OREGON STATE TREASURY

Introduction To Proxy Voting & Treasury's Role As A Responsible Shareholder

Treasury invests on behalf of public entities and beneficiaries of the state retirement system. As a fiduciary overseeing one of the nation's largest pension funds and other public assets, Treasury's portfolio includes investment holdings in practically every publicly traded company. As a shareholder in these companies, Treasury has the right to vote on significant corporate matters and does so through a method called proxy voting. Continue reading to learn about proxy voting and how Treasury engages in proxy voting to support its obligation to our beneficiaries.

Proxy Voting At-A Glance

Participating in voting opportunities at corporate meetings is one of the primary tools of corporate governance and can be used by shareholders to influence a company's practices and hold it accountable to shareholder's interests. When shareholders are unable to attend or participate in a meeting, they have the ability to delegate their voting rights through a mechanism called "proxy voting". With holdings in thousands of publicly traded companies, Treasury has elected to utilize a proxy voting agent to provide research, analysis, recommendations, and facilitate voting on Treasury's behalf. Treasury uses policy and recommendations that are intended to align with our core investment beliefs. Votes can be held on a variety of organizational topics such as election of the Board of Directors, executive compensation, organizational structure, environmental practices, and more.

Proxy Votes Cast By Treasury Per Year

2022: 108,469 2021: 113,346 2020: 87,000

Leveraging Proxy Voting To Meet Treasury Investment Objectives

Treasury casts votes at thousands of corporate meetings each year to fulfill its fiduciary to pension beneficiaries and support investment objectives. — challenging corporations make decisions that improve their long-term value and align with Treasury's corporate governance values. This process reflects Treasury's commitment to act as a responsible steward of pension and state assets, promote transparency, accountability, and ethical decision-making among the companies it invests in.

Investment Terminology Guide

- **Beneficiary**: The individual (*public employee*) that is legally designated to receive retirement benefits upon the completion of their qualifying public service career
- **Fiduciary**: A person or entity (*Treasury*) responsible for managing and investing retirement funds solely in the best interests of beneficiaries (*PERS participants*)
- **Investment Portfolio**: The collection of investments, including stocks, real estate, private equity, bonds, and other assets, held by an individual or organization
- **Diversification**: Spreading investments across different types of asset classes or securities to reduce risk by not relying heavily on a single asset class
- **Public Company**: An organization whose shares are traded freely on a stock exchange
- **Shareholder**: An individual or entity that owns shares in a corporation, granting them ownership rights and a stake in company profits
- **Corporate Governance**: The processes and policies that regulate how a company is directed and controlled, ensuring accountability
- **Returns/Earnings**: The gain or loss in value of an investment over a given period of time expressed as a percentage of the original amount invested. For example, an initial investment of $100 that grows to $105 over one year has produced a 5% return