

## **PIMCO GLOBAL ADVISORS (IRELAND) LIMITED (“PGAIL”)**

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Ireland

### **VOTING RIGHTS POLICY**

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#### **1. Overview**

In accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (the “**UCITS Regulations**”), and its obligations under the Alternative Investment Fund Managers Directive 2011/61/EU (the “**Directive**”) on Alternative Investment Fund Managers and EU Commission Delegated Regulation (EU) No. 231/2013 (the “**Regulation**”), PGAIL is required to develop adequate and effective strategies for determining when and how any voting rights it holds are to be exercised to the exclusive benefit of the investors. PGAIL has implemented and maintains this Voting Rights Policy (the “**Policy**”).

PGAIL is authorised by the Central Bank to act as the UCITS management company for PIMCO Funds: Global Investors Series p.l.c. (“**GIS**”), PIMCO Select Funds p.l.c. (“**PSFP**”) and PIMCO Fixed Income Source ETFs plc (“**PSETF**”). PGAIL is the Alternative Investment Fund Manager of PIMCO Funds Ireland plc (“**PFI**”) and PIMCO Specialty Funds Ireland plc (“**PSFI**”) for the purposes of the Directive and the Regulation. GIS, PSFP and PSETF are each an Irish authorised UCITS umbrella investment company, PFI is an Irish authorised qualifying investor alternative investment fund and PSFI is a retail investor alternative investment fund (each a “**Fund**”, collectively the “**Funds**”).

The Policy is designed to determine when and how voting rights attached to instruments held on behalf of any Fund under management are to be exercised to the exclusive benefit of the Fund concerned and to foster the PGAIL’s compliance with its fiduciary obligations and the UCITS Regulations and the Regulation.

This Policy sets out measures and procedures for:

- (i) monitoring relevant corporate events;
- (ii) ensuring that the exercise of voting rights is in accordance with the investment objective and policy of the relevant Fund;
- (iii) preventing or managing any conflicts of interest arising from the exercise of voting rights.

#### **2. Voting Rights Policy - Procedures which will be followed and measures adopted to monitor exercise of voting rights**

Proxy voting is a fiduciary duty of PGAIL and an integral component of the investment process. Proxy votes are valuable assets and the authority to vote proxies can be delegated or retained but should always be voted in the best interests of investors in the relevant Fund managed by PGAIL. PGAIL or its delegate will vote client proxies in accordance with the procedures set forth below unless expressly directed by an investor in writing to refrain from voting that investor’s proxies. The Policy applies to any voting or consent rights with respect to securities held in accounts over which PGAIL or its

delegate has discretionary voting authority. PGAIL or its delegate's discretionary authority to vote proxies on behalf of investors results from its advisory contracts, comparable documents or by an overall delegation of discretionary authority over investor assets.

The procedures to be followed and measures to be adopted to monitor the exercise of voting rights shall be those of Pacific Investment Management Company LLC, PIMCO Asia Pte Ltd (for GIS), PIMCO Deutschland GmbH and PIMCO Europe Limited, which have been appointed by PGAIL as the Investment Advisors to provide investment advisory services to the relevant sub-funds of the relevant Funds (the "**Investment Advisors**"). A copy of such procedures are set out in Appendix A attached hereto. The procedures to be followed and measures to be adopted by PGAIL in respect of the management of the conflicts of interest will be those set out in Appendix A.

The Investment Advisors have confirmed to PGAIL that they will give due consideration to the investment objective and policy of the relevant sub-fund prior to determining how to proceed in respect of the voting of proxies or participation in a corporate event. The Investment Advisors have further confirmed to PGAIL that once a decision to vote or to participate in a corporate event has been made by the Investment Advisors, the corporate event is monitored through to completion of the relevant action. A record of such decision to vote or participate will be maintained by the Investment Advisors, and provided to PGAIL upon request. In this manner, PGAIL has satisfied itself that relying on such policies and procedures will ensure that PGAIL is complying with its regulatory obligations. Through the ongoing monitoring and oversight of the Investment Advisors by PGAIL and through the reporting by the Investment Advisors to the Designated Person with responsibility for Investment Management and the Board of PGAIL, PGAIL is able to assess and test that such policies and procedures are being complied with.

PGAIL's administrator State Street Fund Services (Ireland) Limited will advise the Investment Advisors of corporate actions (such as right issues or the conversion of warrants to shares). Decisions on such corporate actions have been delegated to the Investment Advisor under the terms of the Investment Advisory Agreement. In taking such decisions, the Investment Advisors must ensure that they are consistent with the investment objectives and policies of the Fund and compliant with the UCITS Regulations and the Regulation.

### **3. Implementation**

Once a decision has been made as to how to action a particular vote or to exercise a corporate action, PGAIL (in respect of proxy votes) and the relevant Investment Advisor (in respect of corporate actions) will then instruct the depositary of the relevant Fund (the "**Depositary**") of the action that should be taken. The Depositary will then be responsible for actioning the instruction.

### **4. Investor Information**

A summary description of the Policy referred to herein shall be made available to investors upon request. Details of the actions taken on the basis of this Policy shall be made available to investors free of charge and on their request.

### **5. Record Keeping**

PGAIL will maintain a record of every voting right actioned or otherwise in order that it may respond to specific information requests from investors in relation to specified issues.

The Investment Advisors will be obliged to maintain a record of every corporate event actioned or otherwise and provide copies to PGAIL (upon request) in order that PGAIL may respond to specific information requests from investors in relation to specified issues.

## **6. Delegation Arrangements**

PGAIL will ensure that any Investment Advisor is provided with a copy of this Policy and that such Investment Advisor will be obliged to comply with the terms of this Policy. As described above, PGAIL will retain authority for exercising voting rights on behalf of the relevant Fund while delegating authority to manage corporate actions to the relevant Investment Advisor.

## **7. Annual Review**

The Policy adopted herein will be reviewed on an annual basis by PGAIL to ensure that the provisions are suitable and reflect accepted best practice. The Policy will also be provided to the Board of Directors of PGAIL for their review and approval on this basis.

PGAIL will also use its reasonable endeavours to ensure that the Policy remains appropriate to the structure and size of PGAIL and the nature, scale and complexity of PGAIL's business.

### **Role of the Designated Person**

The Directors have collective responsibility for this Policy. The Designated Person with responsibility for Investment Management will assist in ensuring that this Policy is acted upon and complied with, subject to the overall monitoring and oversight by the Board. If any issue arises in connection with this Policy, such issue will be escalated in accordance with PGAIL's Escalation Procedures & Exception Reporting, as set out in its Programme of Activity.

## Proxy Voting Policy

**Effective Date: August 2003**

**Last Reviewed Date: November 2017**

### Policy

The proxy voting policy (the "**policy**") is intended to foster PIMCO's compliance with its fiduciary obligations and applicable law; the policy applies to any voting or consent rights with respect to securities held in accounts over which PIMCO has discretionary voting authority.<sup>1</sup>

PIMCO will vote proxies in accordance with this policy and the relevant procedures related to proxy voting for each of its clients unless expressly directed by a client in writing to refrain from voting that client's proxies. PIMCO's authority to vote proxies on behalf of its clients results from its advisory contracts, comparable documents or by an overall delegation of discretionary authority over its client's assets.

#### A. General Policy Statement

The Policy is designed in a manner reasonably expected to ensure that voting and consent rights are exercised in the best interests of PIMCO's clients. As a general matter, when PIMCO has proxy voting authority, PIMCO has a fiduciary obligation to monitor corporate events and to take appropriate action on client proxies that come to its attention.

When considering client proxies, PIMCO may determine not to vote a proxy if it believes that: (1) the effect on the client's economic interests or the value of the portfolio holding is insignificant in relation to the client's account; (2) the cost of voting the proxy outweighs the possible benefit to the client, including, without limitation, situations where a jurisdiction imposes share blocking restrictions which may affect the ability of the portfolio manager ("**PM**") to effect trades in the related security; (3) not taking action or affirmatively filing an abstention is in the best interest of the client account; or (4) the Legal and Compliance department has determined that it is consistent with PIMCO's fiduciary obligations not to vote.

#### B. Conflicts of Interest

##### 1. Identification of Material Conflicts of Interest

When PIMCO has discretion over voting and consent rights it has a fiduciary obligation to take appropriate action on all proxies in good faith and in the best interests of the client. Potential conflicts of interest, however, may, or can appear to interfere with PIMCO's ability to evaluate proxies in accordance

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<sup>1</sup> Voting or consent rights shall not include matters which are primarily decisions to buy or sell investments, such as tender offers, exchange offers, conversions, put options, redemptions, and Dutch auctions.

with this fiduciary standard. Actual or potential conflicts of interest when PIMCO votes client proxies could arise in many ways, such as (i) if PIMCO has a material business relationship with the issuer to which the proxy relates; (ii) if an analyst assigned to recommend how to vote a proxy or a PM responsible for voting proxies has a material personal<sup>2</sup> or business relationship with the issuer; (iii) if PIMCO clients have divergent interests in the proxy vote; and (iv) if the PM voting a proxy becomes aware of a material business relationship between the issuer and a PIMCO Affiliate prior to voting.

Each PM/ analyst has a duty to disclose to the Legal and Compliance department any known potential, actual or apparent material conflict of interest relevant to a proxy vote prior to voting (whether the proxy will be voted by the ISP or PIMCO). If no potential, actual or apparent material conflict of interest is identified by, or disclosed to, the Legal and Compliance department, the proxy may be voted by the responsible PM/ analyst in good faith and in the best interests of the client.

PIMCO seeks to prevent conflicts of interest from interfering with its voting of client proxies by identifying such conflicts and resolving them as described in this policy.

## 2. Resolution of Potential/ Identified Conflicts of Interest

Equity Securities<sup>3</sup>. PIMCO has retained an independent Industry Service Provider ("ISP")<sup>4</sup> to provide research and voting recommendations for proxies relating to equity securities in accordance with the ISP's guidelines. By following the guidelines of an independent third party, PIMCO seeks to mitigate potential conflicts of interest PIMCO may have with respect to proxies covered by the ISP.

PIMCO will follow the recommendations of the ISP unless: (i) the ISP does not provide a voting recommendation; or (ii) a PM decides to override the ISP's voting recommendation. In either such case as described above, the Legal and Compliance department will review the proxy to determine whether a material conflict of interest, or the appearance of one, exists. When the ISP exercises its discretion to not provide a voting recommendation, the relevant PM/analyst may make a determination regarding how the proxy will be voted by completing the required documentation.

Fixed Income Securities. Fixed income securities can be processed as proxy ballots or corporate action-consents at the discretion of the issuer/ custodian. When processed as proxy voting ballots, the ISP generally does not provide a voting recommendation and their role is limited to election processing and recordkeeping. When processed as corporate action-consents, the Legal and Compliance department will review all election forms to determine whether a conflict of interest, or the appearance of one, exists with respect to the PM's consent election. PIMCO's Credit Research and Portfolio Management Groups are

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<sup>2</sup> Personal relationships include employee and immediate family member interests with an issuer.

<sup>3</sup> The term "equity securities" means common and preferred stock, including common and preferred shares issued by investment companies; it does not include debt securities convertible into equity securities.

<sup>4</sup> The ISP for Equity Securities proxy voting is Institutional Shareholder Services ("ISS"), Inc., 1177 Avenue of the Americas , 2nd Floor, New York, NY 10036.

responsible for issuing recommendations on how to vote proxy ballots and corporate action-consents (collectively referred to herein as proxies) with respect to fixed income securities.

Conflicting Client Interests. Where the conflict at issue has arisen because PIMCO clients have divergent interests, the applicable PM (or another PM) may vote the proxy as follows:

- If the conflict exists between the accounts of one or more PMs on the one hand, and accounts of one or more different PMs on the other, each PM (if the conflict does not also exist among the PM's accounts) will vote on behalf of his or her accounts in such accounts' best interests.
- If the conflict exists among the accounts of a PM, the PM shall vote the proxies in the best interest of the relevant client and should be prepared to respond to inquiries regarding proxy decisions. PM's have the discretion to escalate questions regarding divergent interests to the head of the PM's desk. Operations or the Legal and Compliance department as necessary.

### **Affiliated Fund Considerations**

PIMCO-Affiliated Fund Shares Covered by ISP. The ISP may make voting recommendations for proxies relating to PIMCO-affiliated fund shares in accordance with the ISP guidelines. PIMCO may determine to resolve a conflict of interest with respect to a PIMCO-managed separate account, fund or other collective investment vehicle holding such PIMCO-affiliated fund shares by following the recommendation of the ISP. When the ISP publishes a voting recommendation with respect to PIMCO-Affiliated Funds, PIMCO may elect to override the ISP.

PIMCO-Affiliated Fund Shares Not Covered by ISP. In certain circumstances, conflicts of interest with respect to the voting of proxies may also arise when PIMCO-managed separate accounts (including wrap program accounts advised or managed in whole or in part by PIMCO and other wrap program accounts for which PIMCO has proxy voting authority), funds or other collective investment vehicles are shareholders of PIMCO-affiliated funds that are the subject of proxies. PIMCO will vote client proxies relating to a PIMCO-affiliated fund in accordance with the offering or other disclosure documents or any applicable contract for the PIMCO-managed separate account, fund or other investment vehicle holding shares of the PIMCO-affiliated fund. Where such documents are silent on the issue, PIMCO will vote client proxies relating to a PIMCO-affiliated fund by "echoing" or "mirroring" the vote of the other shareholders in the underlying funds, or by applying other appropriate methods in the policy.

Confidentiality. To reduce the occurrence of actual or apparent conflicts of interest, PIMCO and PIMCO's agents are prohibited from disclosing information regarding PIMCO's voting intentions to any affiliate other than PIMCO-named affiliates.

### 3. Escalation of Conflicts of Interest

Direct Resolution by the Proxy Working Group. PIMCO may leverage a Working Group to assist in the evaluation and resolution of potential conflicts of interest. When a conflict is brought to the Working Group for direct resolution, the Working Group will seek to mitigate the actual or apparent conflict in the best interest of clients. In considering the manner in which to mitigate a conflict of interest, the Working Group may take into account various factors, including:

- The extent and nature of the actual or apparent conflict of interest;
- If the client is a fund, whether it has an independent body (such as a board of directors) that is willing to give direction to PIMCO;
- The nature of the relationship of the issuer with the PM / analyst or PIMCO (if any);
- Whether there has been any attempt to directly or indirectly influence PIMCO's voting decision or actions; and
- Whether the direction of the proposed vote would appear to benefit the PM/ analyst, PIMCO, a related party or another PIMCO client.

The Working Group Protocol. To facilitate the efficient resolution of conflicts of interest, the Working Group may establish a protocol (the "Working Group Protocol") that directs the methods of resolution for specific types of conflicts, provided that such methods are consistent with this policy. Generally, once a protocol has been established for a certain type of conflict all conflicts of that type will be resolved pursuant to the protocol.

PIMCO Conflicts Committee. The Working Group in its discretion may escalate potential conflicts of interest to the firm wide Conflicts Committee for review on an as needed basis.

The Legal and Compliance department will record the manner in which each such conflict is resolved.

#### C. Delegation of Proxy Voting Authority

Sub-Adviser Engagement. As an investment manager, PIMCO may exercise its discretion to engage a Sub-Adviser to provide portfolio management services to certain Funds. Consistent with its management responsibilities, the Sub- Adviser will assume the authority for voting proxies on behalf of PIMCO for these Funds. Sub-Advisers may utilize third parties to perform certain services related to their portfolio management responsibilities. As a fiduciary, PIMCO will maintain oversight of the investment management responsibilities performed by the Sub-Adviser and contracted third parties.

#### D. Reporting and Disclosure Requirements and the Availability of Proxy Voting Records<sup>5</sup>

For each U.S. registered investment company ("fund") that PIMCO sponsors and manages, PIMCO will ensure that the proxy voting record for the twelve-month period ending June 30 is properly reported on Form N-PX which is filed with the SEC no later than August 31 of each year. PIMCO will also ensure that each fund states in its Statement of Additional Information ("SAI") (or, with respect to Private Account Portfolio Series of PIMCO Funds ("PAPS Portfolios"), the Offering Memorandum Supplement) and its annual and semi-annual report to shareholders that information concerning how the fund voted proxies relating to its portfolio securities for the most recent twelve-month period ending June 30 is available without charge through the fund's website and on the SEC's website, as required by Form N-1A (for open-end funds) or Form N-2 (for closed-end funds). PIMCO's Funds Business Group is responsible for ensuring that this information is posted on each fund's website in accordance with the foregoing

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<sup>5</sup> For each Canadian mutual fund under MI 81-102 ("fund") that PIMCO Canada sponsors and manages, PIMCO will ensure that the proxy voting record for the twelve-month period ending June 30 is properly disclosed on the PIMCO Canada website no later than August 31 of each year.

disclosure. PIMCO will ensure that proper disclosure is made in each fund's SAI (or, with respect to the PAPS Portfolios, the Offering Memorandum Supplement) and annual and semi-annual reports describing (or, in the case of annual and semi-annual reports, regarding the availability of a description of) the policies and procedures used to determine how to vote proxies relating to such fund's portfolio securities, also as required by Form N-1A (for open- end funds) and Form N-2 (for closed-end funds). PIMCO will also ensure that proper disclosure is made in each closed-end fund's Form N-CSR filing for an annual report describing the policies and procedures used to determine how to vote proxies relating to such fund's portfolio securities, as required by Form N-CSR.

Except to the extent required by applicable law (including with respect to the filing of any Form N-PX) or otherwise approved by PIMCO, PIMCO will not disclose to third parties how it voted a proxy on behalf of a client. However, upon request from an appropriately authorized individual, PIMCO will disclose to its clients or the entity delegating the voting authority to PIMCO for such clients (e.g., trustees or consultants retained by the client), how PIMCO voted such client's proxy. In addition, PIMCO provides its clients with a copy of these Policies and Procedures or a concise summary of these Policies and Procedures: (i) in Part 2 of Form ADV; (ii) together with a periodic account statement in a separate mailing; or (iii) any other means as determined by PIMCO. The summary will state that these Policies and Procedures are available upon request and will inform clients that information about how PIMCO voted that client's proxies is available upon request.

#### E. Records

PIMCO or its agent (e.g., IMS West or the ISP) maintains proxy voting records as required by applicable rules. The records maintained by PIMCO include: (1) a copy of all proxy voting policies and procedures; (2) a copy of any document created by PIMCO that was material to making a decision on how to vote proxies on behalf of a client or that memorializes the basis for that decision; (3) a copy of each written client request for proxy voting records and any written response from PIMCO to any (written or oral) client request for such records; and (4) any documentation related to an identified material conflict of interest. Additionally, PIMCO or its agent (if the agent has undertaken to provide a copy to PIMCO upon request) maintains: (1) proxy statements (or other disclosures accompanying requests for client consent) received regarding client securities (which may be satisfied in the U.S. by relying on obtaining a copy of a proxy statement from the SEC's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system); and (2) a record of each vote cast by PIMCO on behalf of a client.

Proxy voting books and records are maintained by PIMCO or its agent in an easily accessible place for a period of five years from the end of the fiscal year during which the last entry was made on such record, the first two years in the offices of PIMCO or its agent.