
RETIREMENT SYSTEMS DIVISIONSTEVEN C. TOOLE
EXECUTIVE DIRECTOR

To: The North Carolina Supplemental Retirement Board of Trustees

From: Mary Buonfiglio, Deputy Director, Supplemental Retirement Plans

Date: August 31, 2017

Subject: Proxy vendor services update

The North Carolina Department of State Treasurer is in the process of contracting with Glass Lewis as a proxy voting advisory service provider, selected in an Invitation-to-Bid (ITB) process.

Glass Lewis has been providing these services to the Department since 2006, and historically, the ballots of the Investment Management Division (IMD) and the Supplemental Retirement Plans (SRP) have been cast separately. The vendor also maintained two separate custom policies — one for SRP and another for IMD.

The Treasurer and the Department's Corporate Governance Committee determined that in order to streamline and simplify the process of departmental proxy voting, a thorough review of current policies and processes was needed. As a result of this review, the Department issued an ITB in March 2017, and received responses from four vendors: Glass Lewis, Institutional Shareholder Services (ISS), Broadridge, and Egan Jones. To assess the best fit for Department needs, the Selection Committee reviewed the scope of services, fees and the quality of research reports for each vendor. Due diligence visits were also conducted. The Treasurer approved the Committee's recommendation that the Department proceed to contract with Glass Lewis.

The Department anticipates a significant fee reduction. SRP staff will present a revised Proxy Voting Policy to the Board of Trustees for review during the December, 2017 quarterly meeting.