# SilverCross Global Small-Cap Fund

Proxy Report

## First Quarter 2024 Proxy Voting

Our voting decisions are informed by our bottom-up analysis, as well as best practice corporate governance principles. We believe that proxy voting is a key component of being an active owner and are committed to consistently exercising our voting rights. In the first quarter of 2024, we voted in six shareholder meetings covering 72 management proposals.

#### Q1 2024

Country	Number of meetings	Number of meetings voted	Total number of resolutions voted
Australia	1	1	4
Germany	1	1	9
Japan	1	1	11
Switzerland	1	1	30
United States	2	2	18

Total 6 6 72

We believe that proxy voting can be an important tool for signaling what practices we view are aligned with strong ESG performance and those that are not. This quarter we voted against one proposal, which concerned the re-election of a director. We take a granular approach to address the suitability of board members, and consider a variety of issues including diversity, independence and qualifications. In this instance, it was the combination of factors, rather than an isolated issue, that caused us to vote against the re-election. These concerned the independence, age and lengthy tenure of the director.

During the quarter, we voted against one proposal and engaged with several holdings on their management proposals. We place great emphasis on sharing our voting rationale with our portfolio companies, particularly when we consider voting against a proposal. We believe this enables us to make an informed decision and helps our portfolio companies improve in areas we have identified as a risk. We focus our efforts on engaging directly with the decision-makers within a company. This quarter, we engaged directly with four of our portfolio companies. The meetings were held with either the CEO, CFO or Board Chair, with discussions covering a broad range of matters. Topics included further aligning executive remuneration structures with best practice by tying compensation to long-term value creation; increasing board diversity and increasing disclosure of material ESG metrics.

During the quarter, we also voted contrary to one of our 'default positions'. We voted in favour of the reelection of a chair despite the member also being the CEO, a state termed 'CEO duality'. In line with proxy advisors, Glass Lewis and ISS, we believe that shareholders *can* be better served when the board is led by an independent chair. An independent chair may have greater monitoring capacity as they are less likely to have the management conflicts which can exist when an executive also serves as chair. However, evidence of the impact of CEO duality on performance is somewhat inconsistent and appears to be dependent on the unique circumstances of the given company. Most arguments against CEO duality centre around monitoring capacity, inefficient CEOs, and concerns of inflated executive compensation. However, the CEO in question has a strong track record, attended all Board and Committee meetings, and has consistently received compensation below the CEO of its closest peer.



(continued)

**Management Resolutions** 

Country	Number of management resolutions	Number of mangement resolutions voted for	Number of management resolutions voted against	Number of management resolutions voted abstained
Australia	4	4	0	0
Germany	9	9	0	0
Japan	11	11	0	0
Switzerland	30	30	0	0
United States	18	17	1	0

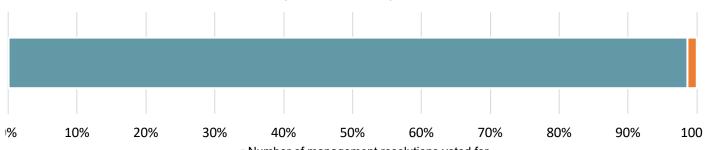
Total 72 71 1 0

### **Shareholder Resolutions**

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Country	Number of shareholder resolutions	Number of shareholder resolutions voted for	Number of shareholder resolutions voted against	Number of shareholder resolutions voted abstained			
Australia	0	0	0	0			
Germany	0	0	0	0			
Japan	0	0	0	0			
Switzerland	0	0	0	0			
United States	0	0	0	0			

Total 0 0 0 0

## Alignment with Management



- Number of management resolutions voted for
- Number of management resolutions voted against
- Number of management resolutions voted abstained