



ELLERSTON CAPITAL

Ellerston Proxy Voting Policy

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Ellerston Capital ("Ellerston") is a specialist investment manager providing a range of active, innovative equity and alternatives strategies. As a firm majority owned by its principals and employees, our objectives are fully aligned with those of our client's.

Being a dedicated investment manager, we aim to do one thing exceptionally well: grow and protect our clients' wealth through responsible investing. We are passionate about creating value for our clients by identifying outstanding investment opportunities and designing portfolios that use each of our investment teams' unique strengths and capabilities to perform over the long term. We believe that Responsible Investment, incorporating Environmental, Social & Governance ("ESG") considerations into the investment process, can lead to more informed and holistic investment decision-making and better investment outcomes for our clients.

Ellerston's [Responsible Investment Policy](#) details our approach to implementing responsible investing and which comprises of four key components:

1. **Integration of ESG considerations in the investment process** – research, analysis & investment decision making
2. **Portfolio screening** – negative and positive as required by the client
3. **Stewardship** – engagement with companies in our investible universe and those included in our portfolios (and all relevant stakeholders), and undertaking proxy voting appropriately
4. **Transparency** – full disclosure

Ellerston recognises its fiduciary obligation to act in the best interests of all clients, and good and effective stewardship of our client's investments is an important aspect of achieving this obligation.

Our approach to stewardship is two-fold:

Firstly, regular engagement with the senior management of existing and prospective investments enables discussion of relevant matters, ensure good corporate governance practices, and may also seek to influence corporate decision making at a strategic level where this is considered to be beneficial to clients;

Secondly, it is our duty on behalf of our clients to vote their proxy, or advise on the exercising of proxy votes, when the investments in their portfolios are entitled to do so. Ellerston's policy is to always vote in the best interests of the client's investments in the portfolios that we manage on their behalf.

The Ellerston Proxy Voting Policy ("Policy"), as follows, sets out our approach to proxy voting in the context of corporate governance principles, the investment management process and client service responsibilities.

Approved by Ashok Jacob, Executive Chairman, 30 March 2020

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1. Implementing the Policy

1.1. Responsibility

The Chief Investment Officer (CIO) is responsible for the implementation of this Policy.

The Head of ESG will oversee voting, the documentation of voting decisions and the annual publication of the proxy voting records for the prior financial year.

This policy is reviewed as part of the annual review of the Ellerston Responsible Investment Policy.

1.2. Voting Guidelines

As a Responsible Investor, we believe that Environmental, Social and Governance (ESG) issues can impact the value of entities in which we invest. We are committed to incorporate ESG standards into our voting criteria to act in the long-term interests of our clients taking into account, but not limited to, the guidelines below:

1. Act in the long-term interests of shareholders.
2. Protect shareholders' rights.
3. Ensure independent, diverse and efficient governance structures (Boards of Directors, Advisory Boards etc.).
4. Align incentive structures with long-term interests of stakeholders.
5. Disclose accurate, adequate, and timely information.
6. Ensure good environmental and social performance.

Voting decisions (or recommendations) reflect the following opinion:

For: The proposed resolution reflects good practice and is in the shareholders' long-term interest

Abstain: The proposed resolution raises issues of concern for shareholders or lacks sufficient information

Against: The proposed resolution is not acceptable and is not in the shareholders' long-term interest

In the event that we vote on a resolution in opposition to the management recommendation, we will attempt to engage with the Company ahead of the shareholder meeting in order to communicate our voting intention and explain our rationale for opposing the management recommendation.

1.3. Proxy Voting Process

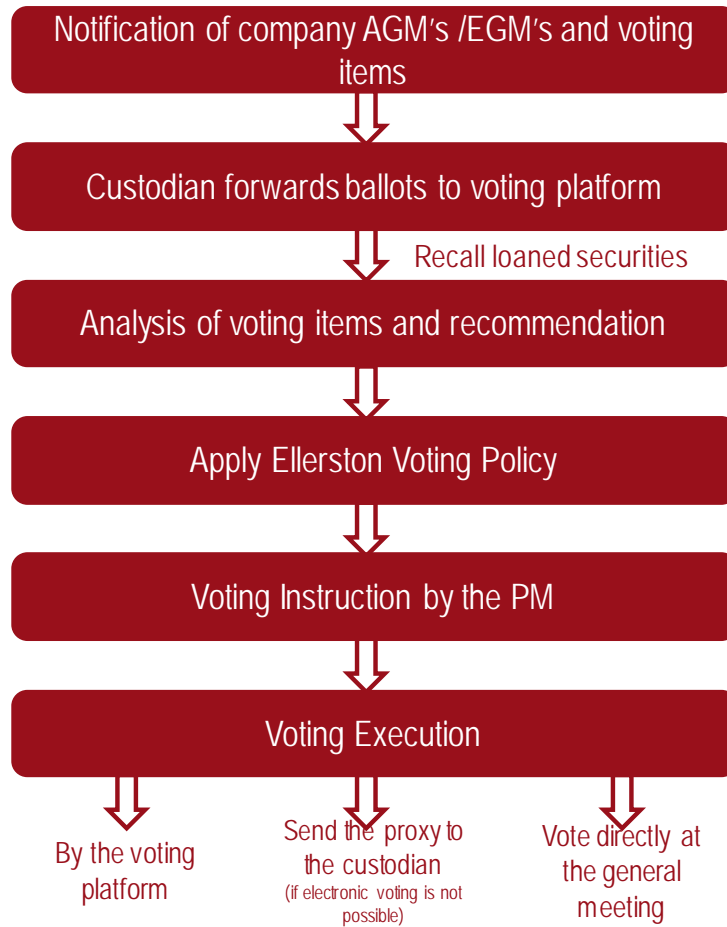
Ellerston receives notices of shareholder meetings from its portfolio companies through its custodians or the companies themselves. Our analysts and portfolio managers will form a view on the items to be voted upon with the voting decisions being made on a case-by-case basis based on the guidelines above.

Where Ellerston has discretion under its agreement with the client, as a general rule, Ellerston will not seek direction from the client

prior to it exercising a vote or initiating relevant company engagement to address individual issues. However, Ellerston may from time-to-time consult with clients on particular issues. Clients may require our proxy voting to follow the recommendations of third party Proxy Advisors, or may direct Ellerston to vote on specific issues, and we will implement that direction to the extent we are able to do so.

It may be the case that we attend shareholder meetings and vote our clients proxies in person.

The following schematic outlines the key steps of the proxy voting process, from the notification of voting agendas in the context of Annual General Meetings (AGM) or Extraordinary General Meetings (EGM), through to actual voting execution:



2. Disclosure & Transparency

Consistent with our commitment and responsibilities related to PRI and, where relevant, product certification bodies such as the Responsible Investment Association of Australasia (RIAA), our policy is to provide full transparency on our proxy voting on an annual basis.

No later than three months after the close of each financial year, Ellerston will publish on its website a summary of its proxy voting activities for the previous financial year providing the details below:

- The name of the entity and the country in which it is listed
- The Stock Exchange code of the relevant interests or securities
- The meeting date and meeting type
- A brief identification of the matter or matters (proposals) to be voted on at the meeting
- Whether the matter or matters voted on were proposed by the issuer, its management or another person or company
- The Management recommendation
- Whether Ellerston voted, or advised, on the matter or matters
- How Ellerston voted, or advised, on the matter or matters
- In the case of a decision to vote against any matter, a record reflecting the reason for that decision

3. Other Issues

3.1. Conflicts of Interest

All Ellerston employees are under an obligation to be aware of the potential for conflicts of interest with respect to proxy votes on behalf of clients.

We acknowledge that conflicts of interest do arise and where a conflict of interest is considered material, Ellerston will abstain from voting until the conflict is managed or resolved.

Ellerston maintains a Conflict of Interest Policy which provides the framework and rules which addresses this issue.

3.2. Shorting

Where client and product mandates allow, Ellerston may from time-to-time sell short securities of companies where it believes this will generate good investment returns for our clients.

Ellerston cannot vote on securities that are short sold; the buyer is entitled to vote instead.

3.3. Securities Lending

The holdings of Ellerston's funds may be loaned out by our custodians in order to generate securities lending revenues and facilitate market liquidity. In the event that holdings are loaned out, in order to vote at forthcoming shareholder meetings, we will attempt to have the shares recalled.

4. Glossary

ESG

Environmental, Social and Governance.

PRI

Principles for Responsible Investment.

RIAA

Responsible Investment Association of Australasia.

Short Selling or “Shorting”

A transaction utilised to generate a profit from the fall in price of a financial security such as shares, indices, commodities or other financial assets. Short selling is the sale of a security that is not owned by the seller or that the seller has borrowed. It may be prompted by the desire to hedge the downside risk of a long position in the same security or a related one.



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