

Border to Coast Emerging Markets Equity Fund



Proxy Voting Report

Period: January 01, 2021 – March 31, 2021

Votes Cast	182	Number of Meetings	27
For	154	With Management	148
Withhold	0	Against Management	20
Abstain	0	Other	14
Against	28		
Other	0		
Total	182	Total	182

In 44% of meetings we have cast one or more votes against management recommendation.

General Highlights

The importance of proxy voting

Proxy voting is a fundamental part of corporate governance. The so-called shareholder democracy, where investors have the power with their vote to influence corporate decisions or hold management to account, is of growing importance.

Throughout the years, we see significant changes in how shareholders' voting rights are exercised, and the impact this has. Over the last year and due to the Covid-19 pandemic, we saw voting mostly taking place digitally, and only few shareholders attending annual shareholder meetings in person. Still, investors managed to raise their concerns and achieve impact. That strengthens our view on the importance of proxy voting, and the difference it makes to companies' operations and decisions.

Another aspect that shows the importance of voting, is the increasing number of retail investors. Based on SEC figures, it is estimated that in 2020, approximately 47% of the households in the US owned shares in companies directly or through funds. Those retail investors entrusted their wealth, and subsequently their shareholder voting rights, to fund managers, making their proxy voting practices particularly impactful. Additionally, according to a Morningstar survey, more and more retail investors are interested in investing in sustainability-themed funds and are willing to show their sustainability beliefs when voting at companies' AGMs. This trend is expected to increase as more and more millennials are joining the pool of retail investors.

Over the last few years, there have been an increasing number of shareholder resolutions focusing on climate change and promoting social equity and justice. This has made it clear that shareholders are shifting their focus from short-term gains, to more long-term benefits, and this is translated in their proxy voting decisions as well. Companies recognize the pressure they are under and are beginning to act accordingly. The final element that we believe makes proxy voting critical, is that it is part of the fiduciary duty of the manager to the ultimate beneficiaries. At the same time, shareholders have a duty towards society, in the sense that the companies they own ought to have an ethical and social behavior as a norm. This is the essence of what makes proxy voting an important link in the investing chain, and a key component of stewardship: exercising our rights as shareholders gives us the opportunity to have a say on matters that transcend traditional corporate governance matters, as we seek to encourage progress on sustainability in the belief that this contributes to long-term value creation.

Boards under scrutiny in wake of pandemic

For the 2021 voting season, shareholders, regulators, and other stakeholders have expanding expectations for board action in the wake of the pandemic. Boards of directors are being prompted to address financial and social pressures, a reimagined workplace, evolving regulatory demands and increased scrutiny on environmental, social and governance (ESG) activities.

Although the frequency and subject matter of shareholder proposals vary significantly across markets, one new climate-focused proposal gaining significant traction this proxy season is the 'Say on Climate' advisory vote. Proposals requesting a 'Say on Climate' vote demand that a company provide shareholders with the opportunity to approve of the company's climate policies and strategies on a consultative basis, like 'Say on Pay' proposals do for executive remuneration. More specifically, this new proposal requests that companies annually report emissions data and reduction strategies in a manner consistent with the Task Force on Climate-related Financial Disclosures' (TCFD)

framework. Failing a 'Say on Climate' proposal could also trigger votes against the nomination of responsible directors if insufficient actions have been taken to address shareholders' climate related concerns.

On another note, expectations around board oversight of human capital management (HCM) and corporate culture are projected to increase. The economic impact of the pandemic and social justice movements in many regions have sparked demand for disclosure of more HCM data such as gender pay gaps, safety incidents and employee turnover. Moreover, boards, especially at companies with large numbers of at-risk or furloughed employees, will also be expected to disclose how the pandemic's impact across their workforces was considered in reconfiguring pay for senior executives.

Lastly, many companies around the world are expected to continue to hold virtual-only meetings for at least the first half of 2021. Last voting season, shareholders expressed significant concerns regarding the inability to ask questions or to vote at virtual meetings. While several solutions have been provided by some participants in the proxy voting chain to facilitate access to meetings, companies will likely be more scrutinized for their handling of online meetings. Especially if companies experience technical mishaps or hold audio-only meetings with limited opportunities for shareholders' questions and dialogue.

Votes Against Management

In the following instances, Border to Coast Pension Partnership voted against the recommendation of management at the shareholder meeting. In each instance where a vote against management has been cast, the rationale for the vote is also provided.

Issuer Name	Meeting Date	Proposal Description	Management Recommendation	Vote Decision	With Or Against Management	Vote Note	Meeting Type
Bank of China Ltd.	1/18/2021	Elect ZHANG Keqiu as Supervisor	For	Against	Against Management	Supervisors are not sufficiently independent	Special
Sociedad Quimica Y Minera de Chile S.A.	1/22/2021	Amendments to Articles	For	Against	Against Management	The company has not provided sufficient information.	Special
Vale S.A.	3/12/2021	Amendments to Article 11 (Election Method)	For	Against	Against Management	Not in shareholders' best interests since former controlling shareholder still hold significant share of the company and might use this to vote against minority candidates, limiting the ability of minority shareholders to select candidates to the board.	Special
China Railway Group Ltd	3/12/2021	Elect CHEN Yun	For	Against	Against Management	Nominating committee chair not independent	Special
China Railway Group Ltd	3/12/2021	Elect Timpson CHUNG Shui Ming	For	Against	Against Management	Serves on too many boards	Special
China Railway Group Ltd	3/12/2021	Elect JIA Huiping as Supervisor	For	Against	Against Management	Supervisors are not sufficiently independent	Special
Cemex S.A.B. De C.V.	3/25/2021	Election of Directors; Election of Committee Members and Chair	For	Against	Against Management	Other governance concerns	Ordinary

Fomento Economico Mexicano S.A.B. de C.V.	3/24/2021	Accounts and Reports	For	Against	Against Management	The company has not provided sufficient information.	Annual
Ping AN Insurance (Group) Co. of China, Ltd.	3/25/2021	Elect Soopakij Chearavanont XIE Jiren	For	Against	Against Management	Serves on too many boards	Annual
Ping AN Insurance (Group) Co. of China, Ltd.	3/25/2021	Elect YANG Xiaoping	For	Against	Against Management	Insufficient audit committee independence; Serves on too many boards	Annual
TIM SA	3/30/2021	Remuneration policy	For	Against	Against Management	The compensation plan lacks of clawback provisions under the Short-Term Incentive Plan. The company has not disclosed a maximum award level	Annual
Wal-mart de Mexico S A B de C V	3/23/2021	Report of the Audit and Corporate Governance Committee	For	Against	Against Management	The company has not provided sufficient information.	Annual
Wal-mart de Mexico S A B de C V	3/23/2021	Report of the Board on CEO's Report	For	Against	Against Management	The company has not provided sufficient information.	Annual
Wal-mart de Mexico S A B de C V	3/23/2021	Report of the Board of Directors	For	Against	Against Management	The company has not provided sufficient information.	Annual
Wal-mart de Mexico S A B de C V	3/23/2021	Consolidated Financial Statements	For	Against	Against Management	The company has not provided sufficient information.	Annual
Wal-mart de Mexico S A B de C V	3/23/2021	Ratification of Board and Officers Acts	For	Against	Against Management	The company has not provided sufficient information.	Annual
Wal-mart de Mexico S A B de C V	3/23/2021	Discharge from Liability for Board Directors and Officers	For	Against	Against Management	The company has not provided sufficient information.	Annual
Advanced Info Service Public Company Limited	3/29/2021	Elect Kan Trakulhoon	For	Against	Against Management	Chairman serves as a member of a committee	Annual
Advanced Info Service Public Company Limited	3/29/2021	Directors' Fees	For	Against	Against Management	Excessive bonus	Annual

Advanced Info Service Public Company Limited	3/29/2021	Transaction of Other Business	For	Against	Against Management	Granting unfettered discretion is unwise	Annual
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