



FISHER INVESTMENTS AUSTRALASIA®



ENGAGEMENT REPORT

Q1 2020

OUR ESG PHILOSOPHY STATEMENT

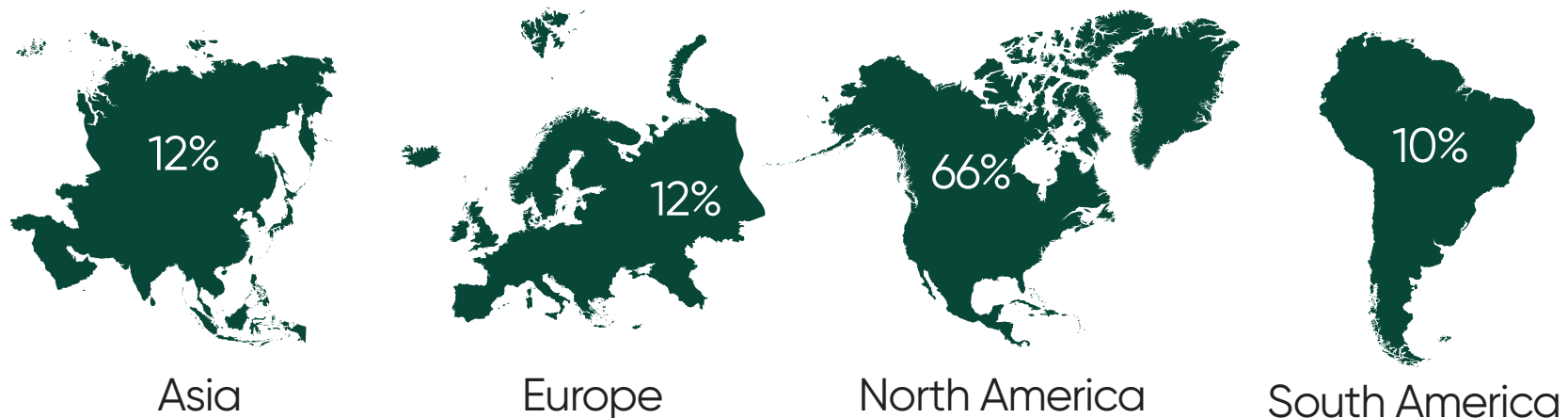
We believe ESG investors are best served by an investment process that considers both top-down and bottom-up factors. Integrating ESG analysis at the country, sector and stock levels consistent with clients' investment goals and ESG policies maximises the likelihood of achieving desired performance and improving environmental and social conditions worldwide.

OUR ENGAGEMENT APPROACH

Fisher Investments (FI) engages with companies as part of its fundamental analysis and to clarify or express concerns over potential ESG issues at the firm or industry level. Through engagement, FI holds meetings with management as necessary to discuss pertinent issues we feel are critical to analyzing the company or better understanding peers or relevant industry factors. Information uncovered during engagement as part of our fundamental analysis can impact our investment decisions and stock determinations.

Further details are stated in our Engagement Policy, which can be downloaded from our [website](#) or available upon request.

FISHER GLOBAL ACTIVE ENGAGEMENT



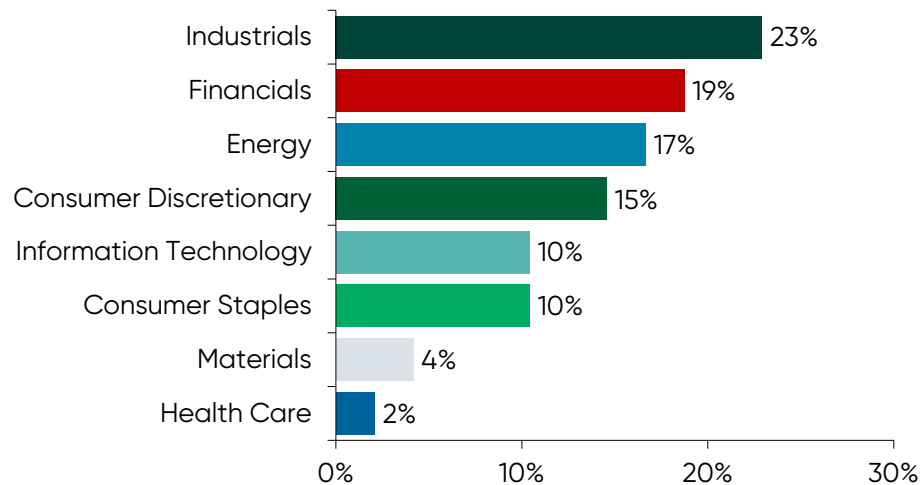
Source: FactSet and Fisher Investments Research. Data from April 2019 to March 2020.

ENGAGEMENTS DETAIL

CATEGORY	PERCENTAGE OF ENGAGEMENTS (%)	ENGAGEMENT TOPICS
ENVIRONMENTAL	29%	GHG EMISSIONS, ENVIRONMENTAL OPPORTUNITIES, SUSTAINABILITY DISCLOSURES
SOCIAL	20%	BRIBERY, HUMAN CAPITAL, COLLECTIVE BARGAINING
GOVERNANCE	51%	EXECUTIVE COMPENSATION, PROXY VOTING, BOARD OF DIRECTORS INDEPENDENCE

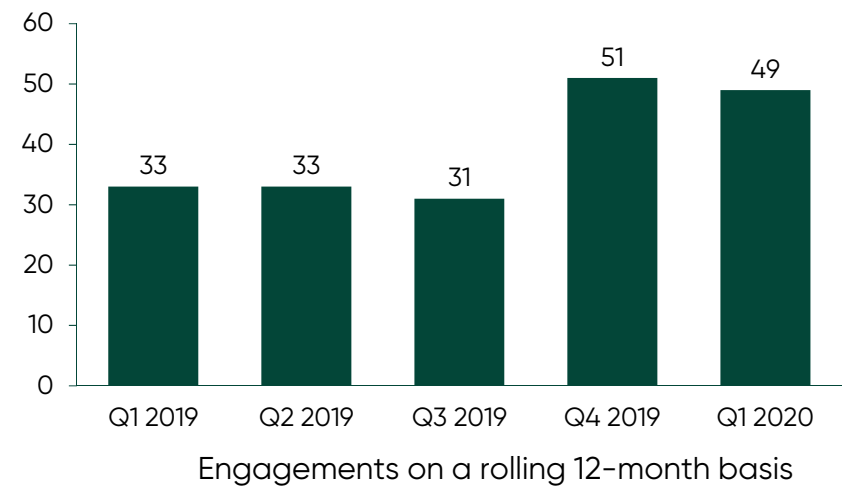
Source: Fisher Investments Research for engagements conducted from April 2019 to March 2020.

SECTOR ENGAGEMENT



Source: Fisher Investments Research for engagements conducted from April 2019 to March 2020.

HISTORICAL ESG ENGAGEMENTS





REGION:	DM NORTH AMERICA
SECTOR:	TECHNOLOGY
ENGAGEMENT DATE:	JAN 2020
ISSUE:	SUSTAINABILITY DISCLOSURES
STATUS:	ONGOING

Objective




Receive an update on the company’s business activity and ESG reporting.

Engagement Details

FI met with a North American technology company to discuss recent business activity and end-market dynamics. The company provided an overview of its acquisition criteria and highlighted its focus on capturing cost synergies and improving customer service after it completes a deal. After a discussion of the company’s ESG score, the company stated it is seeking to improve its ESG disclosures.

Outcome

FI intends to follow up with the company regarding enhanced ESG disclosure.



REGION:	DM NORTH AMERICA
SECTOR	CONSUMER STAPLES
ENGAGEMENT DATES:	JAN 2020
ISSUE:	GOVERNANCE, SOCIAL & ENVIRONMENTAL
STATUS:	ONGOING

Objective

Receive an update on the company’s actions to resolve regulatory issues and discuss ongoing labor concerns.

Engagement Analysis

Governance: FI requested an update on actions taken since the multi-million dollar settlement in 2019 for violations of the Foreign Corrupt Practices Act. In the last eight years, the company has established an ethics and compliance program that covers more than 2,000 employees and 14 areas of compliance. To improve anti-corruption measures, it has implemented algorithms to identify weaknesses in relationships with third party intermediaries, and can now review key indicators in real-time.

Social: The company continues to experience challenges related to employee wages, and is seeking to strengthen the training and advancement opportunities that are offered to its hourly employees.

Environmental: The company has initiated a project to reward its suppliers for reducing their greenhouse gas emissions. The initiative’s objective is to avoid the release of one billion metric tons

of greenhouse gases from the company’s value chain by 2030. FI noted that the company reports on operational cost/savings associated with the initiative, whereas many companies only disclose the environmental metrics. The company stated it tries to include this type of operational data in quarterly reports, where it is appropriate to do so.

Outcome

FI supports the company’s efforts to encourage its suppliers to reduce their GHG emissions. We will continue to monitor the disclosures on how well the project succeeds in its goals.

We plan to reengage with the company receive updates on employee health and benefits concern.



REGION:	DM EUROPE
SECTOR:	ENERGY
ENGAGEMENT DATES:	FEB 2020
ISSUE:	ENVIRONMENTAL STRATEGY
STATUS:	CONCLUDED

Objective

Discuss the company strategy, including supply-demand dynamics and diversification into offshore wind.

Engagement Details

The company is focused on creating a portfolio of low-cost assets that can generate free cash even in an environment of low commodity prices. In response to industry headwinds, the company is focusing its gas production where pipelines already exist rather than building additional LNG infrastructure. In addition, the company prefers low-cost, conventional oil assets rather than unconventional shale oil projects in North America.

The company is diversifying into offshore wind projects as the company believes it has a competitive advantage in the engineering and construction of complex projects. Offshore wind may become as much as 15% of capex for the company in the coming years due to this expansion. The company announced plans to be operationally carbon neutral by 2030 and cut its carbon intensity in half by 2050 (the latter target includes Scope 3 or “indirect” emissions).

Outcome

FI intends to monitor the company’s diversification efforts into offshore wind for its overall financial and environmental impact.

Source: Fisher Investments Research, as of March 2020.

Data indicated above are based off engagement meetings for all of Fisher Investments Institutional clients. For Professional Client Use Only. Past performance is never a guarantee of future returns. Investments in securities involve the risk of loss. Any investment program will always involve the risk of loss. Global investing can involve additional risks, such as the risk of currency fluctuations.

As an asset management firm, Fisher Investments (FI) manage shares of a wide range of companies on behalf of our clients. These shares entitle the holders to vote on various issues put forth by the company and its shareholders at the company's annual meeting or at a special meeting.

The report above demonstrates how FI engages with company management on ESG issues: environmental issues include but not limited to: climate change, toxic emissions & waste, vulnerability to legislation and impact on local communities; social issues include but not limited to: animal rights, human rights, labor relations, controversial countries and controversial weapons and governance issues include but not limited to: routine business, corporate governance, board independence, executive compensation, corporate stewardship and bribery & corruption.

FI engages according to Fisher Investments Engagement Policy and identifying engagement opportunities is a part of FI's fundamental analysis and to clarify or express concerns over potential ESG issues at the firm or industry level.

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Investing in financial markets involves the risk of loss and there is no guarantee that all or any capital invested will be repaid. Past performance neither guarantees nor reliably indicates future results. The value of investments and the income from them will fluctuate with world financial markets and international currency rates.

Fisher Investments (FI) is an investment adviser registered with the Securities and Exchange Commission. As of 30 June 2020, FI managed over \$122 billion, including assets sub-managed for its wholly-owned subsidiaries. FI and its subsidiaries maintain four principal business units – Fisher Investments Institutional Group (FIIG), Fisher Investments Private Client Group (FIPCG), Fisher Investments International (FII), and Fisher Investments 401(k) Solutions Group (401(k) Solutions). These groups serve a global client base of diverse investors including corporations, public and multi-employer pension funds, foundations and endowments, insurance companies, healthcare organisations, governments and high-net-worth individuals. FI's Investment Policy Committee (IPC) is responsible for investment decisions for all investment strategies.

For the purpose of defining "years with Fisher Investments," FI was established as a sole proprietorship in 1979, incorporated in 1986, registered with the US SEC in 1987, replacing the prior registration of the sole proprietorship, and succeeded its investment adviser registration to a limited liability in 2005. "Years with Fisher Investments" is calculated using the date on which FI was established as a sole proprietorship through 30 June 2020.

FI is wholly owned by Fisher Investments, Inc. Since Inception, Fisher Investments, Inc. has been 100% Fisher-family and employee owned, currently Fisher Investments Inc. beneficially owns 100% of Fisher Investments (FI), as listed in Schedule A to FI's Form ADV Part 1. Ken and Sherrilyn Fisher, as co-trustees of their family trust, beneficially own more than 75% of Fisher Investments, Inc., as noted in Schedule B to FI's Form ADV Part 1.