

LongView Funds: First Half of 2020 Corporate Governance and Proxy Voting Report Executive Summary

During the first half of 2020, the LongView Funds (the “Funds”) continued their tradition of taking a long-term view of shareholder value by actively promoting sound governance practices at companies held in our portfolios. This active ownership practice includes the thoughtful and diligent exercise of our voting rights as well as engaging with our portfolio companies on a variety of issues.

Consequently, we take an assertive approach of promoting best practices at portfolio companies and eliminating practices that are inimical to long-term growth. We do this through various mechanisms, including dialogues with companies on governance issues of concern and shareholder proposals that give all shareholders an opportunity to vote on a particular matter of concern.

This report provides an overview of our shareholder activities during the first half of 2020. It summarizes how the Funds’ shares were voted on key issues and is intended to be a companion to the individual proxy reports that detail how we voted on each proxy and the rationale for our voting decisions for each of the Funds.

SHAREHOLDER ENGAGEMENTS AND RESOLUTIONS

With the assistance of As You Sow, the Funds have been active in engaging companies in the area of Board Diversity, Climate Change and Forced Labor/Human Trafficking.



Promoting Board diversity

Board accountability means embracing diversity and assuring that the board of directors in a company represents a diversity of experience and expertise. Starting in 2014, the Funds began a campaign to advance the goal of board diversity by focusing on companies that have no female directors and, in some instances, no minority directors. This campaign rests on empirical data supporting the belief that companies with a diverse board membership perform better than companies that lack such diversity. This proxy season, we have engaged with several companies on board diversity, including the following: **Liberty Broadband Corp., ANI Pharmaceuticals, Inc. and SeaWorld Entertainment Inc.**



Climate Change and the Impact on Long-Term Investing

In 2015, 196 parties at the U.N. Climate Change Conference agreed to limit climate change to an average global warming of 2 degrees Celsius above pre-industrial temperatures, with a goal of limiting it to 1.5 degrees Celsius. The Intergovernmental Panel on Climate Change states that to reach this goal, CO₂ emissions must fall to zero by 2040 to 2070, and scientists agree that reaching the Paris Agreement’s 1.5 degree goal means that the world must reach net-zero greenhouse gas emissions by 2030 to 2050, sooner than is currently planned by most corporations and nations.

Starting in the second half of 2016, the Funds filed shareholder proposals asking some leading companies in the “new economy” to assess the feasibility of achieving “net-zero” energy efficiency by 2030. We have filed shareholder proposals with prominent companies to request them to prepare a report that evaluates the feasibility of achieving by 2030 “net-zero” emissions of greenhouse gases from all aspects of their businesses. Achieving net-zero emissions essentially means a reduction in the level of greenhouse gases emitted on an annual basis to a level roughly equal to the amount of renewable energy created by an individual entity.

This proxy season, we have engaged with several companies, including the following: **FedEx Corporation, Uber Technologies, Inc., Hertz, General Electric, Amazon.com, Inc. and Paypal Holdings, Inc.**

Forced Labor

In 2018, the Funds commenced filing resolutions with companies in the area of forced labor. This proxy season, we are engaging in conversations in this area with the following companies: **Archer-Daniels-Midland Company, The Hershey Company, L Brands, Inc., and Mondelez International.**

UNPRI

We continued our participation with an international group of investors through the United Nations Principles of Responsible Investment, to which we are a founding signatory. UNPRI seeks to develop guidelines for investors and companies to incorporate environmental, social, and governance considerations into incentive pay and promote sustainable, long-term performance for investors.

HIGHLIGHTS OF PENDING LITIGATION



Cognizant Technology

LongView Funds are lead plaintiff in this securities litigation case, which arises out of disclosures that this technology outsourcing company and some of its most senior executives were secretly bribing government officials to gain favored status for the Company's outsourcing facilities in India. On June 5, the District Court denied defendants' motion to dismiss.

Corrections Corporation of America now known as CoreCivic

The Funds are the lead plaintiff in this securities class action against the largest private corrections company in the United States. The motion for class certification was granted, and appeal of this ruling was denied. Discovery is proceeding.

Facebook

LongView funds are co-lead plaintiffs in this securities class action growing out of Facebook's sharing of user data with Cambridge Analytica. Defendants have moved to dismiss the Second Amended Complaint.

Universal Health Services

The LongView Funds have filed an action to enforce a books and records request in preparation for a potential derivative case against the Company based on their pattern and practice of manipulating patient admissions in order to inflate charges and failing to properly train staff. The Court has granted the defendants' motion to dismiss the case and plaintiffs are appealing.



PROXY VOTING

The Funds vote each and every proxy according to comprehensive proxy voting guidelines. Upon careful consideration of which vote would be in the best interests of shareholders and in adherence to the guidelines as laid out in LongView's proxy voting guidelines.

The following chart highlights several statistics of how the Funds voted on major proxy items appearing on proxies in the first half of 2020:

LONGVIEW FUNDS' VOTES ON SELECT PROXY ITEMS, JANUARY TO JUNE 2020			
	FOR	AGAINST	WITHHOLD
BOARD OF DIRECTORS ISSUES			
Election of individual directors	53.3%	21.6%	25.0%
Declassify Board of Directors	100%	0%	0%
Adopt majority voting standard to elect directors	100%	0%	0%
Approving Discharge of Board and President	76.5%	23.5%	0%
Change range for size of the Board	50%	50%	0%
EXECUTIVE COMPENSATION ISSUES			
Advisory Vote on Golden Parachutes	11%	89%	0%
OTHER ISSUES			
Gender Pay Gap	100%	0%	0%
Political Contributions Disclosure	100%	0%	0%
Lobbying Disclosure	100%	0%	0%

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