Period: April 01, 2015 - June 30, 2015

Table 1. Statistics

Votes Cast	2431	Number of meetings	199
For	2149	With management	2146
Withhold	0	Against management	285
Abstain	0		
Against	282		
Total	**2431**	**Total**	**2431**

In 115 (58%) out of 199 meetings we have cast one or more votes against management recommendation.

General highlight

Voting by Show of hands - 5/15/2015

In March of this year, we co-signed the vote by show of hands initiative for Australia by one of our peer investors under the initiative. A selection of companies listed in ASX100 were requested to amend their articles of association in order to remove a provision allowing them to vote by show of hands and instead require voting by poll on all resolutions.

An important hurdle of voting by show of hands is that only the votes of the attendees of the physical AGM will be valid, which makes it very difficult for foreign investors to cast their votes and have a say as a significant shareholder. We believe voting by show of hands disenfranchises shareholders' rights. According to the Australian Corporation Act of 2001, Australian companies are allowed to choose for voting by show of hands instead of poll voting on all proposals in shareholder meetings. When shareholders vote by show of hands the number of shares an investor holds is not a defining factor of the weight of the vote for any proposal. Instead of counting one vote per share, the show of hands method counts one vote per person regardless of how many shares that person has.

Shareholder interests are best protected by voting by poll, which ensures that all votes are counted even in the case where a shareholder is not able to attend the AGM in person. Furthermore, this form of voting contributes to good corporate governance practices because it provides a vote in proportion to shareholders´ economic stake in a company with a "one share, one vote" approach.

For these reasons, we are in favor of voting by poll and believes that voting by show of hands should be avoided by every company.

Period: April 01, 2015 - June 30, 2015

Market highlight

Equal voting rights in France - 6/1/2015

One of the hot topics of proxy season 2015 is maintaining the "one-share, one-vote" system in some of France's largest companies. Investors, and in some cases companies themselves, have been trying to repeal the implementation of the so-called Florange law, a legislation that automatically grants double voting rights from 2016 onwards to investors that have held shares in a listed French company for more than two years unless two-thirds of shareholders vote to overturn it. This legislation reverses the current situation where companies had to expressly choose to introduce double voting rights.

Supporters of this new legislation assert that granting extra voting power to those owning stocks for more than two years rewards long-term shareholders. The assumption is that an investor with a two-year horizon, as opposed to one who trades every few milliseconds, is going to evaluate companies differently. It is for this reason that this kind of stock is called "loyalty shares". We acknowledge that long-term shareholding should be encouraged. However we also believe that the strategy of granting double-voting rights to long-term investors is not adequate. We believe that a deviation from the "one-share, one-vote" system, such as the double voting rights under the Florange law, gives certain shareholders power that is disproportionate to their economic interests and brings unfavourable treatment to minority shareholders. The French market is characterised by concentrated ownership by the state and founding families in listed companies. A consequence of the Florange law will be strengthening the voting power of blockholders, leaving minority shareholders unable to influence the company through proxy voting.

For these reasons, we joined the shareholder engagement campaign led by the Paris-based active investors fund PhiTrust. French companies listed on the CAC 40 index that had not yet adopted a double voting rights structure were engaged to advocate for opting out of the implementation of the Florange law provisions.

As part of the equal voting rights campaign, 13 companies in the CAC 40 index that did not have double voting rights before the Florange law was passed were engaged. As a result, 10 of these companies proposed resolutions for opting out of the law's provisions. The campaign was relatively successful, as seven companies effectively repealed the implementation of double-voting rights, including the cosmetics giant L'Oreal, the property firm Unibail Rodamco, and the construction firm Vinci with over 99 per cent of approval. However, six companies did not gather enough shareholder support for the proposal on equal voting rights, among them being Véolia and the state-controlled company Renault.

It is likely that similar regulatory developments to those in France will take place in other European countries. The Florange law comes amid a wider European debate revolving around the Shareholder Rights Directive, which would potentially include provisions allowing member states to deviate from the one-share one-vote structure. Some EU countries are already pursuing their own legislation on loyalty shares. In June 2014 the Italian government adopted the so-called "Development Decree" which includes a provision allowing listed Italian companies to issue shares with multiple-voting rights granting two votes per share.

Period: April 01, 2015 - June 30, 2015

Voting highlight

Royal Dutch Shell Plc - 05/19/2015 - United Kingdom

Royal Dutch Shell Plc is an Anglo-Dutch multinational oil and gas company operating in both exploration and production and refining and marketing.

The Shareholder Proposal Regarding Climate Change Reporting proposed this year on the Annual General Meeting of Royal Dutch Shell Plc has received a lot of attention in the investment community. As most shareholder proposals do not get support from management, it is remarkable that both companies were supportive of the resolution and acknowledged the importance of taking actions to minimize the climate effects to which the operations of both companies contribute.

The proposal requests both companies to enhance their 2016 reporting on climate change effects. Reporting should cover topics such as operational emissions management, asset portfolio resilience to the International Energy Agency's scenarios and low carbon energy research and development (R&D). Furthermore, investment strategies, relevant strategic key performance indicators and executive incentives and public policy positions relating to climate change are also topics covered by the proposal.

The company already reports on climate, for example via disclosures to the Carbon Disclosure Project (CDP). However, Royal Dutch Shell Plc received a "B" carbon performance band (on an A –E scale) grade in their CDP disclosures of 2014. Within this assessment, considerable weight is given to operational emissions management, also covered in the shareholder proposal, such as strategic and governance issues. The question is: how will the company receive an "A" grade in the future?

We believe that the request of this proposal will add additional value to both the sustainability practices of Royal Dutch Shell Plc. The company has the ability to reduce climate change effects successfully by implementing the proposal requests. Therefore, we have voted 'For' the shareholder proposal on this year's Annual General Meeting of Royal Dutch Shell Plc.

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