

SBCERS

Santa Barbara County Employees' Retirement System

DATE: October 25, 2023

TO: SBCERS BOARD OF RETIREMENT

FROM: SBCERS Investment Staff

RE: **Proxy Voting**

Recommendation

That the Board of Retirement receive and file the educational material on Proxy Voting presented by Richard Clark, Vice President of ISS.

Summary

SBCERS utilizes ISS to submit shareholder votes on behalf of the trust. Most public common stockholders have voting rights and shareholders can cast votes in-person via ballot at the Annual Shareholders Meeting or by proxy. A proxy is either a designated person or proxy voting agent. Shareholder voting rights allow certain stockholders to vote on issues impacting the company. Common issues that are addressed through voting include mergers and acquisitions, dividend payouts, new securities, and selection of the Board of Directors. The outcomes of the votes can cause movement in the stock price, which is why shareholder voting rights have economic value.

The Board of Retirement is required to vote proxies solely in the best interest of plan participants and beneficiaries, and must act with care, skill, prudence, and diligence when considering shareholder votes. This is consistent with the primary loyalty rule and the duty of prudence.

Since 2007 SBCERS has engaged ISS to assist with proxy voting. SBCERS is subscribed to ISS's United States and International Public Fund Proxy Voting Guidelines. These proxy voting guidelines are designed to help ensure that public funds fulfill all statutory and common law obligations governing proxy voting, with the intent of maximizing the long-term economic benefits of its plan participants, beneficiaries, and citizens of the state in which the fund resides.

Attachments

- SBCERS Proxy Overview
- Public-Fund-US-Voting-Guidelines 2023
- Public-Fund-International-Voting-Guidelines 2023