

Border to Coast Emerging Markets Equity Fund



Proxy Voting Report

Period: October 01, 2018 - December 31, 2018

Votes Cast	82	Number of Meetings	9
For	76	With Management	76
Withhold	0	Against Management	6
Abstain	0		
Against	6		
Other	0		
Total	82	Total	82

In 5 (56%) out of 9 meetings we have cast one or more votes against management recommendation.

General Highlights

The Rise of Non-Financial Performance Metrics

One of the greatest challenges of any remuneration policy is to ensure that executive pay and performance are firmly aligned. This measurement involves the use of performance metrics that strike a balance between short and long-term variable pay, reflecting the interests of both management and shareholders. Corporate performance is being scrutinized beyond solely financial achievements, also taking into account the company's environmental and societal impact. As companies are increasingly asked to respond to a wider approach to shareholder value creation, remuneration packages are gradually changing to reflect such trends.

In the last couple of years there has been a growing trend in companies incorporating non-financial criteria into remuneration packages across Europe and the US according to Morgan Stanley. Investors are increasingly asking companies to demonstrate how financially material environmental and social topics are embedded into their corporate strategy and how management is being incentivized to deliver on such topics. As a result, remuneration committees have been including non-financial metrics such as employee satisfaction, carbon reduction targets and gender diversity targets within their compensation schemes.

These non-financial metrics are capable of capturing less traditional performance criteria, such as a company's societal or environmental impact. This allows shareholders to hold executives accountable on the execution of a strategy that incorporates ESG considerations and encourages companies to take a broader perspective on shareholder value creation.

The efficacy of a non-financial metric largely depends on its implementation. One aspect of this implementation is the relevance of the ESG criteria to the business and whether it contributes to enhanced shareholder value in the long run. Another factor is the level of measurability and transparency provided to shareholders. Investors benefit from having access to disclosures related to the assessment of the performance metric, key targets and thresholds included in the compensation plan.

If implemented correctly, non-financial measures can improve compensation plans while playing a pivotal role in enhancing ESG integration in companies' strategies. For shareholders, they serve as a means to hold management accountable for shareholder value creation. For companies, they can be used to better reflect the performance and value of their executives.

Votes Against Management

In the following instance, Border to Coast Pension Partnership voted against the recommendation of management at the shareholder meeting. In each instance where a vote against management has been cast, the rationale for the vote is also provided.

Issuer Name	Meeting Date	Proposal Description	Management Recommendation	Vote Decision	With Or Against Management	Vote Note	Meeting Type
China Life Insurance Co	11/13/2018	Elect WANG Bin	For	Against	Against Management	Board is not sufficiently independent	Special
China Life Insurance Co	11/13/2018	Elect TANG Yong as Supervisor	For	Against	Against Management	Supervisors are not sufficiently independent	Special
Industrial & Commercial Bank of China Ltd.	11/21/2018	Authority to Issue Shares w/o Preemptive Rights	For	Against	Against Management	Issue price discount not disclosed; Excessive issuance	Special
Magnit PJSC	12/5/2018	Amendments to Board of Directors Regulations	For	Against	Against Management	Insufficient disclosure	Special
BlackRock Asset Management Ireland Limited	12/14/2018	Elect Barry O'Dwyer	For	Against	Against Management	The nominee serves on the Nominating Committee that lacks sufficient independence.	Annual
Ping AN Insurance (Group) Co. of China, Ltd.	12/14/2018	Approval of Adoption of Long-term Service Plan	For	Against	Against Management	The company has not provided sufficient information.	Special

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