

ALPHA INVESTOR SERVICES MANAGEMENT S.A.

VOTING RIGHTS POLICY

	Responsible	Date	Visa
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Version 1.0		Version dossier agrément CSSF
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Version 3	September 2020	General updating and review

Introduction

The purpose of this document is to present the existing procedure with regard to the voting rights policy adopted by Alpha Investor Services Management S.A. (« AISM S.A. » or the “Company”).

AISM S.A. is a company incorporated under the laws of the Grand-Duchy of Luxembourg with a share capital of 750,000 Euros and whose business activities are supervised by the Commission de Surveillance du Secteur Financier (hereinafter referred to as the “CSSF”), with its registered office at 21, Rue Aldringen, L-1118 Luxembourg, and registered under number B165086 at the Registre de Commerce et des Sociétés, Luxembourg (“RCS Luxembourg”).

AISM S.A. was incorporated on November 29th, 2011 for an unlimited duration.

AISM S.A. is licensed by the CSSF as a management company under the regime set out in Chapter 15 of the Luxembourg Law of December 17th, 2010 on undertakings for collective investment, as amended (hereinafter referred to as the “UCI Law”). Accordingly, the Company is what is commonly known as a ‘UCITS management company’.

In addition, the Company is licensed by the CSSF to provide investment services, primarily the management of portfolios of investments, including those owned by pension funds and institutions for occupational retirement provision, in accordance with mandates given by investors on a discretionary, client-by-client basis pursuant to the provisions of Article 101 (3) (a) of the UCI Law. As any UCITS management company, the Company is authorised to perform all the activities detailed in Annex II of the UCI Law, namely portfolio management, administration and marketing.

The business model implemented by the Company is such that it delegates all administration activities regarding the two investment funds governed by the laws of Luxembourg of which it is the UCITS management company at the time of issue of this Manual, namely AISM Global Opportunities Fund and KYRON UCITS SICAV (hereinafter referred to as the “Funds”), to a third party, CACEIS Bank, Luxembourg Branch (hereinafter referred to as “CACEIS”). Accordingly, the latter acts as the registrar and transfer agent of the Funds.

In addition, the Company provides investment services to various clients, both individuals and legal entities. The Company also provides portfolio management services to two investment funds of which it doesn’t act as the UCITS management company, namely:

- the sub-fund AVANTGARDE of PHARUS SICAV, an investment fund governed by the laws of Luxembourg;
- the sub-fund Kronos Fund of Pluri-Invest SICAV p.l.c., an investment fund governed by the laws of Malta.

Regulatory background

This voting rights policy aims at defining the minimum measures and procedures to be applied by AISM S.A., when it is responsible to develop a strategy for the exercise of voting rights, to ensure that

the voting rights attached to instruments held by the funds are exercised if and when their exercise aims to maintain or improve the value of the instruments they are attached to.

This Policy has been drafted pursuant to requirements contained in the Law of 17 December 2010 on undertakings for collective investment (“UCI Law”), article 23 of CSSF Regulation 10-4 and article 37 of the Commission Delegated Regulation (EU) 231/2013 of 19 December 2012, as further detailed in section 5.5.10 of CSSF Circular 18/698 relating to the authorization and organization of Luxembourg investment fund managers.

Company’s strategy for CIS and portfolios under discretionary management

Primarily, the Company shall exercise its voting rights in accordance with the investment objectives and policy of the relevant managed product and to their exclusive benefit.

When a collective investment scheme or a client’s portfolio under discretionary management holds shares, the Company must be able to exercise the shareholder rights attached to these shares freely, subject to legal and regulatory constraints.

In the same way the Company must be able to exercise the rights attached to debt securities held by the collective investment schemes or a client’s portfolio under discretionary management in full independence, especially in case the issuer defaults.

AISM S.A. considers that voting is an essential part of exercising its fiduciary responsibility.

The voting rights policy highlights AISM’s decision-making criteria with respect to its size of the position in the portfolio, the categories of collective investment schemes or portfolios under discretionary management, the size and relevance of its shareholdings, the administrative constraints and the cost of exercising voting rights, the strategy to be assessed and adopted case by case.

Voting rights will be exercised by AISM S.A. freely, with no consideration other than the investors’ best interest. The Company must be able to justify its position on votes at all times.

Company’s proxy voting organization

Upon the assessment of the opportunity to exercise the voting rights, this shall be exercised according to the following:

Voting committee

A voting committee headed by the Conducting officer in charge of the asset management, including fund managers and analysts (if any) meets to analyze and decide on voting strategies to be taken on AGMs. If a consensus cannot be achieved during the meeting, the final voting decision will be taken by the Conducting officer himself.

Voting representation process

AISM S.A. will make its best efforts to ensure that the depositary takes the necessary steps to ensure the timely transmission of all the information and documents needed to exercise the voting rights.

The voting orders will be either sent to a specialist intermediary in charge of ensuring its transfer to the desired recipient, either sent directly to the custody account keepers for certification and then to custodians.

Voting by correspondence

AISM S.A. always exercises its voting rights by correspondence.

Voting perimeter

In order to fulfill its responsibility in the exclusive interest of its investors, the Company decided to exercise the voting rights with regard to the collective investment schemes independently of their management strategies and without geographical exclusions.

However, in the solely interest of fund investors and with the aim to avoid excessive voting costs and to ensure a high level of efficiency, the Company has defined the following rules to be applied to its voting rights strategy:

The Company will exercise its voting rights only with regard to:

- collective investment schemes with assets in excess of €15 million in direct equity holdings;
- portfolios under discretionary management with assets in excess of €1.5 million in direct equity holdings (except in case of a specific instruction received from the client);
- collective investment schemes as well as portfolios under discretionary management voting rights should represent at least 0,5% of the company's equity capital when international meetings of foreign companies are involved. Nevertheless, AISM S.A. may also decide to vote at meetings when its participation is deemed to be important even though previous thresholds are not met in full (or in case of specific instruction received from a client).

The Company is not subject to any obligation to achieve a result regarding the exercise of voting rights.

Securities lending

In case of securities lending, the Company will act in the solely investors' best interests. As a consequence, when a shareholders' meeting is convened, AISM S.A. will determine whether the investors' best interests warrants the retrieval of the shares concerned in order to exercise the attached voting rights.

In any event, AISM S.A. will refrain from lending shares when it is known or it should be known that the borrowers' objective may be to use the voting rights in a way that is obviously detrimental to the investors' best interest. Vigilance should be enhanced if the interest paid on the loan seems to be disproportionate compared to normal market rates.

Prevention and management of conflicts of interest

Voting rights are exercised in the exclusive interest of the investors of the products managed by the Company. AISM S.A. is aware that during the voting process it may be confronted with conflicts of interest.

In such a case, the Company will apply its specific policy in place to avoid, manage and resolve any potential conflict of interest. The Board of Directors shall take the final resolution with respect to the voting decision.

Disclosure

The Company shall provide details of the actions taken on the basis of those strategies to the unit-holders or clients behind the portfolio under discretionary management free of charge and upon request.

The current voting rights policy is made available on the Company's website in line with regulatory requirements.