

For customers, employers and intermediaries

# Voting Policy – Aegon Investments Limited (AIL)

May 2019

Aegon Investments Limited (AIL) is an investment manager of Open Ended Investment Companies (OEICs). These OEICs are funds of funds, which means they invest only in other funds, also known as collective investment schemes.

A voting right is the right of shareholders to vote on matters of corporate policy, for example the appointment of a board director or significant changes to a company's operations. As we only manage funds of funds, we do not invest directly in securities e.g. equities or bonds. This means we can only exercise voting rights in relation to the underlying funds our OEICs invest in; we don't have voting rights relating to the companies that the underlying funds are in turn invested in.

Therefore, AIL's voting policy has two distinct sections:

1. Voting on a material change relating to an underlying fund we have invested in.
2. Consideration of the voting policy of the fund manager of an underlying fund we have invested in or are considering investing in.

More information on each section can be found below.

## AIL voting on material changes to a fund

- Material changes (also known as corporate actions) may include fund mergers and closures, or changes to a fund's objective, price, risk appetite or name for example.
- We will, where we consider it is in best the interests of investors in our OEICs, discuss with the fund manager(s) of the underlying funds we invest in, issues relating to corporate actions.
- We will fully consider the implications for investors in our OEICs of corporate actions relating to the underlying funds we invest in.
- We will give instructions for voting, or abstaining from voting, on all corporate actions relating to the underlying funds we invest in, in the best interests of investors in our OEICs.
- We will disclose our voting activity on request.

## AIL's consideration of fund managers' voting policies

- Before we invest in an underlying fund we will understand the fund manager's stewardship and voting policies to make sure they comply with our expectations as stated below.
- We will also monitor a fund manager's stewardship and voting policies on an ongoing basis.
- We expect that fund managers of an underlying fund we invest in, will:
  - I. Carry out sufficient due diligence before investing in a company, and monitor companies after investing in them by having processes which considers:
    - The ongoing governance controls within the company;
    - Public information concerning the company, for example company research and annual report and accounts;
    - Attending broker meetings as well as meetings with the company.
  - II. Where it is in the interests of the underlying fund, discuss or hold meetings, either on its own or where appropriate with other shareholders, with members of the company's board.
  - III. Give instructions for voting or effecting, exercising or abstaining from voting on, all voting rights attached to the companies invested in by the collective investment scheme. These voting decisions should be made in the best interests of the collective investment scheme at that time.

