Internet Appendix

"PICKING FRIENDS BEFORE PICKING (PROXY) FIGHTS: HOW MUTUAL FUND VOTING SHAPES PROXY CONTESTS"

Alon Brav, Wei Jiang, Tao Li, James Pinnington[*]

This Internet Appendix provides supplemental and robustness tests to accompany the results in the paper.

---

[*] Alon Brav is the Peterjohn-Richards Professor of Finance at Fuqua School of Business, Duke University, ECGI and NBER. He can be reached at brav@duke.edu. Wei Jiang is the Arthur F. Burns Professor of Free and Competitive Enterprise, Finance and Economics Division, Columbia Business School, ECGI and NBER. She can be reached at wj2006@columbia.edu. Tao Li is Assistant Professor of Finance at Warrington College of Business, the University of Florida. He can be reached at Tao.Li@warrington.ufl.edu. James Pinnington is a Ph.D. candidate in Finance at Duke University. He can be reached at james.pinnington@duke.edu.

Internet Appendix A1. Sample Voting Records

This appendix provides samples from four N-PX files for funds submitting their voting records in the DuPont May/13/2015 proxy fight.

Sample N-PX #1: Voting by the *Vanguard Institutional Total Stock Market Index Fund* submitted in the annual report of proxy voting record by the Vanguard Institutional Index Funds. Available at: https://www.sec.gov/Archives/edgar/data/862084/000093247115007129/institutionalindexfunds0870.htm

ISSUER: E. I. du Pont de Nemours and Company

TICKER: DD   **CUSIP:** 263534109

MEETING DATE: 5/13/2015

PROPOSAL:	PROPOSED BY	VOTED?	VOTE CAST	FOR /AGAINST MGMT
PROPOSAL #1.1: ELECT DIRECTOR LAMBERTO ANDREOTTI	ISSUER	YES	FOR	FOR
PROPOSAL #1.2: ELECT DIRECTOR EDWARD D. BREEN	ISSUER	YES	FOR	FOR
PROPOSAL #1.3: ELECT DIRECTOR ROBERT A. BROWN	ISSUER	YES	FOR	FOR
PROPOSAL #1.4: ELECT DIRECTOR ALEXANDER M. CUTLER	ISSUER	YES	FOR	FOR
PROPOSAL #1.5: ELECT DIRECTOR ELEUTHERE I. DU PONT	ISSUER	YES	FOR	FOR
PROPOSAL #1.6: ELECT DIRECTOR JAMES L. GALLOGLY	ISSUER	YES	FOR	FOR
PROPOSAL #1.7: ELECT DIRECTOR MARILLYN A. HEWSON	ISSUER	YES	FOR	FOR
PROPOSAL #1.8: ELECT DIRECTOR LOIS D. JULIBER	ISSUER	YES	FOR	FOR
PROPOSAL #1.9: ELECT DIRECTOR ELLEN J. KULLMAN	ISSUER	YES	FOR	FOR
PROPOSAL #1.10: ELECT DIRECTOR ULF M. SCHNEIDER	ISSUER	YES	FOR	FOR
PROPOSAL #1.11: ELECT DIRECTOR LEE M. THOMAS	ISSUER	YES	FOR	FOR
PROPOSAL #1.12: ELECT DIRECTOR PATRICK J. WARD	ISSUER	YES	FOR	FOR
PROPOSAL #2: RATIFY AUDITORS	ISSUER	YES	FOR	FOR
PROPOSAL #3: ADVISORY VOTE TO RATIFY NAMED EXECUTIVE OFFICERS' COMPENSATION	ISSUER	YES	FOR	FOR
PROPOSAL #4: REPORT ON LOBBYING PAYMENTS AND POLICY	SHAREHOLDER	YES	AGAINST	FOR
PROPOSAL #5: REPORT ON HERBICIDE USE ON GMO CROPS	SHAREHOLDER	YES	AGAINST	FOR
PROPOSAL #6: ESTABLISH COMMITTEE ON PLANT CLOSURES	SHAREHOLDER	YES	AGAINST	FOR
PROPOSAL #7: REPEAL AMENDMENTS TO THE COMPANY'S BYLAWS ADOPTED WITHOUT STOCKHOLDER APPROVAL AFTER AUGUST 12, 2013	SHAREHOLDER	YES	AGAINST	FOR
PROPOSAL #1.1: ELECT DIRECTOR NELSON PELTZ	ISSUER	NO	N/A	N/A
PROPOSAL #1.2: ELECT DIRECTOR JOHN H. MYERS	ISSUER	NO	N/A	N/A
PROPOSAL #1.3: ELECT DIRECTOR ARTHUR B. WINKLEBLACK	ISSUER	NO	N/A	N/A
PROPOSAL #1.4: ELECT DIRECTOR ROBERT J. ZATTA	ISSUER	NO	N/A	N/A

PROPOSAL #1.5: MANAGEMENT NOMINEE – LAMBERTO ANDREOTTI	ISSUER	NO	N/A	N/A
PROPOSAL #1.6: MANAGEMENT NOMINEE - EDWARD D. BREEN	ISSUER	NO	N/A	N/A
PROPOSAL #1.7: MANAGEMENT NOMINEE - ELEUTHERE I. DU PONT	ISSUER	NO	N/A	N/A
PROPOSAL #1.8: MANAGEMENT NOMINEE - JAMES L. GALLOGLY	ISSUER	NO	N/A	N/A
PROPOSAL #1.9: MANAGEMENT NOMINEE - MARILLYN A. HEWSON	ISSUER	NO	N/A	N/A
PROPOSAL #1.10: MANAGEMENT NOMINEE - ELLEN J. KULLMAN	ISSUER	NO	N/A	N/A
PROPOSAL #1.11: MANAGEMENT NOMINEE - ULF M. SCHNEIDER	ISSUER	NO	N/A	N/A
PROPOSAL #1.12: MANAGEMENT NOMINEE - PATRICK J. WARD	ISSUER	NO	N/A	N/A
PROPOSAL #2: RATIFY AUDITORS	ISSUER	NO	N/A	N/A
PROPOSAL #3: ADVISORY VOTE TO RATIFY NAMED EXECUTIVE OFFICERS' COMPENSATION	ISSUER	NO	N/A	N/A
PROPOSAL #4: REPORT ON LOBBYING PAYMENTS AND POLICY	SHAREHOLDER	NO	N/A	N/A
PROPOSAL #5: REPORT ON HERBICIDE USE ON GMO CROPS	SHAREHOLDER	NO	N/A	N/A
PROPOSAL #6: ESTABLISH COMMITTEE ON PLANT CLOSURES	SHAREHOLDER	NO	N/A	N/A
PROPOSAL #7: REPEAL AMENDMENTS TO THE COMPANY'S BYLAWS ADOPTED WITHOUT STOCKHOLDER APPROVAL AFTER AUGUST 12, 2013	SHAREHOLDER	NO	N/A	N/A

Sample N-PX #2: Voting by the *Vanguard S&P 500 Growth Index Fund* submitted in the annual report of proxy voting record by the Vanguard Admiral Funds. Available at:
https://www.sec.gov/Archives/edgar/data/891190/000093247115006938/admiralfunds1841.htm

ISSUER: E. I. du Pont de Nemours and Company

TICKER: DD   **CUSIP:** 263534109

MEETING DATE: 5/13/2015

PROPOSAL:	PROPOSED BY	VOTED?	VOTE CAST	FOR /AGAINST MGMT
PROPOSAL #1.1: ELECT DIRECTOR LAMBERTO ANDREOTTI	ISSUER	YES	FOR	FOR
PROPOSAL #1.2: ELECT DIRECTOR EDWARD D. BREEN	ISSUER	YES	FOR	FOR
PROPOSAL #1.3: ELECT DIRECTOR ROBERT A. BROWN	ISSUER	YES	FOR	FOR
PROPOSAL #1.4: ELECT DIRECTOR ALEXANDER M. CUTLER	ISSUER	YES	FOR	FOR
PROPOSAL #1.5: ELECT DIRECTOR ELEUTHERE I. DU PONT	ISSUER	YES	FOR	FOR
PROPOSAL #1.6: ELECT DIRECTOR JAMES L. GALLOGLY	ISSUER	YES	FOR	FOR
PROPOSAL #1.7: ELECT DIRECTOR MARILLYN A. HEWSON	ISSUER	YES	FOR	FOR
PROPOSAL #1.8: ELECT DIRECTOR LOIS D. JULIBER	ISSUER	YES	FOR	FOR
PROPOSAL #1.9: ELECT DIRECTOR ELLEN J. KULLMAN	ISSUER	YES	FOR	FOR
PROPOSAL #1.10: ELECT DIRECTOR ULF M. SCHNEIDER	ISSUER	YES	FOR	FOR
PROPOSAL #1.11: ELECT DIRECTOR LEE M. THOMAS	ISSUER	YES	FOR	FOR
PROPOSAL #1.12: ELECT DIRECTOR PATRICK J. WARD	ISSUER	YES	FOR	FOR
PROPOSAL #2: RATIFY AUDITORS	ISSUER	YES	FOR	FOR
PROPOSAL #3: ADVISORY VOTE TO RATIFY NAMED EXECUTIVE OFFICERS' COMPENSATION	ISSUER	YES	FOR	FOR
PROPOSAL #4: REPORT ON LOBBYING PAYMENTS AND POLICY	SHAREHOLDER	YES	AGAINST	FOR
PROPOSAL #5: REPORT ON HERBICIDE USE ON GMO CROPS	SHAREHOLDER	YES	AGAINST	FOR
PROPOSAL #6: ESTABLISH COMMITTEE ON PLANT CLOSURES	SHAREHOLDER	YES	AGAINST	FOR
PROPOSAL #7: REPEAL AMENDMENTS TO THE COMPANY'S BYLAWS ADOPTED WITHOUT STOCKHOLDER APPROVAL AFTER AUGUST 12, 2013	SHAREHOLDER	YES	AGAINST	FOR
PROPOSAL #1.1: ELECT DIRECTOR NELSON PELTZ	ISSUER	NO	N/A	N/A
PROPOSAL #1.2: ELECT DIRECTOR JOHN H. MYERS	ISSUER	NO	N/A	N/A
PROPOSAL #1.3: ELECT DIRECTOR ARTHUR B. WINKLEBLACK	ISSUER	NO	N/A	N/A
PROPOSAL #1.4: ELECT DIRECTOR ROBERT J. ZATTA	ISSUER	NO	N/A	N/A
PROPOSAL #1.5: MANAGEMENT NOMINEE – LAMBERTO ANDREOTTI	ISSUER	NO	N/A	N/A
PROPOSAL #1.6: MANAGEMENT NOMINEE - EDWARD D. BREEN	ISSUER	NO	N/A	N/A
PROPOSAL #1.7: MANAGEMENT NOMINEE - ELEUTHERE I. DU PONT	ISSUER	NO	N/A	N/A

PROPOSAL #1.8: MANAGEMENT NOMINEE - JAMES L. GALLOGLY	ISSUER	NO	N/A	N/A
PROPOSAL #1.9: MANAGEMENT NOMINEE - MARILLYN A. HEWSON	ISSUER	NO	N/A	N/A
PROPOSAL #1.10: MANAGEMENT NOMINEE - ELLEN J. KULLMAN	ISSUER	NO	N/A	N/A
PROPOSAL #1.11: MANAGEMENT NOMINEE - ULF M. SCHNEIDER	ISSUER	NO	N/A	N/A
PROPOSAL #1.12: MANAGEMENT NOMINEE - PATRICK J. WARD	ISSUER	NO	N/A	N/A
PROPOSAL #2: RATIFY AUDITORS	ISSUER	NO	N/A	N/A
PROPOSAL #3: ADVISORY VOTE TO RATIFY NAMED EXECUTIVE OFFICERS' COMPENSATION	ISSUER	NO	N/A	N/A
PROPOSAL #4: REPORT ON LOBBYING PAYMENTS AND POLICY	SHAREHOLDER	NO	N/A	N/A
PROPOSAL #5: REPORT ON HERBICIDE USE ON GMO CROPS	SHAREHOLDER	NO	N/A	N/A
PROPOSAL #6: ESTABLISH COMMITTEE ON PLANT CLOSURES	SHAREHOLDER	NO	N/A	N/A
PROPOSAL #7: REPEAL AMENDMENTS TO THE COMPANY'S BYLAWS ADOPTED WITHOUT STOCKHOLDER APPROVAL AFTER AUGUST 12, 2013	SHAREHOLDER	NO	N/A	N/A

Sample N-PX #3: Voting by *Northern Lights Fund Trust III - Persimmon Long/Short Fund* submitted in the annual report of proxy voting record by the Northern Lights Fund Trust III. Available at: https://www.sec.gov/Archives/edgar/data/1537140/000158064215003790/nlftiiinpx1.htm

Registrant: NORTHERN LIGHTS FUND TRUST III - Persimmon Long/Short Fund   Item 1, Exhibit 7
Investment Company Act file number: 811-22655
Reporting Period: July 1, 2014 through June 30, 2015

E. I. DU PONT DE NEMOURS AND COMPANY

Security	263534109		Meeting Type	Contested-Annual
Ticker Symbol	DD		Meeting Date	13-May-2015
ISIN	US2635341090		Agenda	934154092 - Management
Record Date	17-Mar-2015		Holding Recon Date	17-Mar-2015
City / Country	/ United States		Vote Deadline Date	12-May-2015
SEDOL(s)			Quick Code	

Item	Proposal	Proposed by	Vote	For/Against Management
1.	DIRECTOR	Management		
	1 LAMBERTO ANDREOTTI			
	2 EDWARD D. BREEN			
	3 ROBERT A. BROWN			
	4 ALEXANDER M. CUTLER			
	5 ELEUTHERE I. DU PONT			
	6 JAMES L. GALLOGLY			
	7 MARILLYN A. HEWSON			
	8 LOIS D. JULIBER			
	9 ELLEN J. KULLMAN			
	10 ULF M. SCHNEIDER			
	11 LEE M. THOMAS			
	12 PATRICK J. WARD			
2.	ON RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	Management		
3.	TO APPROVE, BY ADVISORY VOTE, EXECUTIVE COMPENSATION	Management		
4.	ON LOBBYING	Shareholder		
5.	ON GROWER COMPLIANCE	Shareholder		
6.	ON PLANT CLOSURES	Shareholder		
7.	ON REPEALING CERTAIN AMENDMENTS TO THE BYLAWS ADOPTED BY THE BOARD WITHOUT STOCKHOLDER APPROVAL	Shareholder		

E. I. DU PONT DE NEMOURS AND COMPANY

Security	263534109		Meeting Type	Contested-Annual
Ticker Symbol	DD		Meeting Date	13-May-2015
ISIN	US2635341090		Agenda	934155955 - Opposition
Record Date	17-Mar-2015		Holding Recon Date	17-Mar-2015
City / Country	/ United States		Vote Deadline Date	12-May-2015
SEDOL(s)			Quick Code	

Item	Proposal	Proposed by	Vote	For/Against Management
1	DIRECTOR	Management		
	1 NELSON PELTZ		For	For
	2 JOHN H. MYERS		Withheld	Against
	3 ARTHUR B. WINKLEBLACK		Withheld	Against
	4 ROBERT J. ZATTA		Withheld	Against
	5 MGT NOM: L. ANDREOTTI		For	For
	6 MGT NOM: E.D. BREEN		For	For
	7 MGT NOM: E.I. DU PONT		For	For
	8 MGT NOM: J.L. GALLOGLY		For	For
	9 MGT NOM: M.A. HEWSON		For	For
	10 MGT NOM: E.J. KULLMAN		For	For
	11 MGT NOM: U.M. SCHNEIDER		For	For
	12 MGT NOM: P.J. WARD		For	For
2	ON RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM	Management	For	
3	TO APPROVE, BY ADVISORY VOTE, EXECUTIVE COMPENSATION	Management	For	
4	ON LOBBYING	Management	Against	
5	ON GROWER COMPLIANCE	Management	Against	
6	ON PLANT CLOSURE	Management	Against	
7	TO REPEAL EACH PROVISION OR AMENDMENT OF THE BYLAWS OF THE COMPANY ADOPTED BY THE BOARD OF DIRECTORS OF THE COMPANY (AND NOT BY THE COMPANY'S STOCKHOLDERS) SUBSEQUENT TO AUGUST 12, 2013 AND PRIOR TO THE APPROVAL OF THIS RESOLUTION.	Management	For	For

Sample N-PX #4: Voting by *Northern Lights Fund Trust III – The Covered Bridge Fund* submitted in the annual report of proxy voting record by the Northern Lights Fund Trust III. Available at: https://www.sec.gov/Archives/edgar/data/1537140/000158064215003790/nlftiiinpx1.htm

Registrant: NORTHERN LIGHTS FUND TRUST III - The Covered Bridge Fund Investment Company Act file number: 811-22655 Reporting Period: July 1, 2014 through June 30, 2015								Item 1, Exhibit 12
FORM N-PX - PROXY VOTING RECORD REQUIREMENTS								
(a) Issuer's Name	(b) Exchange Ticker Symbol	(c)"CUSIP" #	(d) Shareholder Meeting Date	(e) Matter Identification		(f) Proposal Type	(g) Voted	(h) Vote Cast	(i) For/Against Management

	(a) Issuer's Name	(b) Exchange Ticker Symbol	(c)"CUSIP" #	(d) Shareholder Meeting Date		(e) Matter Identification	(f) Proposal Type	(g) Voted	(h) Vote Cast	(i) For/Against Management
21	E. I. Dupont de Nemours & Co	DD	263534109	Annual; 5/13/2015	1	Election of Directors	Management	Y	FOR	FOR
					1.1	Lamberto Andreotti	Management	Y	FOR	FOR
					1.2	Edward D. Breen	Management	Y	FOR	FOR
					1.3	Robert A. Brown	Management	Y	FOR	FOR
					1.4	Alexander M. Cutler	Management	Y	FOR	FOR
					1.5	Eleuthere I. du Pont	Management	Y	FOR	FOR
					1.6	James L. Gallogly	Management	Y	FOR	FOR
					1.7	Marillyn A. Hewson	Management	Y	FOR	FOR
					1.8	Lois D. Juliber	Management	Y	FOR	FOR
					1.9	Ellen J. Kullman	Management	Y	FOR	FOR
					1.10	Ulf M. Schneider	Management	Y	FOR	FOR
					1.11	Lee M. Thomas	Management	Y	FOR	FOR
					1.12	Patrick J. Ward	Management	Y	FOR	FOR
					2	On ratification of independent registered public accounting fimr	Management	Y	FOR	FOR
					3	To approve, by advisory vote, executive compensation	Management	Y	FOR	FOR
					4	On lobbying	Shareholder	Y	AGAINST	FOR
					5	On grower compliance	Shareholder	Y	AGAINST	FOR
					6	On plant closures	Shareholder	Y	AGAINST	FOR
					7	On repealing certain amendments to the bylaws adopted by the board without stockholder approval	Shareholder	Y	AGAINST	FOR

Internet Appendix IA2. An Example of Fund Abstention

This appendix provides an example in which a voting fund did not support either the management or the dissident. The proxy contest involved Darden Restaurant, Inc. and Starboard Value LP, an activist hedge fund. The vote took place at Darden's 2014 annual meeting on October 10, 2014. The record shows voting by *WisdomTree Earnings 500 Fund* submitted in the N-PX annual report of proxy voting record by the WisdomTree Trust. Available at:

https://www.sec.gov/Archives/edgar/data/1350487/000119312515306915/d84606dnpx.txt

```
------------------------------------------------------------------------------

DARDEN RESTAURANTS, INC.

Ticker:       DRI            Security ID:  237194105
Meeting Date: OCT 10, 2014   Meeting Type: Proxy Contest
Record Date:  AUG 11, 2014

#      Proposal                          Mgt Rec   Vote Cast     Sponsor
       Management Proxy (Blue Card)      None
1.1    Elect Director Michael W. Barnes  For       Did Not Vote Management
1.2    Elect Director Gregory L. Burns   For       Did Not Vote Management
1.3    Elect Director Jeffrey H. Fox     For       Did Not Vote Management
1.4    Elect Director Christopher J. (CJ) For      Did Not Vote Management
       Fraleigh
1.5    Elect Director Steven Odland      For       Did Not Vote Management
1.6    Elect Director Michael D. Rose    For       Did Not Vote Management
1.7    Elect Director Maria A. Sastre    For       Did Not Vote Management
1.8    Elect Director Enrique Silva      For       Did Not Vote Management
2      Advisory Vote to Ratify Named     For       Did Not Vote Management
       Executive Officers' Compensation
3      Ratify Auditors                   For       Did Not Vote Management
4      Provide Proxy Access Right        For       Did Not Vote Management
5      Report on Political Contributions Against   Did Not Vote Shareholder
6      Report on Lobbying Payments and Policy Against Did Not Vote Shareholder
       Opposition Proxy (White Card)     None
1.1    Elect Directors Betsy S. Atkins   For       Did Not Vote Shareholder
1.2    Elect Directors Margaret Shan Atkins For    Did Not Vote Shareholder
1.3    Elect Directors Jean M. Birch     For       Did Not Vote Shareholder
1.4    Elect Directors Bradley D. Blum   For       Did Not Vote Shareholder
1.5    Elect Directors Peter A. Feld     For       Did Not Vote Shareholder
1.6    Elect Directors James P. Fogarty  For       Did Not Vote Shareholder
1.7    Elect Directors Cynthia T. Jamison For      Did Not Vote Shareholder
1.8    Elect Directors William H. Lenehan For      Did Not Vote Shareholder
1.9    Elect Directors Lionel L. Nowell, III For   Did Not Vote Shareholder
1.10   Elect Directors Jeffrey C. Smith  For       Did Not Vote Shareholder
1.11   Elect Directors Charles M. Sonsteby For     Did Not Vote Shareholder
1.12   Elect Directors Alan N. Stillman  For       Did Not Vote Shareholder
2      Advisory Vote to Ratify Named     None      Did Not Vote Management
       Executive Officers' Compensation
3      Ratify Auditors                   None      Did Not Vote Management
4      Provide Proxy Access Right        For       Did Not Vote Management
5      Report on Political Contributions For       Did Not Vote Shareholder
6      Report on Lobbying Payments and Policy For  Did Not Vote Shareholder

------------------------------------------------------------------------------
```

Internet Appendix IA3: Measurement, Censoring, and Winsorization of Regression Variables

This table provides additional details on the measurement, censoring, and winsorization of the variables described in Section 3.2 in the text that appear in our analyses.

Panel A: Measurement

Variable	Source	Measurement date	
		Voting panel	Targeting panel
Market value	CRSP	Month end prior to meeting.	Month end prior to announcement date for targeted firms; March month end of N-PX fiscal year for control firms.
q	Compustat	Nearest fiscal year to meeting date.	Nearest fiscal year to announcement date (to March of N-PX fiscal year) for targeted firms (control firms).
ROA	Compustat	Nearest fiscal year to meeting date.	Nearest fiscal year to announcement date (to March of N-PX fiscal year) for targeted firms (control firms).
Leverage	Compustat	Nearest fiscal year to meeting date.	Nearest fiscal year to announcement date (to March of N-PX fiscal year) for targeted firms (control firms).
Dividend yield	Compustat	Nearest fiscal year to meeting date.	Nearest fiscal year to announcement date (to March of N-PX fiscal year) for targeted firms (control firms).
HHI	Compustat	Calendar year with greatest span over nearest fiscal year to meeting date.	Calendar year prior to N-PX fiscal year.
Institutional ownership	Thomson Reuters 13F	Quarter end prior to meeting.	Quarter end prior to announcement date for targeted firms; March quarter end of N-PX fiscal year for control firms.
Hedge fund dissident	Various	Varies by identity of dissident only.	N/A
# past events by dissident	Various	Meeting date.	N/A
Past campaign intensity	Various	Meeting date.	N/A
Fund assets ($ billion)	Thomson Reuters S12/CRSP	Quarter end prior to meeting.	Quarter end prior to announcement date for targeted firms; March quarter end of N-PX fiscal year for control firms.
Investment as % of fund assets	Thomson Reuters S12/CRSP	Quarter end prior to meeting.	Quarter end prior to announcement date for targeted firms; March quarter end of N-PX fiscal year for control firms.
Holding horizon (year)	Thomson Reuters S12/CRSP	Quarter end prior to meeting.	Quarter end prior to announcement date for targeted firms; March quarter end of N-PX fiscal year for control firms.
Basis-adjusted return	Thomson Reuters S12/CRSP	Quarter end prior to meeting.	Quarter end prior to announcement date for targeted firms; March quarter end of N-PX fiscal year for control firms.

Panel B: Winsorization and Censoring

Variable	Source	Winsorization and Censoring	
		Voting panel	Targeting panel
Market value	CRSP	Logs taken in regressions.	Logs taken in regressions.
q	Compustat	Left-censored at 0. Right-winsorized at 1% across all events.	Left-censored at 0. Right-winsorized at 1% across all events.
ROA	Compustat	Left and right-winsorized at 1% across all events.	Left and right-winsorized at 1% across all firm-years.
Leverage	Compustat	Censored to [0,1].	Censored to [0,1].
Dividend yield	Compustat	Left-censored at 0. Right-winsorized at 1% across all events.	Left-censored at 0. Right-winsorized at 1% across all events.
HHI	Compustat	Not winsorized; bounded between 0 and 1 by construction.	Not winsorized; bounded between 0 and 1 by construction.
Institutional ownership	Thomson Reuters 13F	Right-censored at 1. Left tail bounded at 0 by construction.	Right-censored at 1. Left tail bounded at 0 by construction.
Hedge fund dissident	Various	Not winsorized. Indicator variable.	N/A
# past events by dissident	Various	Right-winsorized at 1% across all events. Left tail bounded at 0 by construction.	N/A
Past campaign intensity	Various	Not winsorized; bounded between 0 and 6 by construction.	N/A
Fund assets ($ billion)	Thomson Reuters S12/CRSP	Logs taken in regressions.	Logs taken in regressions.
Investment as % of fund assets	Thomson Reuters S12/CRSP	Not winsorized; bounded between 0 and 1 by construction.	Not winsorized; bounded between 0 and 1 by construction.
Holding horizon (year)	Thomson Reuters S12/CRSP	Right-winsorized at 1% across all fund-event. Left tail bounded at 0 by construction.	Right-winsorized at 1% across all firm-years. Left tail bounded at 0 by construction.
Basis-adjusted return	Thomson Reuters S12/CRSP	Right-winsorized at 1% across all fund-events. Left tail bounded at -1 by construction.	Right-winsorized at 1% across all firm-years. Left tail bounded at -1 by construction.

Internet Appendix IA4: Concentration of Mutual Fund Holdings

This table provides information on the ownership profile of target firms reaching a vote, settlement, or a withdrawal, and non-target firms, respectively. For each firm, we sort mutual funds in descending order by ownership of outstanding shares, and count the number of funds required to achieve each ownership threshold. We report the average and median of these counts across all firms.

| | Number of mutual funds required to reach an ownership threshold | | | | | | | |
| | Voted firms | | Settled firms | | Withdrawn firms | | Non-target firms | |
Ownership threshold	Average	Median	Average	Median	Average	Median	Average	Median
5%	2.7	2	2.7	2	3	2	3.1	2
10%	5.1	4	7.2	5	8	6	7.5	5
15%	12.0	7	12.5	8	20	9	14.6	9
20%	19.9	12	19.0	13	27	14	25.5	14

Internet Appendix IA5: Mutual Fund Support by Event and Fund Characteristics

The structure of this table corresponds to that of Table 4 in the text, providing information on event and fund characteristics in proxy contests that reached a vote. Rather than weigh each fund vote equally as in Table 4, we weigh each event equally. Columns (1)-(3) in Panels A and B provide the average, median and standard deviation for the variables described below. In Panel A, the average, median, and standard deviation are at the event-level, whereas in Panel B, we first average a variable across funds in a given event before averaging across all events. *Dissident win* equals 1 if a dissident wins the voted contest, and 0 otherwise. *Event level support for dissident* is the percentage of funds voting for the dissident's full or partial slate in a given event. *ISS for dissident* (*Glass Lewis for dissident)* is an indicator variable equal to 1 if ISS (Glass Lewis) recommends that investors vote for at least one director nominee from the dissident's slate, and 0 otherwise. *Hedge fund dissident* is an indicator equal to 1 if the dissident is a hedge fund, and 0 otherwise. *# past events by dissident* equals the average annual number of interventions the dissident undertakes in the five years preceding a contest. *Past campaign intensity* equals (#Communication × 1 + #Proposal × 2 + #Confront × 3) / #All campaigns, where #Communication is the number of events in which the dissident seeks to communicate with the board/management, #Proposal is the number of events in which the dissident submits shareholder proposals, and #Confront is the number of events in which the dissident threatens to sue or launch a proxy contest, initiates a proxy contest, a lawsuit, a takeover bid or wants board representation. *Announcement return* is the cumulative abnormal return ("CAR") between -10 days and +10 days around the announcement of a proxy contest. *Passive fund* is a dummy variable equal to 1 for a passively managed fund, and 0 otherwise. We define a fund as passively managed by searching if its name includes the indexation-related strings as described in section 3.2.2, or if the fund is categorized as an index fund/ETF in the CRSP Mutual Fund database. *Fund assets* and *Investment as % of fund assets* are measured at the quarter end prior to the contested meeting. *Holding horizon* is the number of years a fund has held the firm's shares; we deem all consecutive holding quarters up to six months apart to represent the same holding sequence. *Basis-adjusted return* is the percentage deviation of the current stock price from the aggregate cost basis. Columns (4)-(7) and (10)-(13) in Panels A and B provide support rates for (i) full management slate, (ii) partial management slate, (iii) partial dissident slate, and (iv) full dissident slate at low level and high level for each of the characteristic variables. In addition, columns (8) and (9) report abstention votes at low and high levels for each of the characteristic variables. In Panel A, we group contests into low and high levels based on each contest's event-level characteristic. We then average the support rate across all funds within a given contest before taking the average across events within each low/high group. In Panel B, we group fund-event observations into low and high levels based on the value of each fund characteristic. We first average the support rate across all fund-event observations within a given contest that fall into each of the low or high group. We then take the average across all contest-low/high level averages. For *ISS for dissident*, *Glass Lewis for dissident*, *Hedge fund dissident*, and *Passive fund*, low level takes a value of 0, while high level has a value of 1. For all other variables the cutoff for a high- and low-level is the median across the event-level values of the characteristic variable.

Panel A: Event characteristics

				Event level support rate for management or dissident slate									
				Vote for full management slate		Vote for partial management slate		Abstain		Vote for partial dissident slate		Vote for full dissident slate	
	Average	Median	Std. Dev.	Low level	High level	Low level	High level	Low level	High level	Low level	High level	Low level	High level
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Dissident win	51.7%	100%	50.1%										
Event level support for dissident	41.9%	44.3%	34.6%										
ISS for dissident	55.6%	100%	49.8%	79.9%	30.2%	8.2%	5.1%	1.1%	1.9%	2.3%	24.9%	8.6%	37.8%
Glass Lewis for dissident	34.8%	0%	47.8%	60.8%	31.7%	7.1%	5.0%	1.7%	1.4%	12.8%	21.1%	17.7%	40.7%
Hedge fund dissident	78.3%	100%	41.3%	55.7%	48.6%	11.1%	5.0%	1.1%	1.7%	10.9%	17.2%	21.0%	27.5%
# past events by dissident	1.82	0.40	2.85	49.7%	50.6%	7.7%	4.9%	1.9%	1.3%	13.6%	18.1%	27.1%	25.1%
Past campaign intensity	2.01	2.00	1.69	50.3%	49.9%	8.2%	4.6%	1.3%	1.9%	14.1%	17.5%	26.1%	26.2%
Announcement return	5.1%	4.4%	18.6%	55.9%	44.4%	4.8%	7.9%	1.8%	1.4%	13.7%	17.9%	23.8%	28.4%

Panel B: Fund characteristics

				Event level support rate for management or dissident slate									
				Vote for full management slate		Vote for partial management slate		Abstain		Vote for partial dissident slate		Vote for full dissident slate	
	Average	Median	Std. Dev.	Low level	High level	Low level	High level	Low level	High level	Low level	High level	Low level	High level
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Passive fund	43.5%	44.6%	19.9%	45.1%	57.0%	6.8%	5.4%	1.6%	1.8%	16.0%	15.0%	30.5%	20.8%
Fund assets ($ billion)	7.67	3.71	14.24	48.7%	61.7%	6.9%	5.8%	1.8%	1.4%	15.9%	10.3%	26.7%	20.8%
Investment as % of fund assets	0.3%	0.2%	0.4%	52.0%	45.2%	6.5%	6.9%	1.6%	2.1%	16.0%	14.1%	23.8%	31.7%
Investment as % of firm equity	0.4%	0.2%	0.8%	50.5%	54.2%	6.8%	6.5%	1.8%	1.5%	16.0%	11.8%	25.0%	26.0%
Holding horizon (year)	3.15	2.94	1.61	50.3%	52.8%	6.6%	7.0%	1.8%	0.9%	15.6%	14.8%	25.8%	24.5%
Basis-adjusted return	-4.1%	0.4%	34.4%	48.9%	54.0%	6.6%	6.9%	1.9%	1.0%	16.3%	13.6%	26.3%	24.5%

Internet Appendix IA6: Mutual Fund Voting in Proxy Contests

The structure of this table corresponds to that of Table 5 in the text, providing information on proxy voting by selected subsamples of mutual fund families. Rather than weigh each fund vote equally as in Table 5, we weigh each event equally. Panel A reports proxy voting by the top ten mutual fund families by assets under management ("AUM"). We exclude Pacific Investment Management Company from our list as it is primarily a fixed income fund company. To calculate support for the (i) full management, (ii) partial management, (iii) partial dissident, and (iv) full dissident slates, we average support, which equals 1 if a fund supports the full management/partial management/partial dissident/full dissident slates, and 0 otherwise, across funds within a family for a given proxy contest. We then average across proxy contests for that family. Similarly, we also calculate percentage of abstentions, where a fund abstains if it submits a blank dissident and/or blank management proxy card. Panel B provides evidence on proxy voting by the most and least pro-dissident fund families among frequent institutional voters. We rank fund families by the sum of support for the full dissident slate and support for the partial dissident slate. Frequent institutional voters are fund companies that voted in at least 20% of the 207 proxy contests between 2007 and 2017. Voting records are obtained from N-PX filings. AUM data are collected from N-CSR, 10-K, 10-Q filings, and fund company websites.

Panel A: Top 10 mutual fund families' voting behavior

Fund family name	AUM as of 2017 ($ trillion)	No. of proxy contests voted	Support for full management slate	Support for partial management slate	Abstain	Support for partial dissident slate	Support for full dissident slate	% passive funds as of 2017
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
BlackRock	6.3	173	53.4%	8.5%	1.3%	18.5%	18.3%	91.9%
Vanguard Group	4.9	188	76.6%	4.3%	1.2%	5.3%	12.7%	76.9%
State Street	2.8	118	58.1%	15.3%	3.0%	14.2%	9.4%	66.7%
Fidelity Investments	2.4	166	47.3%	7.3%	2.7%	17.1%	25.6%	22.1%
Dreyfus Investments (BNY Mellon)	1.9	75	50.7%	5.3%	4.0%	18.7%	21.3%	37.5%
American Funds (Capital Group)	1.8	34	50.8%	6.6%	0%	12.3%	30.3%	0%
J.P. Morgan Asset Management	1.7	82	47.2%	7.7%	1.4%	16.2%	27.5%	14.7%
Goldman Sachs Asset Management	1.5	45	21.5%	7.1%	0%	41.7%	29.6%	11.1%
Prudential Financial	1.4	100	47.8%	6.7%	0.2%	17.9%	27.4%	7.7%
Northern Trust Investments	1.2	134	72.6%	0.7%	0%	8.2%	18.4%	62.5%

Panel B: Most and least pro-dissident fund families among frequent voters

Fund family name	AUM as of 2017 ($ billion)	No. of proxy contests voted	Support for full management slate	Support for partial management slate	Abstain	Support for partial dissident slate	Support for full dissident slate	% passive funds as of 2017
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Most pro-dissident families								
Goldman Sachs Asset Management	1,490.0	45	21.5%	7.1%	0%	41.7%	29.6%	11.1%
Mutual of America	21.2	42	27.0%	0%	2.4%	31.3%	39.3%	33.3%
Gabelli Asset Management	43.1	70	30.4%	0.7%	1.4%	14.3%	53.2%	0%
LWI Financial	16.3	113	37.2%	5.3%	0%	23.0%	34.5%	0%
AssetMark, Inc.	44.0	59	41.5%	1.7%	0%	21.2%	35.6%	36.3%
Least pro-dissident families								
Guggenheim Investments	208.0	109	84.8%	0.6%	3.4%	1.8%	9.4%	54.5%
Vanguard Group	4,940.4	188	76.6%	4.3%	1.2%	5.3%	12.7%	76.9%
State Street	2,781.7	118	58.1%	15.3%	3.0%	14.2%	9.4%	66.7%
Northern Trust Investments	1,161.0	134	72.6%	0.7%	0.0%	8.2%	18.4%	62.5%
Penn Mutual Asset Management	23.5	92	58.2%	10.9%	2.2%	19.4%	9.4%	50.0%

Internet Appendix IA7: Integrated Analysis of Proxy Contests and Voting – Time-Adapted Stance Measure

This table repeats the analysis in Table 10 using an alternative measure of fund stance. We estimate each fund's fixed effect using only voted events that have occurred up to the year of targeting. The dependent variable in the voting equation, *Mutual fund supports dissident,* equals 0, 0.25, 0.5, 0.75, or 1 if a mutual fund votes for the full management slate, votes for the partial management slate, abstains, votes for the partial dissident slate, or votes for the full dissident slate, respectively. In the targeting equation, *Voted, Settled, or Withdrawn* equals 1 if a proxy contest results in a vote, is settled, or withdrawn. *Log(fund assets), Investment as % of fund assets, Holding horizon (year),* and *Basis-adjusted return* are aggregated to the firm level by weighting each fund by its investment as percent of firm equity. All other independent variables are as defined in Table 3. Second-stage standard errors are clustered at the fund family level. In each column we report estimated coefficients and their associated *t*-statistics. *, ** and *** indicate statistical significance at the 10%, 5% and 1% levels, respectively. Singleton observations are dropped in each fixed-effect model.

	Targeting equation: Multinomial logit			Voting equation: Linear regression
	Voted	Settled	Withdrawn	Fund supports dissident {0, 0.25, 0.5, 0.75, 1}
	(1)	(2)	(3)	(4)
Log(MV)	-0.187***	-0.237***	-0.096	-0.057***
	[-2.86]	[-4.02]	[-1.16]	[-5.56]
q	-0.049	-0.102**	-0.117*	-0.034***
	[-1.18]	[-2.39]	[-1.83]	[-5.83]
ROA	0.349	0.141	1.191*	-0.094*
	[0.68]	[0.31]	[1.73]	[-1.78]
Leverage	0.213	-0.405	-1.127*	0.107***
	[0.57]	[-1.18]	[-1.92]	[3.36]
Dividend yield	-0.408	0.924	1.493	0.167
	[-0.27]	[0.78]	[0.84]	[1.31]
HHI	-1.060*	-0.230	-0.329	0.274***
	[-1.95]	[-0.55]	[-0.51]	[4.62]
Institutional ownership	1.163***	1.477***	0.708	0.205***
	[3.31]	[4.87]	[1.61]	[6.35]
Log(fund assets) (firm-level)	0.054	-0.071	-0.019	
	[0.57]	[-0.96]	[-0.17]	
Inv. as % of fund assets (firm-level)	1.892	0.468	-0.500	
	[0.80]	[0.19]	[-0.09]	
Holding horizon (year) (firm-level)	0.005	0.004	0.003	
	[1.45]	[1.46]	[0.85]	
Basis-adjusted return (firm-level)	-0.534**	-1.024***	-1.245***	
	[-2.31]	[-4.82]	[-3.72]	
Fund stance measure (firm-level)	2.502***	1.476**	1.087	
	[3.76]	[2.51]	[1.15]	
Hedge fund dissident				0.161***
				[4.58]
# past events by dissident				-0.010***
				[-4.14]
Past campaign intensity				-0.001
				[-0.16]
Log(fund assets)				-0.008
				[-0.43]
Investment as % of fund assets				-0.139

				[-0.11]
Holding horizon (year)				-0.001
				[-0.55]
Basis-adjusted return				-0.085***
				[-4.09]
Lee correction term				-0.352***
				[-4.55]
Fiscal year FEs	Yes	Yes	Yes	Yes
Industry FEs (FF-12)	Yes	Yes	Yes	Yes
Fund FEs	No	No	No	Yes
Observations	33,281	33,281	33,281	17,574
Adj. R-squared				0.20
Pseudo R-squared	0.06	0.06	0.06	

Internet Appendix IA8: Integrated Analysis of Proxy Contests and Voting – Heckman Correction

This table repeats the analysis in Table 10 using the Heckman two-step procedure to estimate a system of equations for investor voting and dissident targeting. The dependent variable in the voting equation, *Mutual fund supports dissident,* equals 0, 0.25, 0.5, 0.75, or 1 if a mutual fund votes for the full management slate, votes for the partial management slate, abstains, votes for the partial dissident slate, or votes for the full dissident slate, respectively. The dependent variable in the first stage probit, *Voted*, equals 1 if a firm experiences a proxy contest that reaches a vote and 0 otherwise. In specification 1, we treat firms that experience a proxy contest that reaches a settlement or a withdrawal as non-targets. In specification 2, we exclude such firms from the sample. In the targeting equation, *Log(fund assets), Investment as % of fund assets, Holding horizon (year),* and *Basis-adjusted return* are aggregated to the firm level by weighting each fund by its investment as percent of firm equity. All other independent variables are as defined in Table 3 in the text. Panel A reports results using the full-sample stance measure, while Panel B features the time-adapted stance measure. Second-stage standard errors are clustered at the fund family level. In each column we report estimated coefficients and their associated *t*-statistics. *, ** and *** indicate statistical significance at the 10%, 5% and 1% levels, respectively. Singleton observations are dropped in each fixed-effect model.

Panel A: Full-sample stance measure

	(1)		(2)	
	Targeting equation: Probit	Voting equation: Linear regression	Targeting equation: Probit	Voting equation: Linear regression
Log(MV)	-0.054***	-0.050***	-0.055***	-0.050***
	[-2.57]	[-6.28]	[-2.62]	[-6.22]
q	-0.018	-0.039***	-0.018	-0.039***
	[-1.32]	[-7.96]	[-1.35]	[-7.96]
ROA	0.113	-0.110**	0.115	-0.110**
	[0.66]	[-2.04]	[0.68]	[-2.03]
Leverage	0.100	0.126***	0.098	0.124***
	[0.79]	[3.49]	[0.78]	[3.45]
Dividend yield	-0.240	0.258**	-0.234	0.257**
	[-0.46]	[2.52]	[-0.45]	[2.51]
HHI	-0.302*	0.309***	-0.306*	0.309***
	[-1.72]	[5.83]	[-1.74]	[5.82]
Institutional ownership	0.314***	0.141***	0.320***	0.141***
	[2.73]	[3.76]	[2.78]	[3.74]
Log(fund assets) (firm-level)	0.010		0.010	
	[0.34]		[0.34]	
Inv. as % of fund assets (firm-level)	0.728		0.736	
	[0.85]		[0.86]	
Holding horizon (year) (firm-level)	0.002		0.002	
	[1.38]		[1.40]	
Basis-adjusted return (firm-level)	-0.201***		-0.206***	
	[-2.66]		[-2.72]	
Fund stance measure (firm-level)	0.971***		0.978***	
	[3.65]		[3.67]	
Hedge fund dissident		0.144***		0.144***
		[4.79]		[4.81]
# past events by dissident		-0.009***		-0.009***
		[-3.96]		[-3.99]
Past campaign intensity		0.004		0.004
		[0.82]		[0.81]

Log(fund assets)		-0.009		-0.009
		[-0.54]		[-0.53]
Investment as % of fund assets		0.202		0.203
		[0.16]		[0.16]
Holding horizon (year)		0.001		0.001
		[0.71]		[0.70]
Basis-adjusted return		-0.097***		-0.097***
		[-4.80]		[-4.81]
Heckman correction term		0.372***		0.365***
		[5.69]		[5.60]
Fiscal year FEs	Yes	Yes	Yes	Yes
Industry FEs (FF-12)	Yes	Yes	Yes	Yes
Fund FEs	No	Yes	No	Yes
Observations	36,633	18,698	36,221	18,698
Adj. R-squared				0.21
Pseudo R-squared	0.04	0.21	0.04	

Panel B: Time-adapted stance measure

	(1)		(2)	
	Targeting equation: Probit	Voting equation: Linear regression	Targeting equation: Probit	Voting equation: Linear regression
Log(MV)	-0.068***	-0.056***	-0.069***	-0.056***
	[-3.01]	[-5.37]	[-3.04]	[-5.28]
q	-0.015	-0.034***	-0.015	-0.034***
	[-1.08]	[-5.77]	[-1.11]	[-5.75]
ROA	0.127	-0.093*	0.128	-0.093*
	[0.71]	[-1.76]	[0.72]	[-1.76]
Leverage	0.075	0.109***	0.073	0.108***
	[0.56]	[3.37]	[0.54]	[3.33]
Dividend yield	-0.099	0.181	-0.094	0.177
	[-0.19]	[1.38]	[-0.17]	[1.35]
HHI	-0.367*	0.276***	-0.371**	0.278***
	[-1.95]	[4.63]	[-1.96]	[4.64]
Institutional ownership	0.397***	0.199***	0.403***	0.196***
	[3.20]	[6.15]	[3.24]	[6.02]
Log(fund assets) (firm-level)	0.022		0.022	
	[0.67]		[0.66]	
Inv. as % of fund assets (firm-level)	0.819		0.821	
	[0.90]		[0.90]	
Holding horizon (year) (firm-level)	0.002		0.002	
	[1.38]		[1.40]	
Basis-adjusted return (firm-level)	-0.188**		-0.193**	
	[-2.34]		[-2.40]	
Fund stance measure (firm-level)	0.902***		0.909***	
	[3.57]		[3.59]	
Hedge fund dissident		0.159***		0.160***
		[4.51]		[4.52]
# past events by dissident		-0.011***		-0.011***
		[-4.24]		[-4.28]
Past campaign intensity		-0.001		-0.001
		[-0.11]		[-0.12]
Log(fund assets)		-0.008		-0.008
		[-0.44]		[-0.44]
Investment as % of fund assets		-0.138		-0.137
		[-0.11]		[-0.11]
Holding horizon (year)		-0.001		-0.001
		[-0.57]		[-0.57]
Basis-adjusted return		-0.085***		-0.086***
		[-4.15]		[-4.16]
Heckman correction term		0.345***		0.334***
		[4.34]		[4.22]
Fiscal year FEs	Yes	Yes	Yes	Yes
Industry FEs (FF-12)	Yes	Yes	Yes	Yes
Fund FEs	No	Yes	No	Yes
Observations	32,367	17,574	32,024	17,574
Adj. R-squared				0.20
Pseudo R-squared	0.04	0.20	0.04	

Internet Appendix IA9: Integrated Analysis of Proxy Contests and Voting – Adjusted t-Statistics

This table repeats the analysis in Table 10 and Internet Appendix IA7 adjusting for generated regressor bias in the second stage. For each bootstrap sample, we sample with replacement from the targeting sample and re-estimate each event's Lee correction term. We then re-estimate the second stage for each iteration. We compute the adjusted variance of each coefficient estimate as the sum of its unadjusted variance and the variance of point estimates across bootstrap samples. Unadjusted standard errors are clustered at the fund family level. We report results for 500 bootstrap samples. The dependent variable in the voting equation, *Mutual fund supports dissident,* equals 0, 0.25, 0.5, 0.75, or 1 if a mutual fund votes for the full management slate, votes for the partial management slate, abstains, votes for the partial dissident slate, or votes for the full dissident slate, respectively. Column 1 (2) reports results using the full-sample stance measure (time-adapted stance measure) in the first stage. In each column we report estimated coefficients and their associated *t*-statistics. *, ** and *** indicate statistical significance at the 10%, 5% and 1% levels, respectively. Singleton observations are dropped in each fixed-effect model.

	Full-sample stance measure in first stage	Time-adapted stance measure in first stage
	(1)	(2)
Log(MV)	-0.049***	-0.057***
	[-3.50]	[-3.32]
q	-0.039***	-0.034***
	[4.26]	[-4.03]
ROA	-0.108	-0.094
	[-1.60]	[-1.41]
Leverage	0.119**	0.107**
	[2.30]	[2.35]
Dividend yield	0.244**	0.167
	[2.14]	[1.15]
HHI	0.312***	0.274***
	[4.30]	[3.34]
Institutional ownership	0.139**	0.205***
	[2.03]	[2.80]
Hedge fund dissident	0.145***	0.161***
	[4.71]	[4.50]
# past events by dissident	-0.009***	-0.010***
	[-3.20]	[-3.62]
Past campaign intensity	0.004	-0.001
	[0.75]	[-0.16]
Log(fund assets)	-0.008	-0.008
	[-0.52]	[-0.43]
Investment as % of fund assets	0.200	-0.139
	[0.16]	[-0.11]
Holding horizon (year)	0.001	-0.001
	[0.61]	[-0.51]
Basis-adjusted return	-0.095***	-0.085***
	[-4.52]	[-3.93]

Lee correction term	-0.357**	-0.352**
	[-2.26]	[-2.14]
Fiscal year FEs	Yes	Yes
Industry FEs (FF-12)	Yes	Yes
Fund FEs	Yes	Yes
Observations	18,698	17,574
Adj. R-squared	0.21	0.20

Internet Appendix IA10: Integrated Analysis of Proxy Contests and Voting – Passive Funds Only

This table repeats the analysis in Table 10 and Internet Appendix IA7 with the second-stage sample restricted to passive funds only. The first stage targeting equation is estimated as in Table 10 and Internet Appendix IA7. The dependent variable in the voting equation, *Mutual fund supports dissident,* equals 0, 0.25, 0.5, 0.75, or 1 if a mutual fund votes for the full management slate, votes for the partial management slate, abstains, votes for the partial dissident slate, or votes for the full dissident slate, respectively. Specification 1 (2) reports results using the full-sample stance measure (time-adapted stance measure) in the first stage. Standard errors are clustered at the fund family level. In each column we report estimated coefficients and their associated t-statistics. $*$, $**$ and $***$ indicate statistical significance at the 10%, 5% and 1% levels, respectively. Singleton observations are dropped in each fixed-effect model.

	(1)	(2)
	Full-sample stance measure in first stage	Time-adapted stance measure in first stage
Log(MV)	-0.048***	-0.058***
	[-4.61]	[-7.02]
q	-0.029***	-0.027***
	[-5.23]	[-4.02]
ROA	-0.155***	-0.146***
	[-2.70]	[-2.84]
Leverage	0.170***	0.152***
	[3.40]	[3.79]
Dividend yield	0.317**	0.350**
	[1.99]	[2.08]
HHI	0.263***	0.220***
	[3.82]	[3.12]
Institutional ownership	0.113**	0.186***
	[2.38]	[4.51]
Hedge fund dissident	0.094***	0.097***
	[2.99]	[2.69]
# past events by dissident	-0.012***	-0.012***
	[-5.18]	[-6.41]
Past campaign intensity	0.014**	0.008
	[2.27]	[1.03]
Log(fund assets)	0.000	-0.001
	[0.01]	[-0.05]
Investment as % of fund assets	-5.255***	-5.468***
	[-5.07]	[-4.96]
Holding horizon (year)	0.005**	0.004*
	[2.43]	[1.90]
Basis-adjusted return	-0.061**	-0.050*
	[-2.39]	[-1.98]
Lee correction term	-0.316***	-0.351***
	[-3.18]	[-6.23]

Fiscal year FEs	Yes	Yes
Industry FEs (FF-12)	Yes	Yes
Fund FEs	Yes	Yes
Observations	8,716	8,337
Adj. R-squared	0.20	0.20

Internet Appendix IA11: Mutual Fund Trading in Target Firms Prior to a Proxy Contest – Probit Model

This table reports results on the determinants of mutual funds' trading in event firms prior to a proxy contest. *No-show* equals 1 if a fund holds the target shares in quarter ends *Q*-2 to *Q*, where *Q* is the quarter in which the record date falls, and there is no disclosed vote by the fund. It equals 0 if a fund votes in the proxy contest. *Buy-into-voting* is an indicator variable equal to 1 if a voting fund discloses holdings in quarter *Q* but not in quarter *Q*-1 or *Q*-2, and 0 otherwise. *Sell-out-of-voting* is an indicator variable equal to 1 if a non-voting fund discloses holdings in quarters *Q*-1 and *Q*-2 but not in quarter *Q*, and it equals 0 for a voting fund. *PA for dissident* is set to *ISS for dissident* or *Glass Lewis for dissident*, if only one of the two advisory firms issues a recommendation. It equals [(*ISS for dissident*) + (*Glass Lewis for dissident*)]/2, if both advisors issue a recommendation. All other independent variables are as defined in Table 3. The no-show regression includes both active and passive mutual funds, while the buy-into-voting and sell-out-of-voting regressions include only active mutual funds. Standard errors are clustered at the fund family level. *, ** and *** indicate statistical significance at the 10%, 5% and 1% levels, respectively.

Dependent variable	No-show			Buy-into-voting			Sell-out-of-voting		
	Coefficient	*t*-stat.	Marg. Prob.	Coefficient	*t*-stat.	Marg. Prob.	Coefficient	*t*-stat.	Marg. Prob.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Log (MV)	-0.078***	-5.05	-2.0%	0.091***	3.50	1.3%	-0.023	-1.34	-0.3%
q	-0.005	-0.46	-0.1%	0.009	0.36	0.1%	0.013	0.91	0.2%
ROA	0.099	0.79	2.5%	0.390*	1.68	5.5%	-0.140	-0.90	-2.0%
Leverage	-0.001	-0.02	-0.00%	-0.200	-1.20	-2.8%	-0.084	-0.64	-1.2%
Dividend yield	0.069	0.16	1.7%	-1.155**	-2.07	-16.3%	0.208	0.40	2.9%
HHI	-0.207*	-1.81	-5.2%	0.387*	1.74	5.5%	-0.395**	-2.16	-5.6%
Institutional ownership	0.296***	4.09	7.5%	-0.742**	-2.41	-10.5%	0.361**	2.23	5.1%
Hedge fund dissident	-0.307***	-4.18	-8.5%	0.104	0.97	1.4%	-0.235***	-3.38	-3.7%
# past events by dissident	-0.011*	-1.79	-0.3%	0.012	1.24	0.2%	0.005	0.57	0.1%
Past campaign intensity	-0.007	-0.63	-0.2%	0.044**	2.15	0.6%	-0.010	-0.57	-0.1%
Log(fund assets)	0.014	0.52	0.3%	-0.045	-1.63	-0.6%	-0.015	-0.56	-0.2%
Investment as % of fund assets	-12.366***	-3.38	-311.6%	-18.612***	-3.86	-263.2%	-26.313***	-4.79	-370.2%
Fund stance measure	0.214	0.66	5.4%	-0.116	-0.62	-1.6%	-0.067	-0.37	-0.9%
Holding horizon (year)	0.001	0.72	0.00%				-0.004***	-3.95	-0.1%
Basis-adjusted return	0.025	0.97	0.6%				0.028	1.19	0.4%
Passive fund	-0.123	-1.56	-3.1%						
PA for dissident	0.166***	3.89	4.2%						
Fiscal year FEs	Yes			Yes			Yes		
Industry FEs (FF-12)	Yes			Yes			Yes		
Observations	20,505			8,890			9,522		
Pseudo R-squared	0.05			0.04			0.06		
% (Dep. Variable =1)	14.3%			6.3%			6.8%		

Internet Appendix IA12: Placebo Test for Buy-into-Voting and Sell-out-of-Voting

This table replicates the results reported in columns (4)-(9) in Internet Appendix A11, except that quarter Q is set as two quarters before the quarter when a proxy contest is announced. All variables are identical to those in Internet Appendix IA11. Standard errors are clustered at the fund family level. *, ** and *** indicate statistical significance at the 10%, 5% and 1% levels, respectively.

Dependent variable	Buy-into-voting			Sell-out-of-voting		
	Coefficient (1)	t-stat. (2)	Marg. Prob. (3)	Coefficient (4)	t-stat. (5)	Marg. Prob. (6)
Log (MV)	0.087***	3.04	1.5%	-0.014	-0.51	-0.3%
q	-0.045**	-1.98	-0.8%	0.012	0.63	0.2%
ROA	0.342	1.30	6.0%	0.089	0.43	1.7%
Leverage	0.192	1.38	3.3%	0.083	0.63	1.6%
Dividend yield	-1.856***	-2.70	-32.4%	1.029**	1.98	19.9%
HHI	-0.628***	-3.61	-11.0%	-0.063	-0.38	-1.2%
Institutional ownership	-0.473*	-1.66	-8.3%	-0.006	-0.04	-0.1%
Hedge fund dissident	-0.026	-0.27	-0.5%	-0.273***	-3.36	-5.9%
# past events by dissident	-0.016	-1.42	-0.3%	0.000	0.02	0.0%
Past campaign intensity	0.002	0.09	0.0%	0.058***	3.91	1.1%
Log(fund assets)	-0.061**	-2.40	-1.1%	-0.017	-0.62	-0.3%
Investment as % of fund assets	-10.019**	-2.22	-175.1%	-19.948***	-3.80	-385.1%
Fund stance measure	0.110	0.70	1.9%	-0.270	-1.54	-5.2%
Holding horizon (year)				-0.005***	-5.32	-0.1%
Basis-adjusted return				0.022	0.95	0.4%
Fiscal year FEs	Yes			Yes		
Industry FEs (FF-12)	Yes			Yes		
Observations	8,266			8,632		
Pseudo R-squared	0.04			0.06		
% (Dep. Variable =1)	7.2%			8.9%		