

**Standing Committee on Finance and Public Administration**

**ANSWER TO QUESTION ON NOTICE**

**Budget Estimates Hearing – May 2008**

**Future Fund Management Agency**

**Finance and Deregulation Portfolio**



**Outcome 1 Output 1.1**

**Topic: Lending shares for voting purposes**

**Question reference number: F6**

**Type of Question: Written**

**Number of Pages: 1**

**Senator Murray asked:**

Specifically, is the Future Fund concerned at the practice of lending shares for voting purposes-giving away the rights of shareholders without their permission, when those shares are held in trust, either directly or indirectly?

**Answer:**

The Future Fund is permitted to participate in securities lending under section 27 of the Future Fund Act 2006, but does not currently do so. Investment managers appointed by the Board are prohibited from lending the securities of the Future Fund.

Before changing this position, the Future Fund Board of Guardians will consider the implications for the voting rights of the shares in the portfolio.