

Voting Rights policy

Last update : 06/12/2020

1. Presentation

Pursuant to Commission delegated regulation (EU) 231/2013, ABC arbitrage Asset Management S.A. ("ABAM") edits a document setting out the conditions under which it intends to exercise voting rights attached to the securities held by the alternative investment funds ("AIF") that it manages.

In a report drawn up within four months of the end of its financial year, annexed, where appropriate, to the management report of the board of directors, ABAM must report of the conditions under which it exercised the voting rights. When ABAM did not exercise any voting rights during the financial year, it does not draw up the report mentioned but ensures that its voting policy is communicated to the AIF shareholders.

As part of the strategies implemented, the AIF is not, in the most general case, concerned by the vote of resolutions submitted for the approval of the General Meeting of an issuer on which the AIF would have a position.

It has to be noted that the exercise of the right to vote requires the blocking of financial instruments, which can be a source of risk if a rapid unwinding of financial instruments is necessary.

2. Structure of detention

Financial instruments can be held by AIFs under synthetic format (CFDs, swaps). In this case, the AIFs do not own the financial instruments; therefore, they have no voting rights.

In addition, the contracts signed between AIF and Prime Brokers provide that the latter can dispose of financial instruments via rehypothecation, unless requested to block the position on the account with no Prime Brokers reuse. As a result of rehypothecation, the AIF are no longer in possession of the securities and therefore no longer have the right to vote.

Although this is not its original intention, ABAM reserves the right, if necessary, to take the appropriate decisions in order to use the voting rights of its AIF or to table a draft resolution.

In its due diligence questionnaire sent annually to investors, ABAM reminds that it ensures that it does not acquire any financial instruments in such a way that this influence will require the exercise of voting rights.