



Board of Retirement Regular Meeting

Sacramento County Employees' Retirement System

Agenda Item 11

MEETING DATE: May 18, 2022

SUBJECT: Proxy Voting Activity Report—First Quarter 2022

SUBMITTED FOR: Consent Deliberation and Action Receive and File

RECOMMENDATION

Staff recommends the Board receive and file the report summarizing SCERS' proxy voting results for the quarter ending March 31, 2022.

PURPOSE

This item complies with SCERS' Proxy Voting Policy to provide a summary of the results of SCERS' proxy voting activity. This item contributes to the effective management and oversight of investment activities.

SUMMARY

SCERS utilizes the services of Institutional Shareholder Services, Inc. (ISS) to facilitate the voting of proxies. Proxies are voted to fulfill SCERS' fiduciary duties and in a manner consistent with the long-term interests of plan participants and beneficiaries.

During the first quarter of 2022, SCERS voted with management approximately 94% of the time, and against management approximately 6% of the time. Votes against management were nearly identical to voting statistics for the first quarter of 2021. SCERS voted against management primarily for compensation-related issues or the election of directors. There were no votes during the quarter that went against SCERS' proxy voting guidelines.

Proxy voting is a way for shareholders to vote on corporate actions when they are not able to attend a company's annual meeting (i.e. vote via proxy). With institutional investors holding highly diversified portfolios, voting via proxy has become standard practice. For example, SCERS has an ownership interest in over 1,300 companies across its domestic and international equity portfolios. Proxy voting is the primary method by which shareholders, as owners of a company, can express their views and influence a company's operations.

Proxy voting rights are considered valuable plan assets. As a fiduciary, SCERS is required to vote proxies in the best interests of plan participants and beneficiaries. SCERS' Proxy Voting

Policy authorizes the use of third-party proxy voting service providers such as ISS to vote proxies for public equity securities.

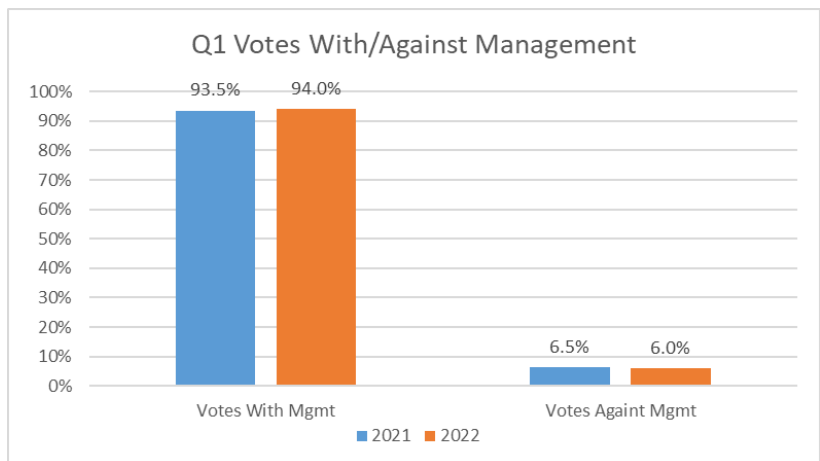
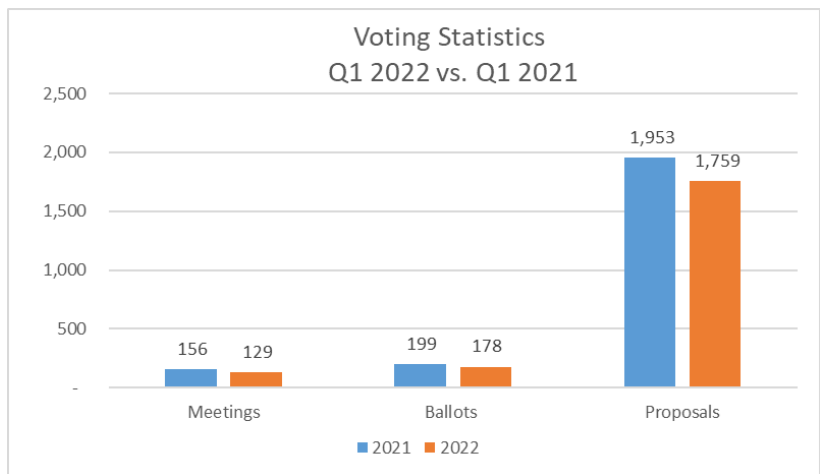
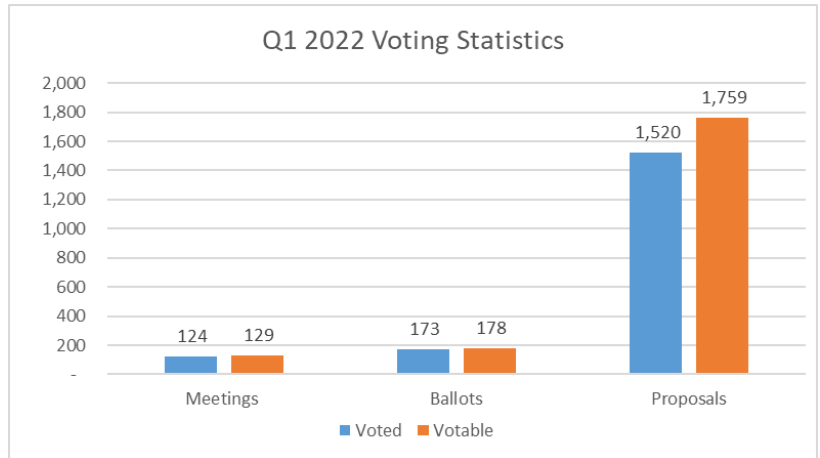
The following charts and data summarize the overall proxy voting results for the quarter ending March 31, 2022. The ISS Board Statistics report for the quarter ending March 31, 2022, is provided along with this memo.

First Quarter 2022

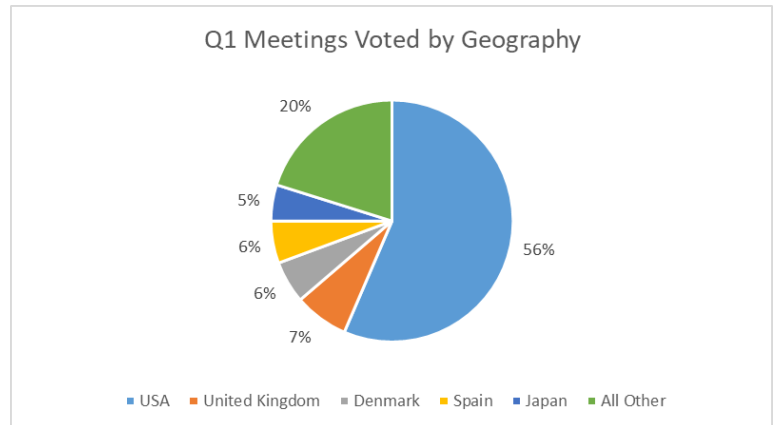
During the first quarter, SCERS voted in 124 out of 129 votable meetings (96%) and voted on 173 out of 178 ballots (97%). The total meetings included 1,759 proposals, which SCERS voted on 1,520 (86%). For the meetings not voted on, all relate to meetings for Swedish companies where SCERS does not have the requisite power of attorney necessary to vote the meetings. The number of meetings voted on during the quarter was approximately 17% lower than the first quarter of 2021.

During the first quarter, SCERS voted with management on 94.0% of proposals and voted against management 6.0% of the time. The percentage of votes against management was consistent with the first quarter of 2021. For the votes against management, most of the votes related to compensation-related matters or the election of directors.

There were five meetings that could not be voted on during the quarter. All these meetings occurred in Sweden, where SCERS does not have the requisite authority to vote meetings. All other meetings were voted on in accordance with SCERS’ approved proxy voting guidelines. There were no meetings during the quarter where SCERS needed to take action and where meetings could not be voted on based on standing guidelines.



On a geographic basis, 56% of the meetings voted on were for U.S.-based companies, followed by the United Kingdom (7%), Denmark (6%), and Spain (6%). SCERS voted on meetings in 20 countries during the quarter.



ATTACHMENT

- Board Order
- ISS Board Statistics Report for the quarter ending March 31, 2022.

Prepared by:

/S/

 Brian Miller
 Senior Investment Officer

Reviewed by:

/S/

 Steve Davis
 Chief Investment Officer

/S/

 Eric Stern
 Chief Executive Officer



Retirement Board Order

Sacramento County Employees' Retirement System

Before the Board of Retirement
May 18, 2022

AGENDA ITEM:

Proxy Voting Activity Report – First Quarter 2022

THE BOARD OF RETIREMENT hereby accepts the recommendation of staff to receive and file the report summarizing SCERS' proxy voting results for the quarter ending March 31, 2022.

I HEREBY CERTIFY that the above order was passed and adopted on May 18, 2022 by the following vote of the Board of Retirement, to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

ALTERNATES (Present but not voting):

Richard B. Fowler II
Board President

Eric Stern
Chief Executive Officer and
Board Secretary

Board Statistics Report



Parameters Used:
 Location(s): Sacramento County (SCERS)
 Account Group(s): All account groups
 Institution Account(s): All institution accounts
 Custodian Account(s): All custodian accounts
 Reporting Period: 01/01/2022 to 03/31/2022

Meeting Overview

Category	Number	Percentage
Number of votable meetings	129	
Number of meetings voted	124	96.12%
Number of meetings with at least 1 vote Against, Withhold or Abstain	47	36.43%

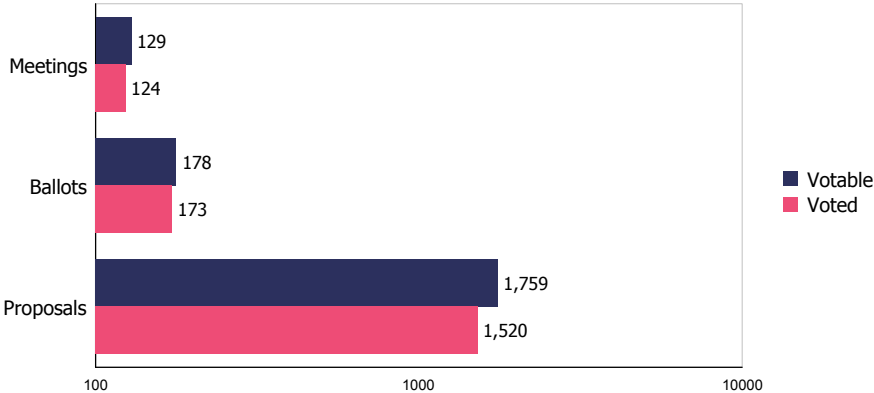
Ballot Overview

Category	Number	Percentage
Number of votable ballots	178	
Number of ballots voted	173	97.19%

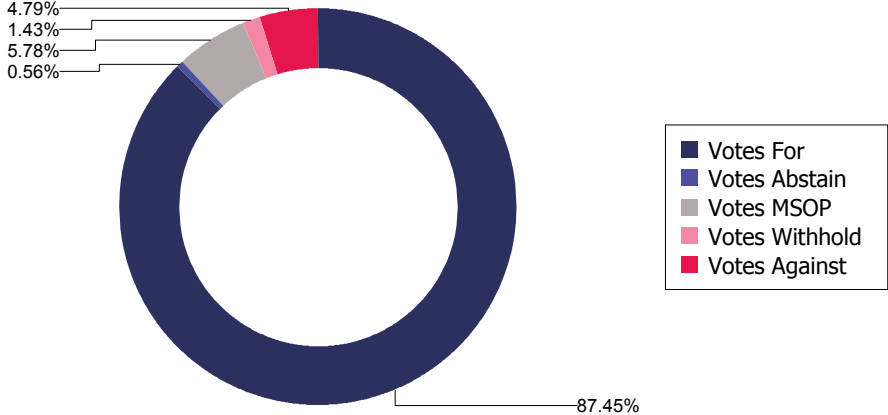
Proposal Overview

Category	Number	Percentage
Number of votable items	1,759	
Number of items voted	1,520	86.41%
Number of votes FOR	1,407	92.57%
Number of votes AGAINST	77	5.07%
Number of votes ABSTAIN	9	0.59%
Number of votes WITHHOLD	23	1.51%
Number of votes on MSOP	93	6.12%
Number of votes One Year	4	0.26%
Number of votes Two Years	0	0.00%
Number of votes Three Years	0	0.00%
Number of votes With Policy	1,520	100.00%
Number of votes Against Policy	0	0.00%
Number of votes With Mgmt	1,429	94.01%
Number of votes Against Mgmt	91	5.99%
Number of votes on Shareholder Proposals	62	4.08%

Voting Statistics



Vote Cast Statistics

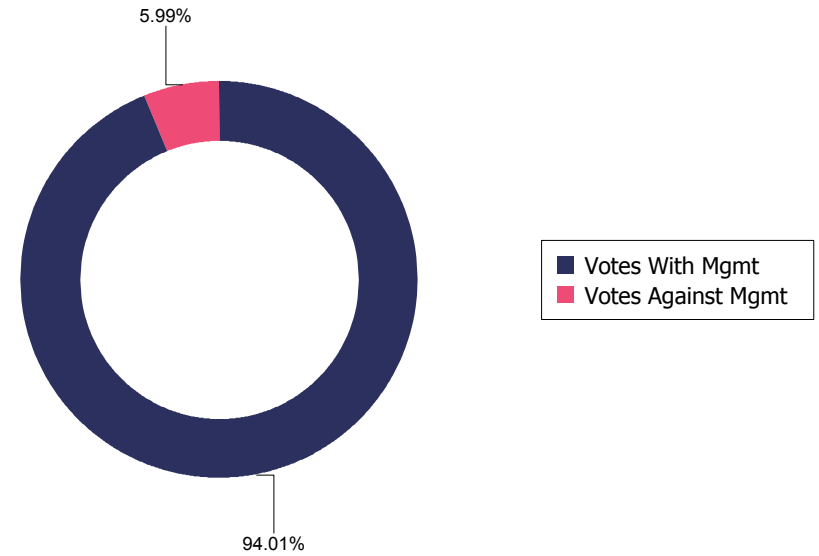


Note: Instructions of Do Not Vote are not considered voted, and in cases of different votes submitted across ballots for a given meeting, votes cast are distinctly counted by type per proposal where total votes submitted by type may be higher than unique proposals voted.

Vote Alignment with Policy

No graphical representation provided.

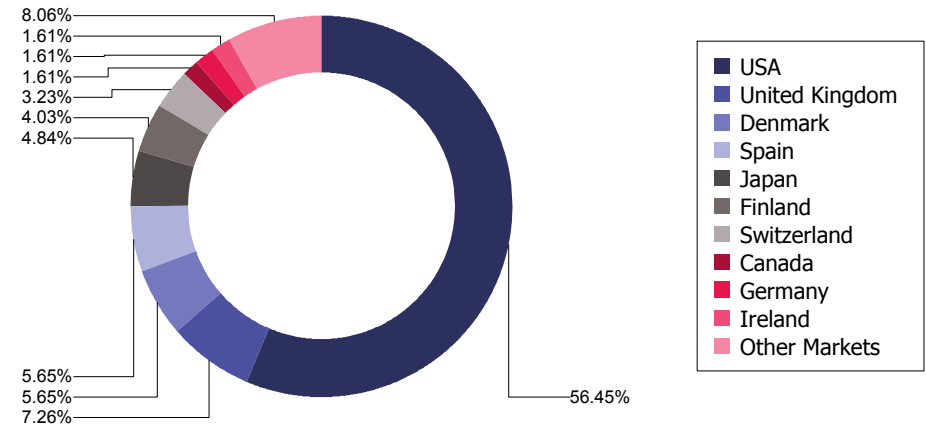
Vote Alignment with Management



Market Breakdown

Market	Votable Meetings	Voted Meetings	Percentage
USA	70	70	100.00%
United Kingdom	9	9	100.00%
Denmark	7	7	100.00%
Spain	7	7	100.00%
Japan	6	6	100.00%
Finland	5	5	100.00%
Sweden	5	0	0.00%
Switzerland	4	4	100.00%
Canada	2	2	100.00%
Germany	2	2	100.00%
Ireland	2	2	100.00%
Netherlands	2	2	100.00%
Australia	1	1	100.00%
Chile	1	1	100.00%
China	1	1	100.00%
Guernsey	1	1	100.00%
India	1	1	100.00%

Meetings Voted by Market



Market Voting Statistics

Market	Votable Meetings	Voted Meetings	Percentage
Singapore	1	1	100.00%
South Africa	1	1	100.00%
South Korea	1	1	100.00%

