



18 VOTING POLICY

18.1 Introduction

The following outlines the framework within which Pelargos considers and conducts its proxy voting as part of its stewardship responsibilities.

18.2 Proxy Voting Policy

Pelargos exercises voting rights as a shareholder of companies held in the portfolio in accordance with its fiduciary responsibilities as an investment firm. We believe that voting is an important way to voice our concerns and seek to improve corporate governance at investee companies, and in so doing, contribute to the long-term growth of shareholder value, which is in the best interest of our clients. To achieve this, we exercise our voting rights with a view to increasing shareholder value over the long-term.

Voting is an important part of Pelargos' engagement with investee companies and as such the portfolio managers make voting decisions directly based on their years of experience as professional investors. Pelargos may take advice from third parties when considering voting decisions but does not fully outsource voting to a third party adviser.

Pelargos seeks to vote in all proxies where our portfolio managers deem the fund's level of ownership to be of significance either to the fund or to the investee company, and where our investment managers believe that voting comprises an important part of the fund's stewardship responsibilities.

Our investment managers make all voting decisions independently based on their in-depth knowledge of each investee company. We believe that our voting plays an important role in helping improve business operations and governance at investee companies and that these improvements lead to higher corporate value in the long-term.

One measure Pelargos uses to evaluate management's effectiveness in creating shareholder value is to compare the company's risk-adjusted return on equity to its cost of equity over the long-run. However, rather than applying a single, rule-based criteria to all investments (as is typically the case at proxy advisors), Pelargos evaluates the performance at each investment on a case-by-case basis. Moreover, delivering risk-adjusted returns below the company's cost of capital might not necessarily result in Pelargos voting against either the management or the board by default, if this would be thought to damage Pelargos' ability to engage in constructive dialogue with the company.

Given Pelargos' engagement approach to fulfilling its stewardship responsibilities, Pelargos will limit its public disclosure of its voting records to an aggregated disclosure on its website. This will be done annually, and be accompanied by a discussion of the year's Stewardship Activities.

Pelargos makes the stock in which it invests available to be borrowed. However, for those investments in which Pelargos is exercising its proxy, Pelargos will ensure that all the necessary stocks has been recalled so as to allow the necessary voting to be expressed.

Note: This Policy is part of the Pelargos Compliance Manual



18.3 Monitoring corporate actions

Pelargos has policies in place to monitor the relevant corporate action that require its attention under its stewardship responsibilities. These include any proxy votes presented at the AGM or any special meetings of the shareholders, and corporate actions with the potential to impact the creation of long-term shareholder value. Pelargos reports and discloses its voting records each year. This information can also be made available on request.