
SECOR Asset Management, LP

Proxy Engagement Policy

September 2023

Introduction

This document has been prepared and is maintained by SECOR's ESG Committee. It includes details of SECOR's approach to proxy engagement on behalf of our clients.

SECOR considers that voting rights have economic value, and we recognise that many of our clients have a fiduciary responsibility to ensure that shares held in publicly listed companies are voted at shareholder meetings.

SECOR does not directly select individual securities. Therefore, SECOR does not have direct participation rights in proxy voting of public investments. Instead, we partner and invest with a diverse set of experienced and qualified investment managers ("managers") across multiple asset classes. We consider that these managers are in the best position to determine the proxy voting approaches that are in the best interests of their stakeholders and the investments made on behalf of our clients.

We engage regularly with both our clients and managers and seek to ensure that the needs and any preference of our clients are fully understood and acted upon. We monitor our managers and their decisions, including voting records, to assess alignment with our client's best interests.

This document should be read in conjunction with our:

- **ESG Policy** – which sets out our ESG Beliefs and Responsible Investment Principles, together with high level details of how we expect ESG and Stewardship to be integrated into our activities and advice for clients.
- **Sustainability Policy** – which sets out the key principles and approaches used by SECOR to address sustainability risks and opportunities, and other related considerations.
- **Stewardship Policy** – which sets out our approach to stewardship (active ownership) and the ongoing oversight of, and engagement with, our clients' third-party managers with the aim of enhancing long-term value for our clients while contributing to the sustainability and health of the environment and society.
- **Modern Slavery Act and Human Trafficking Statement** – which sets out our commitment to ensuring that our business and supply chains are free from modern slavery and human trafficking.

Policy Approach

SECOR's Proxy Engagement Policy is guided by regulations and a framework that separates stewardship into two areas:

- the exercising of rights attaching to investments; and
- engagement with debt and equity issuers on issues including performance, strategy, risks, social and environmental impact, and corporate governance (Please refer to our separate Stewardship Policy).

SECOR does not accept voting authority on behalf of clients in an advisory role, and we do not instruct managers on how to vote specific proxies. Instead, proxy voting is delegated to third party managers who we expect to act in the best interests of our clients.

We recognise however, that SECOR has a fiduciary duty to act in our clients' best interests and to adhere to their investment guidelines. To accomplish this, as part of SECOR's multi-stage manager selection and ongoing monitoring process, we:

- review managers' proxy voting policies, activities, and records, and assess them against what we consider to be industry best practice;
- engage with managers on a range of relevant topics, including our priority themes¹, to assess the effectiveness of their voting and engagement activity; and
- promote responsible investing, high standards of stewardship, and comprehensive and transparent reporting.

Regarding the practical implementation of Proxy engagement and Stewardship requirements, SECOR acts on behalf of clients to (at a minimum):

¹ Our Priority Themes are climate change, biodiversity, human rights and labour practices, and diversity, equity and inclusion - please refer to our Sustainability Policy for more information.

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- take account of proxy voting and stewardship in the assessment and appointment of managers;
 - communicate any client specific proxy requirements to all relevant investment managers;
 - collect and assess (at least annually) information from investment managers about their proxy voting activities and approach; and
 - produce (at least annually) a consolidated summary report containing voting and engagement data for relevant investment managers.

Some managers partner with industry leading proxy advisors, such as ISS and Glass Lewis. These advisors are often responsible for submitting or advising on votes across the portfolios, and their guidelines are usually made public. We monitor all dissenting votes against the proxy advisors in semi-annual proxy voting statements and track the total number of votes over the period. SECOR will review the voting results and discuss managers' stewardship activities and proxy voting to understand, and potentially challenge their approach.

Expectations of Appointed Managers

SECOR expects managers to be active owners² and to act in the best financial interests of our clients to protect and enhance long term value. To do this effectively, we expect managers to:

- establish and implement voting policies in keeping with their own specific investment strategies;
- seek to ensure that the companies in which they invest client assets are successful, and actively pursue this interest by promoting best practice in the boardroom;
- vote all shares for all companies and all resolutions;
- establish and implement conflicts of interest procedures; and provide comprehensive reporting on their voting activity.

As part of SECOR's semi-annual manager review process, each manager's proxy voting policy, practices and voting report will be reviewed and discussed.

Conflicts of Interest

SECOR has in place a conflicts-of-interest policy and compliance policies to identify and mitigate potential conflicts of interest³. Although SECOR does not engage in proxy voting decisions on client's behalf, we do consider as part of our investment guidelines and manager selection procedures whether there is potential, perceived, or materialised conflicts of interest. We expect our partners and managers to have conflict of interests and fiduciary or stewardship duty policies in place to guard against instances of proxy voting decisions being made contrary to client's objectives and best interests.

SECOR reviews and ensures that policies, and processes are in place as part of our multi-manager selection, due diligence, and ongoing investment monitoring process.

Policy Review and Update Process

The policy is designed to be a "living document" and will evolve over time. SECOR will regularly assess the appropriateness and sufficiency of the Policy and it will be updated as required.

² Active Ownership is defined as investors engaging with companies and actively using their voting rights to engage with the company on ESG issues, or other matters of business strategy, to ensure the company's interests are aligned with their own with the goal of reducing risk or enhancing shareholder value.

³ SECOR's conflict of interest policy available upon request