



## **Exercise of Membership and Creditor Rights**

In accordance with the European provisions and the national laws enacted as a result thereof (UCITS Law, AIFM Law) as well as the rules of conduct set forth in the FMA Guideline 2005/3 (Code of Conduct for the Liechtenstein Fund Center), management companies are obliged to exercise the membership and creditor rights associated with the investments of the investment funds under management independently and exclusively in the interest of the investors.

LGT Capital Partners (FL) AG takes this responsibility towards its investors seriously and votes as a proxy for investors in accordance with clearly determined criteria. Any and all voting and creditor rights shall be exercised exclusively in the interest of the investors and market integrity and without having regard to interests of third parties.

Where individual activities are delegated to third parties, the management company shall procure that, in relation to the exercise of membership and creditor rights, provisions are included in the relevant agreements which are in line with this Code of Conduct.

### **1. Criteria/Guidelines**

The favourable management of a company's affairs generally also translates into rising share prices over the long term. As a general rule, any and all measures having the potential to increase the value of the relevant company in the long run will be supported, and any and all steps prejudicing long-term value enhancement will be rejected. It is obligatory in this context, that companies who perceive themselves as well managed comply with the laws and corporate governance codes and also follow the relevant environmental and social standards.

The management company and its delegates rely on the following Socially Responsible Investment (SRI) criteria when exercising voting rights:

- balanced capital and owner structure, shareholders' rights
- qualified management, independent from supervision (corporate governance)
- adequate remuneration structure
- transparent communication

The defined criteria are regularly reviewed and adjusted or extended to account for current developments where necessary.

### **2. Implementation of voting policy**

In exercising voting rights, the management company uses, *inter alia*, the systems of ISS Institutional Shareholder Services Inc. and takes into account in its decisions the SRI International Proxy Voting Guidelines (SRI Guidelines), which further specify the above-mentioned Socially Responsible Investment criteria. The SRI guidelines as in effect from time to time are available free of charge under [www.issgovernance.com](http://www.issgovernance.com), Policy Gateway. A transparent overview over all upcoming shareholders' meetings and annual general meetings is thereby given. Primarily, mandated portfolio managers, who in turn are supervised by the management company, will exercise voting rights.

At shareholders' meetings and/or annual general meetings, the mandated portfolio managers generally exert an influence on the management and business policy of stock corporations in the interest of the investors if and when the management company considers the effort and prospects of success justifiable and if and when it is worth the economic expenditure.

The management company or its delegates actively exercise voting and creditor rights.

Voting rights must be exercised when the following capital thresholds are reached or exceeded:

- 1 per cent: A fund holds one (1) per cent or more of the voting capital of the company. At a shareholder meeting, the voting rights are exercised on a consolidated basis for all investments under the management of the management company.

In addition, voting rights are exercised in relation to portfolio weights and/or the net asset value (NAV) of individual shares or similar interests. Due to the difference in fund structures, votes are cast when the following portfolio ratios (NAV thresholds) are reached or exceeded:

- 2 per cent for single manager funds
- 5 per cent for multi manager funds

The management company or its delegates are entitled, but not obliged, to exercise additional voting rights in their own discretion and shall also take into consideration the SRI guidelines in such events.

The system of ISS Institutional Shareholder Services Inc. makes consolidated voting for and monitoring of all captured funds easier for the management company. The management company also monitors votes cast by delegates from outside the LGT Group.

### **3. Information to investors**

On its homepage, LGT Capital Partners (FL) AG informs investors about the procedures relating to the exercise of voting and membership rights, referring to the ISS's International Proxy Voting guidelines (SRI Guidelines),

Details about the decisions made on the basis of this policy will be made available to investors free of charge upon request.

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LGT Capital Partners (FL) AG