

SUPERANNUATION VOTING TRANSPARENCY REPORT

1. Name of asset owner/ fund manager & fund name chosen to assist with queries below:

Local Authorities Superannuation Fund (Owned by Vision Super)

2. Brief Description of Asset Owner

Public sector super fund although Vision super claims it is an industry fund on its 'about us' page¹, it does not say for whom, and is not mentioned in the industry superfund website.²

Fund's RSE licensee is Vision Super Pty Ltd

3. Funds Under Management: \$9.2B as at November 2016³

4. Memberships

Association	Membership
UNPRI	Yes
FSC	No
RIAA	Yes
ACSI	Yes

5. Do they publically disclose a clear policy on how ESG issues are incorporated in all of their equity investment activities (i.e not just for SRI funds?) and do they screen any particular industry?

Vision Super discloses a clear policy on how ESG issues are incorporated in their investment activities. In particular, the fund focuses on climate change, renewable energy and usage of fossil fuels. The fund, in its international portfolio, invests in "companies that have a 70% lower carbon exposure than the rest of the market". The fund divests from controversial weapon manufactures.⁴ Vision super believes strongly in sustainable investment and pushes for structural change on fossil fuel changes "on a national and global level". However, the fund does not mention in detail any social or governance issues. Vision Super screens companies that produce harmful products, e.g. controversial weapons manufactures.

URL:

<https://www.visionsuper.com.au/search/15-about-us/155-building-sustainable-super>

<https://www.visionsuper.com.au/images/ESG-2017.pdf> (p.g. 2 – 4)

Score (1.5 out of 3)

¹ <https://www.visionsuper.com.au/about-us>

² https://www.industrysuper.com/choose-a-fund/?gclid=EAIaIQobChMI3sOEyY_r2gIVkQsrCh1MMwRAEAAAYASAAEgLqUvD_BwE

³ <https://www.visionsuper.com.au/about-us/fund-information>

⁴ Pg. 4 Corporate Responsibility Report

6. Do they publicly disclose their voting record for either or both their ASX and international holdings?

Both International and domestic voting records are disclosed annually with up to one month of lag. All votes include company and proposal description. Rationales are not provided for all votes against management and abstentions but a rationale is provided for their attitude towards different contentious issues such as climate change and governance issues. In 2016 Vision super was assessed as one of the top 12 funds out of 50 by RIAA for meeting RIAA's high reporting standards on responsible investment.⁵

URL: <https://www.visionsuper.com.au/images/ESG-2017.pdf> (p.g. 6 – 9)
<https://www.visionsuper.com.au/about-us/fund-information>
<https://www.visionsuper.com.au/images/policies/inter-summary-2016-17.pdf>

Score (4 out of 5)

7. DOMESTIC VOTING

January to June 2017 ASX						
	Theme of Proposal	For	Against	Abstain	Not Holding	Score
Oil Search	Climate Change item no.7	X				1
	Human rights		X			-1
Santos	Amendment of Constitution item no.5a.			X		0
	Climate Change item no.5b. (Strategic Resilience for 2035 and Beyond)	X				1
URL: (Max score 4)Total						1

⁵ <https://www.visionsuper.com.au/about-us/latest-news/776-vision-super-among-top-funds-for-responsible-investment-standards-and-reporting>

8. INTERNATIONAL VOTING

International 2017 Resolutions						
	Theme of Proposal	For	Against	Abstain	Not Holding	Score
The AES Corporation	Climate Change				X	0
Ameren (item 6.)	Climate Change				X	0
Dominion (item 8.)	Climate Change				X	0
DTE (item 5.)	Climate Change				X	0
Duke Energy Corporation (item 7.)	Climate Change				X	0
FirstEnergy (item 10.)	Climate Change				X	0
PNM	Climate Change				X	0
PPL (item 6.)	Climate Change				X	0
The Southern Company (item 6.)	Climate Change				X	0
AT&T (item 5)	Political Expenditure		X			-1
Alphabet Inc (item 8)	Political Expenditure	X				1
Wells Fargo (item 5)	Consumer Rights (Retail Banking Sales Practices Report)		X			-1
UK Royal Dutch Shell (item 21)	Climate Change (GHG Reduction Targets)	X				1
UK Sports Direct (item 19)	Human Capital Management (2016)				X	0
(Max score 14) Total						0

9. LAGGING

DOMESTIC RECORDS			
	Yes	No	Score
2017 Records available within 2 months of 2017 financial/calendar year end	X		1
Records available for current year to date, no more than two months ago available		X	0
June 2016 Records are available		X	0
(Max score 3) Total			1

INTERNATIONAL RECORDS			
	Yes	No	Score
2017 Records available within 2 months of 2017 financial/calendar year end	X		
Records available for current year to date, no more than two months ago available		X	
June 2016 Records are available		X	
(Max score 3) Total			1

10. Proxy Advisor used:

ACSI/CGI Glass Lewis ⁶

11. Since June 2015 has the Fund lead filed or co-filed any ESG related shareholder resolutions at ASX 100 listed companies?

Not to the knowledge of the ACCR.

⁶ Proxy Voting policy

12. Prose:

Vision Super has provided evidence of a clear ESG policy. Particular issues focused on within the policies provided include climate change and greenhouse gas emissions. Vision Super focuses strongly on environmental factors and provides details on how its investment decisions take into account these issues.

The fund has vote in support of all climate based resolutions available to it within the 2017 financial year both domestically and internationally. This history is in conjunction with the Fund's extensive commitment to climate change throughout its ESG policy and Corporate Responsibility Report.

Domestically Vision super has had one chance to support Governance related resolutions and has chosen to abstain. In the same time period, vision super has received the chance to vote in support of one human rights shareholder resolution which it chose to vote against.

A range of international shareholder resolutions have been recorded to indicate the international proxy voting history of vision super. Due to the scale of this international market, a few resolutions put to large companies concerning key issues such as climate change, human rights and political spending were chosen. These resolutions were chosen as reflective because they attracted reasonable support.

Two resolutions concerning political expenditure were chosen to help indicate the fund's stance on this issue, one of the two were supported by Vision Super. Two more resolutions concerned with human rights or consumer rights were considered, Vision super voted against the one resolution it was holding out of these two.

Neither domestic nor international voting records are available for vision super other than those for the 2016/17 financial year.

NOTES

Oilsearch voting records can be found in the international holdings.