



BOARD OF RETIREMENT

Staff Report

File #: 21-126.1

Agenda Date: 11/4/2021

Agenda #: 6.

FROM: Don Pierce, Chief Investment Officer

SUBJECT: Approve updates to Investment Policy No. 009 (Proxy Voting Policy)

RECOMMENDATION:

Approve and adopt updates to Investment Policy No. 009 (Proxy Voting Policy).

BACKGROUND:

General Policy No. 005 involves the periodic review of Board Policies and indicates that the Investment Committee shall review investment policies every three years.

Investment Policy No. 009 (Proxy Voting Policy) was last reviewed in 2018.

Pursuant to General Policy No. 005, staff has conducted a review of Investment Policy No. 009, and has found it both generally consistent with current practice and appropriate for SBCERA's program.

The proposed changes reflect clarifying language specifically around the preponderance of proxy voting done by investment managers. This does not change any proxy voting activity, only that the prior policy was silent on the distribution of proxy voting and after the policy review, this clarifying information was recommended.

In addition to Investment staff, both NEPC and our Legal department also reviewed this policy.

COMMITTEE REVIEW:

This item was reviewed by the Investment Committee at its October 12, 2021 meeting, and recommends Board approval with a 4-0 vote.

BUDGET IMPACT:

None.

STRATEGIC PLANNING GOAL/OBJECTIVE:

Prudent Fiscal Management

STAFF CONTACT:

Don Pierce

ATTACHMENTS:

Exhibit A: Investment Policy No. 009 (Proxy Voting Policy), Issue 6.0 - Redline