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Voting policy

Anaxis Asset Management bases its investment strategy on a fundamental analysis of each company considered. As a rule, for as long as it holds a given security, it adheres to the issuer's general policy.

Anaxis Asset Management's voting policy defines the principles governing the eligibility of issuing companies and the exercising of voting rights at general shareholder meetings. Voting policy also defines the internal organisation of the company: ratification by the investment management committee and the prevention of potential conflicts of interest.

1. Voting policy criteria

Two criteria must be met for Anaxis AM to exercise the voting rights attaching to shares held by its funds.

Firstly, Anaxis AM prefers to vote at meetings of companies in which its managed funds hold a significant stake. Accordingly, it exercises its voting rights when it holds - via its funds - at least a 3% stake in the company in which the fund has invested.

Secondly, the company must be French. This is due to the complexity of setting up a procedure for systematically voting at Shareholders' Meetings held by foreign companies.

Depending on the circumstances, the portfolio management team may decide, however, to exercise its voting rights at meetings of companies that do not meet these two criteria (nationality and ownership threshold), if it so chooses.

2. Conditions for exercising voting rights

To prepare for Shareholders' Meetings and learn about resolutions on the agenda, Anaxis AM uses the information provided by the custodian or professional association, or information it has gathered itself in reviewing the companies. Voting rights are exercised by the portfolio management team after verification of the above guidelines and validation by the Management Committee.

Resolutions are analysed by the Analyst/Portfolio Manager following the company in question, who identifies any aspects liable to adversely affect the interests of the company or the minority shareholders.

The investment management company applies the following principles in exercising its voting rights (voting for or against, or abstaining) according to the type of resolution proposed:

- **Decisions to modify company bylaws:** the investment management company's decision depends on the particular consequences of the proposed change to company bylaws, with regard to the interest of the unit holders of its managed UCITS.

- **Approval of the annual financial statements and allocation of income:** the decision is taken as a function of the quality of the financial statements presented to shareholders and the conclusions of the statutory auditor's report.
- **Appointment or dismissal of supervisory bodies and managers:** for this type of resolution, the investment management company considers various criteria including company performance and the competence and integrity of the managers concerned.
- **Regulated related-party agreements:** decisions regarding regulated related-party agreements depend on the precise nature and key terms of the agreement. The investment management company pays particular attention to any conflicts of interest which may result from such agreements.
- **Capital securities issue or repurchase programmes:** the investment management company's voting decision is based on an analysis of the precise terms of the proposed programme and its expected impact on the interests of unit holders of the UCITS concerned.
- **Nomination of statutory auditors:** in principle, the investment management company votes in favour of the nomination of statutory auditors, unless there is doubt concerning the integrity or the independence of the statutory auditors, or if information relating to fees is unclear or lacking.

Anaxis Asset Management prefers to vote by absentee ballot rather than actually attending Shareholders' Meetings. In general, it does not give power to the Chairman of the Board of Directors of companies in which it holds shares. Anaxis AM keeps a copy of the voting record.

3. Conflicts of interest

Anaxis Asset Management maintains a conflict-of-interest prevention and management policy designed to avoid situations arising which could hinder the free exercise of voting rights and the primacy of unit-holders' interests. In particular, in strict compliance with internal regulations and the AFG (French Asset Management Association) code of ethics, employees are obliged to declare personal account financial market transactions. Decisions relating to voting policy must also be ratified by the investment management committee.

Notwithstanding these precautions, under current procedures, any potential or detected conflicts of interest are analysed by the Head of Compliance and Internal Control, in order to establish the necessary measures required to manage or resolve the situation.

The effects of this policy are permanent and apply to equity or diversified funds (which excludes bond funds). The fund's classification is used as a reference to determine its profile.

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