

Julius Bär

SHAREHOLDER ENGAGEMENT POLICY STATEMENT

DISCRETIONARY AND INVESTMENT MANAGEMENT
SERVICES

Bank Julius Baer & Co. Ltd.

The revised Shareholder Rights Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 (“SRD II”) introduced enhanced transparency requirements for asset managers and institutional investors engaging as shareholders with certain companies.

This statement describes how Bank Julius Baer & Co. Ltd. (hereinafter the “Bank” or “we”) adheres to the principles of the SRD II to the extent required by applicable laws.

INTRODUCTION

The Bank is a company incorporated under the laws of Switzerland having its registered office at Bahnhofstrasse 36, CH-8001 Zurich, is a premium wealth management firm with a focus on servicing private clients. We are part of the Julius Baer Group, a Swiss private banking group that offers a wide range of investment solutions. The services we provide include inter alia wealth planning, investment advice and discretionary portfolio management to private clients as well as portfolio management services to collective investment schemes.

For clients who opted for our discretionary portfolio management services, our service includes the delegation of the responsibility for making investment decisions over the client's portfolio to the Bank. The investment decisions made by the Bank's dedicated Portfolio Management team on our clients' behalf consider the clients' specific situation and objectives – financial, business and personal. The client portfolios are individually managed, with the overall objective being to deliver an investment strategy to meet the client's individual objectives, requirements and risk profile.

This statement describes our approach to shareholder engagement where we decide to invest in companies on behalf of our clients as part of our discretionary portfolio

management services and/or in our capacity as portfolio manager of certain investment funds as described in this document. This statement does not apply to other investment services that we may provide, such as providing investment advice or receiving and transmitting client orders. This statement only applies to the specific holdings in companies over which the Bank has discretionary investment management responsibility and control, and not to any holdings under the control of other members of the Julius Baer Group.

This statement takes into account the principles of revised the Shareholder Rights Directive ("SRD II") to the extent that the SRD II is applicable to the Bank by law.

These requirements apply to portfolio managers where they invest in shares of companies with a registered office in an European Economic Area ("EEA") member state and whose shares are admitted to be traded on regulated markets in the EEA or comparable markets outside the EEA ("investee companies"). However, the scope of this statement is not limited to companies whose shares are traded only in those markets.

OUR INVESTMENT APPROACH AND MONITORING OF INVESTEE COMPANIES

When it comes to investing in individual companies, the Bank's investment approach is primarily based on fundamental research. Dialogue with investee companies before and during the period of investment in these companies is an integral part of the investment process. The various investment specialists arrange to meet the management of companies that we invest in regularly, where possible. The areas of discussion typically include: company strategy; operational, financial and non-financial performance; risks;

capital structure; and environmental, social and governance ("ESG") commitments, amongst other things. These discussions form part of the fundamental research undertaken by our Portfolio Management team. To enhance the fundamental research carried out, our team also undertakes monitoring of company news-flows, reviews periodic company reports, holds meetings with industry analysts, uses external databases and conducts quantitative assessments.

SHAREHOLDER ENGAGEMENT WITH INVESTEE COMPANIES

The nature of our discretionary portfolio management service is that, in any given client portfolio, we may hold a number of different positions in a variety of different assets classes. When all such positions across all of our client portfolios are added together, this means we may be investing in shares across a significant number of companies. The extent of our shareholder engagement with investee companies is therefore necessarily constrained not only by our own internal resources, but also by the need to ensure our activities provide value to our clients.

As a general approach, the Bank in its function as discretionary portfolio manager does not exercise any voting rights relating to the assets managed on the client's behalf.

In our capacity as portfolio manager of private labelled funds in cooperation with Carne group companies as well as our funds with Three Rock Capital Management Limited, we exercise voting rights in those companies as further described on the following page. In addition, the bank performs engagement activities with a selection of relevant investee companies.

OUR POLICY FOR EXERCISING VOTING RIGHTS

We believe that exercising voting rights in companies that we invest in on behalf of our discretionary portfolio management clients can be an effective means of engaging with those investee companies.

The nature and size of our private client base, meaning the total voting control that we may exercise in any one investee company is very small (at the time of writing, our voting control is lower than 1% of the share capital in any one investee company). Accordingly, the Bank does not exercise voting rights on behalf of its discretionary portfolio management clients. Clients are welcome to instruct at any time a third party – such as an association of shareholders – to exercise their voting rights. In our capacity as portfolio manager of private labelled funds in cooperation with Carne group companies as well as our funds with Three Rock

Capital Management Limited, Institutional Shareholder Services Inc. (“ISS”), a specialist independent proxy voting service provider, has been appointed to assist in the voting process through the provision of vote analysis, recommendations, implementation and recordkeeping services. The engagement of ISS provides an integrated platform for proxy research, voting and reporting. For Carne group companies, the voting process is based on the ISS Proxy Voting Guidelines and Benchmark Policy Recommendations. For Three Rock Capital Management Limited, the voting process is based on the Sustainability Proxy Voting Guidelines. Both policies apply the “ISS Recommendations” which are oriented towards best practice standards promoting shareholder value and risk mitigation.

REPORTING ON OUR VOTING BEHAVIOUR

As a general approach, the Bank in its function as discretionary portfolio manager does not exercise any voting rights relating to the assets managed on the client's behalf; consequently, at the current time, we do not make publicly available annual reports on our voting behaviour.

In our capacity as portfolio manager of private labelled funds set up in cooperation with Carne group companies as well as our funds with Three Rock Capital Management Limited, we maintain a record of our fund voting activities, which we publish at least annually and as appropriate.

CO-OPERATION AND COMMUNICATION WITH OTHER SHAREHOLDERS OF INVESTEE COMPANIES

The Bank might join forces with engagement partners or participate in a collective initiative to have greater weight in discussions with companies and increase engagement outcomes, while avoiding conflicts of interest or acting in concert activities. The Bank always retains its own views and voting rights. At the current time, we do not collaborate with other shareholders in investee companies.

The Bank is a signatory of the UN Principles for Responsible Investment (UN PRI) and has committed to implementing responsible investment principles. In practice, this means that we apply the principles under the UN PRI to our investment processes for our model strategies. As part of our investing efforts, we take into account ESG risks in our investment analysis and decision-making process.

MANAGEMENT OF POTENTIAL AND ACTUAL CONFLICTS OF INTEREST

With regard to the management of potential conflicts of interest, we refer to the relevant section in the Discretionary Mandate Agreement. We review our policy on conflicts of interest regularly to ensure it remains up-to-date, relevant, and effective.

Our policy shall manage any conflict of interest so that it does not give rise to any material risk of damage to the interests of our clients. Accordingly, where interests of a client conflict with our interests or those of other members of the Julius Baer Group, we will seek to ensure that the interests of the clients are put first.

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