specialised news services to detailed research from independent providers and active dialogue with key stakeholders.

Ongoing analysis covers market data (general market trends and individual price movements), regular reporting by portfolio companies (annual reports and other publications), strategic decisions and non-financial, ESG-relevant developments.

The findings of this analysis are continually discussed within the investment committees and the investment teams concerned, and steps are taken at the earliest possible stage to protect the interests of the portfolios' investors.

Exchanging opinions with companies' governing bodies and stakeholders

BANTLEON Invest GmbH endeavours to foster active dialogue with representatives of portfolio companies. It may do so by attending investor conferences or general meetings, taking part in conference calls or arranging face-to-face meetings at companies' premises. Dialogue with other stakeholders (e.g. shareholders, staff and clients) is sought selectively as necessitated by company-specific events.

Dialogue is focused on corporate strategy, important financial and non-financial data as well as capital allocation, market environment and sustainability issues.

Cooperating with other shareholders

BANTLEON Invest GmbH exercises voting rights in line with the findings of its own analysis, with a view to each company's long-term development and in the interests of investors. In principle, BANTLEON Invest GmbH is interested in cooperating with other shareholders, in particular with regard to joint initiatives to improve the attitude of the portfolio companies to environmental, social and corporate governance (ESG) issues.

Dealing with conflicts of interest

Conflicts of interest may arise as a result of exercising voting rights and interacting with portfolio companies. BANTLEON Invest GmbH has appropriate procedures for determining, preventing, resolving and monitoring these in order to ensure that they do not have a negative impact on the investment portfolios it manages and on their investors. These procedures include ensuring the functional and operational independence of other companies in the BANTLEON Group as well as rules relating to market abuse and insider trading.

About BANTLEON

BANTLEON is a specialist for economic cycle-based asset management with a focus on capital preservation combined with attractive returns. The team comprises experienced portfolio managers and quantitative analysts as well as some of the world's best macroeconomic analysts.

Based in Switzerland and Germany, BANTLEON's 47 professionals manage EUR 5.1 billion (CHF 4.9 billion) in mutual funds and segregated accounts. Our investors include industrial companies, pension providers, banks, insurance companies, family offices and a large number of distribution partners in German speaking countries as well as in Italy and Spain.

Additional information and disclaimer

The present document shall exclusively serve for information purposes and shall neither be seen as an investment advice nor a recommendation or request for a purchase or sale of investment instruments (including funds). The given information can and should not replace an individually coordinated consultation by persons qualified for this purpose. All statements are based on the information currently available to BANTLEON and can be changed without any notification.

The full details of the »BANTLEON Mutual Funds« are described in the currently valid prospectus, the key investor information document (»KIID«) and the semi-annual and annual reports. These documents are the only binding basis for a purchase of fund shares. They are available free of charge on www.bantleon.com or can be ordered in printed form from BANTLEON Invest GmbH, Aegidientorplatz 2a, D-30159 Hanover (Fund Management Company in Germany), Erste Bank der österreichischen Sparkassen AG, Am Belvedere 1, A-1100 Vienna (Contact and Information Agent in Austria), BANTLEON AG, Claridenstrasse 35, CH-8002 Zurich (Representative in Switzerland) or UBS Switzerland AG, Bahnhofstrasse 45, CH-8001 Zurich (Paying Agent in Switzerland).

Performance calculations are based on the daily fund share prices and the reinvestment of income (BVI method). All costs within the fund are taken into consideration, except the subscription fee. Additional fees, commissions and other costs can be charged at the time of buying. These costs are not taken into account in the calculations presented here and can have a negative impact on performance. Past performance is not indicative of future results.

The issued shares of the »BANTLEON Mutual Funds« are only allowed to be offered or sold in legal jurisdictions where such an offer or sale is permitted. In particular, the shares cannot be offered or sold within the United States of America nor to or on behalf of US citizens or persons living in the United States of America or anyone qualifying as a US person according to the applicable regulations in the United States of America. This document and its content are not allowed to be distributed within the USA. The distribution and publication of this document as well as the offer and sale of shares may also be subject to restrictions in other legal jurisdictions.

The information herein has been compiled with the utmost care and attention. However, no responsibility is taken for the correctness and completeness of this information. Any liability for possible losses directly or indirectly linked to this information is excluded. This is a translation of the German disclaimer. The German version shall be binding for the interpretation of this document.

As of September 2022