



## **Proxy Voting Policy** **April 1, 2025**

### **Introduction**

Our policy is to vote securities held in client portfolios consistent with our fiduciary duty of care and loyalty and in a manner consistent with the best interest of our clients and, in the case of benefit plans subject to ERISA, in the best interest of their plan participants and beneficiaries. This policy applies to client portfolios for which we have discretionary voting authority. Our proxy voting authority is evidenced in the client's account agreement or other written client communication. Capitalized terms used in this policy and not defined have the meaning ascribed in the Compliance Manual.

### **Use of Third Party Proxy Service Provider**

We have retained Institutional Shareholder Services (ISS), a leading global proxy service provider, to provide proxy voting services to the client portfolios that we manage. ISS services include the following:

- globally monitoring corporate voting events and public information affecting such events that affect the issuers of securities held in client portfolios as required to cast informed votes;
- voting client portfolio securities, consistent with the relevant ISS voting policies and guidelines, in a timely manner; and
- maintaining certain records concerning the foregoing required by applicable law, rule or regulation, including the U.S. Securities and Exchange Commission (SEC) and U.S. Department of Labor (DOL).

### **Rationale for Using Third Party Proxy Service Provider**

We believe that engaging ISS for proxy voting services is in the best interest of our clients because ISS has a demonstrated comparative advantage relative to our firm's resources and expertise in this area. In particular, ISS has:

- a large, dedicated team of experts, researchers and thought leaders in corporate governance matters utilizing both subject-matter and local market expertise;
- global monitoring capabilities to identify corporate voting events, and public information related to such events, affecting issuers of securities held by client portfolios (including issuer proxy materials and updates thereto);
- wide-ranging benchmark proxy voting guidelines developed using its internal experience and expertise, as well as input from institutional investors and global issuers, supporting well-researched and informed votes;
- established proxy voting technology and operations platforms; and
- appropriate compliance policies and procedures, including procedures for addressing material conflicts of interest in its business.

Further, we believe engaging ISS for proxy voting services is in the best interests of our clients because corporate matters subject to shareholder votes tend to be less impactful to our investment process and our stated risk adjusted return objectives for our client portfolios. Our investment process utilizes quantitative methods that identify and incorporate investment signals into its proprietary return, risk and transaction cost models. Our investment professionals do not typically engage in traditional equity asset management activities, such as actively researching individual companies, systematically reviewing or analyzing individual regulatory filings (such as annual and



quarterly reports and proxy materials) or engaging directly with company executives. ISS has a demonstrated comparative expertise in this area.

### **Use of Automated Proxy Service**

We utilize ISS' automated voting process, through which ISS generally completes and submits our client portfolios' proxy votes in accordance with agreed upon voting policies without the votes being reviewed in advance by us. Since ISS submits the votes without our prior review, we do not analyze soliciting materials released by an issuer between ISS making its voting recommendation and votes being submitted (and we do not have any particular comparative expertise in this area relative to ISS' established capabilities and processes). We do, however, assess (typically on an annual basis) ISS' procedures for reviewing such soliciting materials released by issuers, and we have instructed ISS to cast votes as close to the voting deadline as is reasonably practicable so that ISS can take soliciting materials released by an issuer after ISS has made its voting recommendation into account before finalizing voting decisions.

### **Third Party Proxy Service Provider Benchmark Voting Policies**

ISS maintains a set of benchmark proxy voting policies that are published on ISS' official website ([issgovernance.com](http://issgovernance.com)). These policies are typically updated annually through ISS' internal review process which takes into account feedback from the institutional investor community and global issuers on corporate and governance best practices. We review these policies on an annual basis to determine whether we believe such policies are consistent with the objective of maximizing shareholder value and, as applicable, consistent with our obligations under ERISA.

Unless instructed otherwise by a client (which is not typical among our clients), we apply ISS' benchmark proxy voting policies uniformly across all client portfolios for which we have discretionary voting authority. We believe a uniform set of guidelines is appropriate because we apply the same uniform investment process across all client portfolios with the same uniform investment objective of maximizing risk adjusted returns for our client portfolios. For separately managed accounts and / or Arrowstreet Sponsored Funds that require a more customized policy (e.g., to address client specific policy matters), we will seek to collaborate with such separately managed account client and / or Arrowstreet Sponsored Fund and ISS to apply an existing specialty policy or to implement a custom policy to address such requirements, consistent with our investment process. With respect to Arrowstreet Sponsored Funds, proxy voting policies are applied only at the fund level and different voting policies are not applied on an investor-by-investor basis.

We may, in our discretion, choose to override a decision of ISS with respect to a proxy vote in circumstances where ISS discloses a material conflict of interest prior to a voting deadline and we determine that doing so would be in the best interests of our clients. For more information, see "Conflicts of Interest" below.

### **Third Party Proxy Service Provider Selection and Monitoring**

As part of the selection and monitoring process we assess the following (typically on an annual basis):

- the quality of the proxy service provider's staffing and personnel;
- the technology and information used to form the basis of the proxy service provider's voting recommendations;
- the processes and methodologies the proxy service provider uses in formulating its voting recommendations, including its ability to ensure that its proxy voting recommendations are based on current and accurate information, and when and how the proxy service provider engages with issuers and third parties;

- the proxy service provider's policies and procedures to confirm they comply with applicable laws and require a focus on material economic considerations and that the economic interests of its clients are not subordinated to other interests;
- the adequacy of the proxy service provider's disclosure of its processes and methodologies;
- the proxy service provider's policies and procedures for identifying, disclosing and addressing potential conflicts of interest, including conflicts that generally arise from providing proxy voting recommendations, proxy services and related activities;
- any other considerations that we believe would be appropriate in considering the nature and quality of the services provided by the proxy advisory firm; and
- whether the proxy voting advisor is required to maintain information about the votes of our clients confidential.

In addition, we perform the following monitoring procedures on an annual, semi-annual, quarterly and monthly basis:

- *Annual.* On a no less than annual basis, we review the adequacy of ISS' (i) staffing and personnel; (ii) policies and procedures relating to the voting of proxies, including when and how ISS engages with and seeks input from issuers and third parties; (iii) policies and procedures for identifying, disclosing and addressing potential conflicts of interest, including conflicts that generally arise from providing proxy voting recommendations, proxy services and related activities; (iii) technology and information used to form the basis of ISS' voting recommendations; (iv) disclosure of its procedures and methodologies in formulating voting recommendations; and (v) updates to its methodologies, guidelines and voting recommendations on an ongoing basis, including in response to feedback from issuers and their shareholders.
- *Semi-Annually.* On a no less than semi-annual basis, we conduct a sampling of client proxy votes and underlying proxy research reports to confirm, on a post-vote basis, that ISS proxy voting recommendations were based on current and accurate information (such sampling includes a comparison of the underlying proxy materials relative to the applicable ISS proxy research report). If we determine that a recommendation of ISS was based on a factual error, incompleteness or methodological weaknesses in ISS' analysis that materially affected one or more votes for a client portfolio, we will take reasonable steps to investigate the matter, taking into account, among other things, the nature of the error and the related recommendation, and seek to determine whether ISS is taking reasonable steps to seek to reduce the likelihood of similar errors occurring in the future. As part of such investigation, we shall consider any information that we deem appropriate, which may include, among other things:
  - ISS' process for ensuring that it has complete and accurate information about the issuer and each particular matter;
  - Our ability, if any, to access the issuer's views about ISS' voting recommendations;
  - ISS' efforts to correct any identified material deficiencies;
  - ISS' disclosure regarding the sources of information and methodologies used in formulating voting recommendations and executing voting instructions; and
  - ISS' consideration of factors unique to specific issuers and proposals when evaluating matters subject to a shareholder vote.

- *Quarterly.* On a no less than quarterly basis, we conduct a sampling of client proxy votes and underlying proxy research reports to confirm that they are voted in a manner consistent with the ISS Proxy Guidelines.
- *Monthly.* On a no less than monthly basis, we conduct a sampling of client proxy votes and underlying proxy research reports to confirm, on a pre-vote basis, that ISS proxy voting recommendations are based on current and accurate information (such sample to consist of a comparison of the underlying proxy materials relative to the applicable ISS proxy research report). If we determine that a recommendation of ISS is based on a factual error, incompleteness or methodological weaknesses in ISS' analysis that would otherwise materially affect one or more votes for a client portfolio, we will take reasonable steps to investigate the matter taking into account the information outlined above relative to the semi-annual, post-vote review and engage with ISS to the extent practicable prior to the voting the applicable proxy.

We also receive monthly reporting from ISS on the following matters, as applicable, during the applicable period:

- Material changes to ISS' conflict of interest policies or procedures;
  - Changes or updates to ISS' business so that we can determine whether such changes or updates are relevant to an assessment of ISS' ability to provide proxy voting advice;
  - Conflicts of interest identified in connection with a proxy vote for a client portfolio that were not appropriately remediated or escalated in writing to us for remediation; and
  - "Votes against" applicable ISS proxy voting guidelines relative to our client portfolios.
- *Ongoing.* On an ongoing basis we coordinate between our firm, the custodian(s)/administrators of client portfolios subject to this policy, and ISS to facilitate the delivery of proxies and related materials for the respective client portfolio securities in a timely manner (it being understood, however, that our ability to vote proxies is dependent on the timely and accurate delivery of proxy data from the applicable custodian/administrator to ISS which may be delivered too late to take action, or not at all).

In addition, we will review the adequacy of this policy not less than annually to confirm that the policy (i) has been implemented in accordance with its terms and (ii) has been formulated reasonably and implemented effectively, including whether the policy is reasonably designed to ensure that proxies are voted in the best interests of clients as described above.

### **Environmental, Social and Governance (ESG) Voting**

Certain environmental, social and corporate governance (ESG) voting matters are taken into account in ISS' standard benchmark proxy voting policies. In addition, upon the request of a client, we may implement (through ISS) enhanced ESG specific voting procedures with respect to the securities held in such client's portfolio. For such clients, we contract with ISS to cast votes based on a mutually agreed specialized ISS proxy voting policy. ISS then monitors events affecting the issuers of securities, as required, to cast informed votes, make decisions on voting securities and maintain necessary records on the votes cast. As disclosed in the applicable Arrowstreet Sponsored Fund's offering documents, ESG specific voting procedures have been implemented in certain Arrowstreet Sponsored Funds that orient their portfolios on the basis of certain ESG factors. We do not expect to add ESG specific voting procedures to our other Arrowstreet Sponsored Funds.

### **Third Party Proxy Service Provider Fees**

We pay for the cost of ISS' proxy voting services, except in the case of individually tailored proxy voting guidelines, in which case the cost of such service may be negotiated with the client.

## Recordkeeping

The Chief Compliance Officer will maintain, or cause ISS to maintain, as applicable, the following records under this policy for such period as is required by SEC Rule 204-2 (currently five (5) years) or for such longer period as may be requested in writing by a client or by applicable law:

- *Arrowstreet*. We will maintain the following records with regard to this policy:
  - Copies of this policy (and revisions thereto);
  - A copy of each written client request for information on how we or ISS voted that client's shares, and a copy of any written response by us to any written or oral client request for such information;
  - A copy of each document prepared by us that was material to making a decision on how to vote proxies on behalf of a client, or that records the basis for the decision;
  - A record of each vote cast by the firm on behalf of a client in which we override ISS' recommendation;
  - Documentation relating to any conflict of interest review undertaken by the Chief Compliance Officer; and
  - Documentation relating to the due diligence and review of the proxy service provider.
- *ISS*. We will cause ISS (a registered investment adviser) to (i) maintain the following records under this policy for such period as is required by SEC Rule 204-2 (currently five (5) years) or for such longer period as may be requested in writing by the firm and (ii) produce such records promptly on request:
  - Copies of ISS' Proxy Voting Guidelines and policies and procedures relating to the voting of proxies and management of conflicts of interest (and revisions thereto);
  - A copy of each proxy statement received regarding client securities, other than any that is available via the SEC's EDGAR system;
  - A copy of each research report prepared by ISS material to making a decision on how to vote proxies on behalf of our clients; and
  - A record of each vote cast by or on behalf of the firm with respect to client shares.

## Conflicts of Interest

We believe that, as a result of utilizing ISS, conflicts of interest between the firm and a client in the proxy voting context will be rare. In the event conflicts of interest arise, such as when ISS notifies us of a conflict of interest involving a proxy recommendation, we will exercise discretion as to whether following the ISS recommendation is in the best interests of our clients.

The Chief Compliance Officer will review any such conflict of interest and use their best judgment to address any such conflict of interest and ensure that it is resolved in accordance with their independent assessment of the best interests of the relevant clients. Such resolution may include, among other things, the firm seeking voting instructions from any affected client.

If ISS notifies the firm of a conflict of interest with respect to a proxy vote after such vote has been taken, the Chief Compliance Officer shall take such action as they deem necessary or appropriate under the circumstances.

It is our policy not to accept any input from any other person or entity in connection with proxy voting decisions, with the exception of a client directed vote or votes made by ISS. In the event that a firm investment professional is pressured or lobbied either from within or outside of the firm with respect to any particular proxy voting decision, such event shall be reported to the Chief Compliance Officer.

### **Limitations on Exercising Right to Vote**

The following are some of the limitations on our ability to vote proxies on behalf of clients. This is not intended to be an exhaustive list.

- *Shareblocking Markets.* We may, in certain cases, refrain from voting if voting could potentially restrict our ability to sell a particular security for a certain duration. This is often the case in markets that follow the practice of “shareblocking”. Since voting rights or trading rights can be affected in securities held in shareblocking markets, we generally instruct ISS to refrain from voting in shareblocking markets.
- *Securities Lending.* Certain clients engage in securities lending programs, under which shares of an issuer could be on loan while that issuer is conducting a proxy solicitation. As part of the securities lending program, if the securities are on loan at the record date, the client portfolio lending the security cannot vote that proxy.
- *Prime Broker Rehypotheication.* Certain client portfolios whose securities are held at a prime broker may be subject to rehypotheication. Shares of an issuer could be rehypotheicated while that issuer is conducting a proxy solicitation. If securities are rehypotheicated at the record date, the proxy for that security cannot be voted.
- *Costs of Voting Proxies; Power of Attorney and Other Documentation.* Our ability to vote proxies on behalf of client portfolios is dependent on the specific requirements within each jurisdiction being satisfied. If we determine that the monetary and/or nonmonetary costs of voting in a particular case are likely to exceed the expected economic benefits of voting, ISS may not vote. This is likely to occur, for example, in cases where particular documentation, a registration or a power of attorney is required for proxy voting in certain markets or specific meetings and such documents have not been provided (or facilitated). As neither we nor ISS is privy to the specific client/custodian arrangements, it is the responsibility of the client and/or the client custodian to ensure the necessary documentation is in place for voting purposes.
- *Timely Communication of Proxies by Custodian.* Our ability to vote proxies on behalf of the client portfolios that we manage is dependent, in part, on the effective and timely communication of proxies and related materials from the client’s custodian to ISS. We may be unable to vote client proxies if such proxies and related materials are not received, or received too late to take action thereon. It is the responsibility of the applicable client custodian to vote proxies in accordance with instructions received from ISS.
- *Portfolio Termination.* In the event of a portfolio termination, Arrowstreet will manage proxies for any meeting having a record date on or prior to the effective date of such termination (which includes voting proxies for meetings occurring after such effective date, if the meeting record date occurred prior to termination). Reporting on such proxy votes following a portfolio termination is available upon request.

### **Client Directed Proxy Voting**

We may, in limited circumstances, accept client voting directions or guidelines for separately managed accounts. In most cases, we typically do not expect to receive directions or guidelines from clients regarding the voting of securities held in client portfolios and recommend that any client wishing to direct the voting of its securities should either retain the voting authority directly or grant such authority to another party. Any such action should be reflected in the



client's portfolio agreement or other written document.

As it relates to the Arrowstreet Sponsored Funds, we do not accept voting directions or guidelines on an investor by investor basis.

### **Interpretation and Administration**

The Chief Compliance Officer is authorized to interpret this policy and adopt additional procedures for its administration. The Chief Compliance Officer may waive any provision of this policy in any particular case if consistent with the goals of the policy.

### **Obtaining Policies and Proxy Records**

Clients may contact our Chief Compliance Officer by calling 617-919-0000 or via e-mail at [regcompliance@arrowstreetcapital.com](mailto:regcompliance@arrowstreetcapital.com) for a copy of the ISS proxy voting guidelines (or obtain them online from ISS' website) or to obtain a record of how proxies were voted for their portfolio.

\* \* \*