

# Systematic Financial Management, L.P.

## *Proxy Voting Policy*

### Policy Summary

Systematic Financial Management, L.P. has adopted and implemented this Proxy Voting Policy, which it believes is reasonably designed to:

- Ensure that proxies are voted in the best interests of its clients;
- Address material conflicts of interest that may arise; and
- Comply with disclosure and other requirements in connection with its proxy voting responsibilities.

### Policy

As an investment adviser and fiduciary of client assets, Systematic's proxy voting policies and procedures are designed to protect the value of shareholder investments. The Investment Advisers Act of 1940, as amended (the 'Advisers Act'), requires investment advisers to act solely in the best interest of its clients at all times. We have adopted and implemented these Proxy Voting Policies and Procedures, which we believe are reasonably designed to ensure that proxies are voted in the best interest of clients, in accordance with our fiduciary duties and Rule 206(4)-6 under the Advisers Act.

### Procedures

Systematic recognizes that proxies are client assets and, as such, are managed with the same care, skill and diligence as all other client assets. Systematic shall vote proxies related to securities held by our clients for which we serve as the investment adviser in the best interest of our clients. Systematic's authority to vote the proxies of certain clients is established by advisory contracts or comparable documents. In addition to requirements of the Securities and Exchange Commission ("SEC") governing advisers, these policies reflect our fiduciary standards and responsibility for ERISA accounts. At their discretion, clients may reserve the right to vote proxies for themselves. Furthermore, a client may from time-to-time direct us to vote proxies in a manner that is different from the guidelines set forth in our Proxy Voting Policies and Procedures. We will follow such written direction for proxies received after our receipt of such written direction. These Proxy Voting Policies and procedures are limited solely to clients for which we have agreed to vote such proxies.

Systematic is wholly owned by Affiliated Managers Group, Inc. ("AMG"), an asset management company with equity investments in numerous investment management firms (its "Affiliates"). Systematic does not purchase AMG's publicly traded securities for client portfolios. Each AMG Affiliate makes its own investment and proxy voting decisions, which are not communicated to AMG or to other Affiliates.

Systematic has retained an independent third-party proxy advisory agent to assist the firm in discharging its proxy voting responsibilities. The third-party proxy advisory firm offers voting assistance by, among other proxy matters:

- Providing specified sets of independent proxy voting policy guidelines;
- Providing research and vote recommendations in accordance with the specified policies considerations;
- Voting Systematic's client proxies via the proxy adviser's automated, electronic vote management system;
- Acting as agent for the proxy process, and
- Maintaining records on proxy voting for our clients.

To assist Systematic in voting proxy proposals in their client's best interest, the firm has adopted four sets the proxy adviser's proxy voting guidelines, one based on AFL-CIO policies for Taft-Hartley Plan Sponsors, another for Public Plans, a third for Catholic or other faith-based clients and the fourth being a General Policy for all other clients. Institutional clients are generally requested to select which set of proxy guidelines they wish Systematic to use in voting their account's proxies. In instances where the client does not select a voting policy, Systematic will generally select the client's proxy policy based on Systematic's determination of which policy it believes is in the client's best interest. Ballots for our retail separately managed account (SMA) clients are typically wrapped in an Omnibus account and voted according to the proxy adviser's General Proxy Voting Policy. Systematic understands that the proxy advisory firm uses its best efforts to ensure that its proxy voting recommendations are consistent with its policy guidelines, as well as relevant requirements of ERISA and the U.S. Department of Labor

### *Exceptions*

Systematic typically does not vote the following types of proxies:

#### Foreign Securities:

While Systematic will make reasonable efforts to vote foreign securities on behalf of clients, voting proxies of companies not domiciled in the United States may involve greater effort and cost due to the variety of regulatory schemes and corporate practices. (e.g., proxies may be written in a language other than English or proxies that require travel overseas in order to vote). Furthermore, Systematic generally will also decline to vote proxies if to do so would cause a restriction to be placed on Systematic's ability to trade securities held in client accounts in "share blocking" countries. Accordingly, Systematic may abstain from votes in a share blocking country in favor of preserving its ability to trade any particular security at any time.

#### Securities on Loan:

Some Systematic clients may participate in securities lending programs. In most circumstances, securities on loan will not be recalled due to circumstances beyond the control of Systematic or due to client's preferences not to recall such securities.

#### Other Voting Exceptions:

Other proxy voting exceptions exist for proxies of legacy securities held in a new account previously managed by another manager. In such an event, if Systematic acquires a legacy security after its record date and subsequently sells the security, the proxy for the security will not be voted by Systematic.

## Use of Proxy Advisory Firm's Electronic, Automated Voting Systems

As previously mentioned, Systematic subscribes to the use of its proxy advisory firm's electronic, automated voting system when voting its clients' proxies in the normal course. Under normal circumstances Systematic generally casts its votes in accordance with its proxy adviser's vote recommendations. Systematic's proxy adviser provides information relating to its vote recommendations in advance of the proxy vote submission deadline including, but not limited to, information and reported additional feedback concerning issuer or shareholder supplemental information and research that may contrast or differ from the proxy advisory firm's research, recommendations and views. In these instances, where additional information is received, or in the case of controversial or contested election proposals, and similarly situated proxy matters, a more thorough analysis of such information may be conducted by Systematic before final proxy votes are cast, taking into consideration our client(s) best interests.

## Conflicts of Interest

For purpose of this Policy, a conflict of interest is a relationship or activity engaged in by Systematic or a Systematic employee that creates an incentive (or appearance thereof) to favor the interests of Systematic, or the employee, rather than the clients' interests. For example, Systematic may have a conflict of interest if either Systematic has a significant business relationship with a company that is soliciting a proxy, or if a Systematic employee who is involved in the proxy voting decision-making process has a significant personal or family relationship with the particular company. A conflict of interest is considered to be 'material' to the extent that a reasonable person could expect the conflict to influence Systematic's decision on the particular vote at issue. Systematic seeks to avoid the occurrence of actual or apparent material conflict of interest in the proxy voting process by voting in accordance with pre-determined voting guidelines, and by observing procedures that are intended to prevent, when practicable, and manage material conflicts of interest. In all cases in which there is deemed to be a material conflict of interest, Systematic will seek to resolve the conflict in the clients' best interests. As previously mentioned in order to avoid the appearance of any and all conflicts of interest, Systematic has adopted four independent proxy voting guidelines, all of which are constructed and maintained by the firm's proxy advisory firm. It is our belief that such adoption not only endeavors to remove conflicts of interest that could affect the outcome of a vote but also affords us the opportunity to vote in the best interest of the client. Systematic intends to remove any discretion it may have to interpret how to vote proxies in cases where Systematic has a conflict of interest or the appearance of a potential conflict of interest.

Systematic's Proxy Voting Committee monitors situations where Systematic believes it has a material conflict of interest, or where Systematic wishes to exercise its discretion or more closely review a particular matter. In these situations, the Proxy Voting Committee will review the vote(s) involved and provide the actual voting recommendation based upon the Committee's determination of what is in Systematic's client's best interests. Systematic may use consensus decisions when voting an issue and does not allow Portfolio Managers to vote proxies independently. The CCO must approve the Proxy Voting Committee's voting recommendation prior the vote being cast. The CCO's approval will depend, in part, upon whether, in the CCO's best judgment, the recommendation reflects the spirit of Systematic's Proxy Voting Policy and related procedures. Systematic will maintain documentation of any such voting decision.

Furthermore, Systematic periodically reviews its proxy advisory firm's policies and procedures regarding how it identifies and addresses conflicts of interests as well as their Conflict

Management Procedures. In addition, Systematic receives an annual Conflict of Interest Statement from the proxy advisory firm. The proxy advisory firm must notify Systematic in advance of any potential material conflict of interest that may arise in voting proxies on behalf of Systematic's clients. Both the proxy advisory firm and Systematic will follow their respective procedures regarding conflicts of interest should a material conflict of interest occur.

## Policy Review

Systematic generally reviews and documents the adequacy of its voting policies and procedures annually to ensure they have been reasonably designed and continue to comply with our requirements as a fiduciary. As part of this annual review, Systematic generally considers the following types of matters before retaining a new proxy advisory firm or continuing to retain the services of its current proxy advisory firm:

- The proxy advisory firm's capacity and competency to adequately analyze the matters for which Systematic is responsible for voting,
- The adequacy and quality of the proxy advisory firm's personnel and technology,
- The adequacy of the proxy advisory firm's process for seeking timely input from issuers and proxy advisory firm clients with respect to proxy voting policies, methodologies, and peer group constructions, including 'say on pay' votes,
- The adequacy of the proxy advisory firm's disclosures regarding its methodologies for formulating voting recommendations and, in making such recommendations, whether it uses any third-party information,
- The proxy advisory firm's policies and procedures for identifying and addressing conflicts of interest, rectifying identified material deficiencies in its analyses, disclosure of its information sources and methods used to develop its voting recommendations, and consideration by the proxy adviser of facts unique to a specific issuer or proposal when evaluating a matter that is subject to a shareholder vote,
- The proxy advisory firm's policies and procedures for implementing an investment adviser's proxy voting instructions, if any,
- Review its agreement with the proxy advisory firm to determine whether the proxy advisory firm is permitted to use any non-public information regarding how Systematic intends to vote a client's securities that would not be in the best interest of Systematic's clients, (e.g., is the proxy advisory firm permitted to share this information with third parties); and
- Any changes to the services or scope of services provided to Systematic by the proxy advisory firm.

## Client Disclosure

Systematic shall provide information regarding its proxy voting policies and procedures, including information about any conflicts of interests and the policies to address such conflicts, and disclose how clients can obtain information about how their securities were voted. Systematic's practices related to this Policy are disclosed in the Firm's Form ADV, which is filed with the SEC and furnished to clients. In addition, Systematic will provide clients with a copy of its policies upon request.

Generally, Systematic provides institutional clients with a report summarizing how proxy votes were cast for the securities held in their accounts on a quarterly basis. Systematic

typically provides proxy voting records of its registered investment company clients to such clients as their agents for disclosure on Form N-PX.

### *Recordkeeping*

Systematic shall maintain certain records required by applicable law in connection with proxy voting activities and shall provide proxy voting information to a client for which we are responsible for voting proxies upon written request.

Systematic's Compliance Department is primarily responsible for maintaining records created with respect to this Policy and the procedures adopted to implement it. Such records will include, but are not limited to, corporate issuer proxy statements and ballots (unless otherwise available on the SEC's EDGAR website), reports from third-party research providers, internal memos between and among Systematic personnel, communications between Systematic and corporate issuers or clients pertaining to proxy voting matters, proxy voting policies, procedures and guidelines, proxy voting records for each meeting voted on behalf of clients, the number of share voted by account and how each proxy was voted.

The Compliance Department may, in its discretion, delegate maintenance and retention of some or all of these proxy voting records to its designated third-party proxy advisory agent. All proxy voting records will be maintained on site for a minimum of two years and for a minimum of six years in total, in accordance with applicable law

### *Oversight*

Systematic has a Proxy Voting Committee comprised of the CCO and certain Compliance Department personnel. The Proxy Voting Committee monitors and reviews the Firm's voting policies and procedures, material conflicts of interest or special factors or circumstances on an as needed basis. The Committee also reviews and approves any material changes to the proxy advisory firm's policies.

Systematic's Proxy Voting Committee shall also periodically conduct due diligence over the proxy advisory firm's operations, including any material changes to their organization, staffing, personnel and technology; processes for ensuring that it maintains complete and accurate information about the issuer and each particular matter; efforts to correct any identified material deficiencies in the proxy advisory firm's analysis; updates to policies and procedures as well as any business changes that may affect the proxy advisory firm's competency in carrying out voting instructions.