



Tuesday, Dec. 17, 2019
For Immediate Release

Contacts: Bruce Freed
bffreed@politicalaccountability.net
202-464-1570 ext. 102
Dan Carroll
dcarroll@politicalaccountability.net
202-464-1570 ext. 103

Mutual Fund Support for Corporate Political Disclosure Continues Steady Rise; BlackRock, Vanguard and Fidelity Remain Outliers

2019 PROXY SEASON ANALYSIS
DECEMBER 17, 2019

WASHINGTON -- The largest mutual funds' support for the Center for Political Accountability's corporate political disclosure resolution continued to steadily rise in 2019, to 56.0 percent from 52.7 percent in 2018 according to analysis based on the Morningstar[®] Fund Votes Database.¹ This increased support continues to build on the strong momentum of the 8.2 percentage point increase from the 2017 to 2018 proxy seasons.

Going against this trend were the Big Three institutional investors – BlackRock, Vanguard and Fidelity – which continued to oppose the Center's political disclosure resolution. In contrast, the other institutional investor behemoth, State Street, increased its support over last year.

Of the 45 large asset managers, only one (PIMCO) supported 100 percent of the political spending resolutions and 10 supported none. Eighteen of the 45 groups increased their support from 2018 to 2019, while 20 decreased support. Since 2017 30 of the funds increased their support for the political disclosure resolution while just 9 decreased their support.

¹ Fund Votes, a Morningstar Company. The Fund Votes database, made up of over 110 million proxy voting decisions by large financial institutions, spans 15 years of mutual fund proxy voting disclosure. The data has been indexed to facilitate analysis of investment institutions' voting patterns on a wide range of issues proposed by shareholders.

“Political spending is widely recognized as posing an even greater risk in today’s hyper-polarized political environment,” said CPA President Bruce Freed. “The continued increase in support for disclosure reflects mutual fund recognition that this should be the norm for companies.”

“It’s hard to understand why the Big Three institutional investors continue to resist this trend. Their obstinance puts companies – and their clients investing through them – at risk.”

Four groups—Fidelity (GEODE), Putnam, Schwab and Affiliated Managers—increased their support by over 20 percentage points. Average shareholder support for CPA’s model resolution continued to rise in 2019, at 36.4 percent, up from 34.0 percent last year. Contrary to this upward trend, Northern, Goldman Sachs, Natixis and Morgan Stanley decreased their support for the resolution.

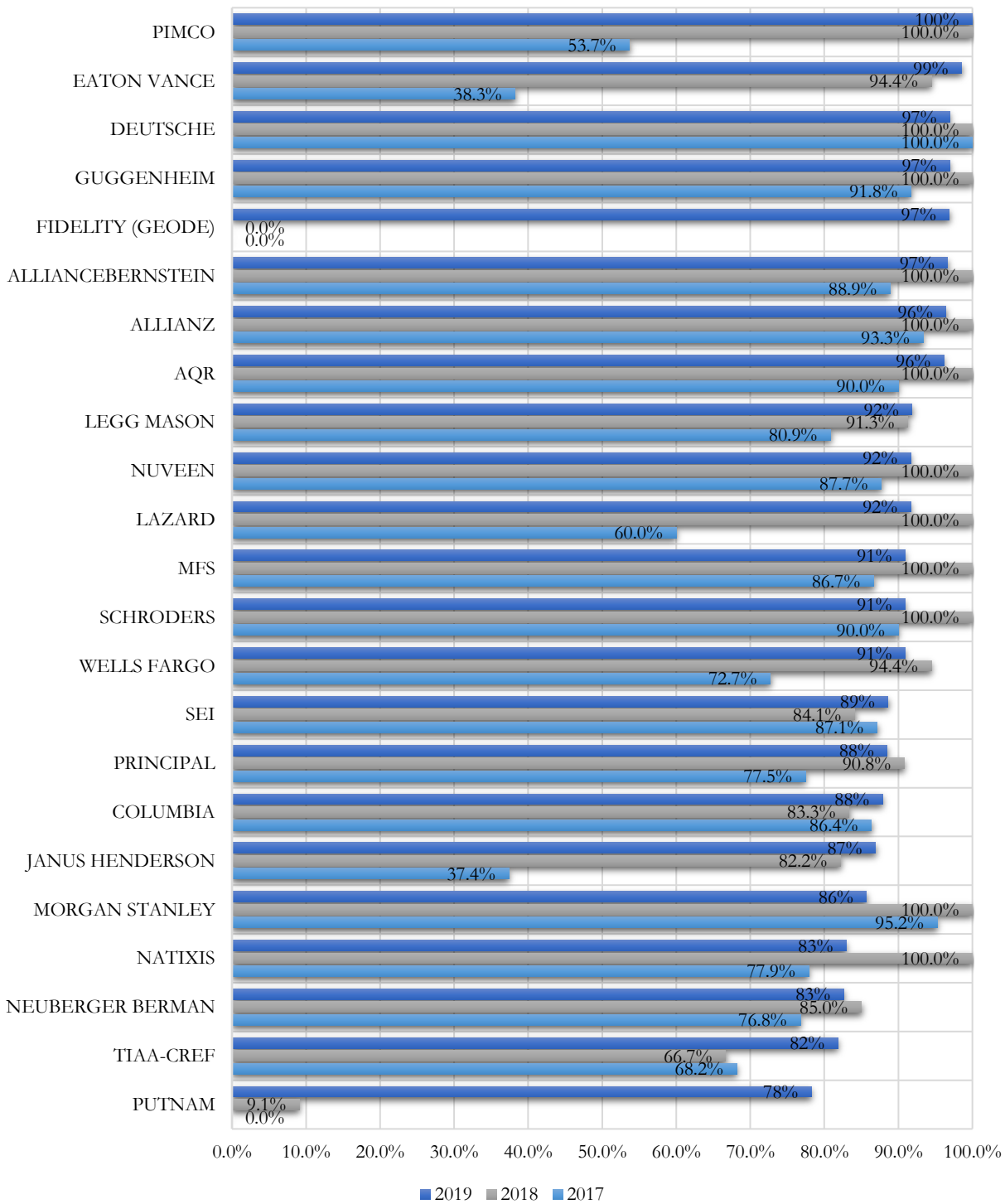
Fund Votes examined 45 fund groups’ votes across the 2017-2019 proxy seasons. This study sought to profile the spectrum of voting patterns across the wide range of funds managed by large assets managers.

The 45 fund groups identified were those indexed in the Fund Votes database that had cast votes on at least 5 resolutions in each of the last three proxy seasons and were among the largest asset managers. Their total global assets under management amount to over \$43 trillion, according to [IPE’s Global 400 Asset Manager Ranking](#).

Other notable findings include the following:

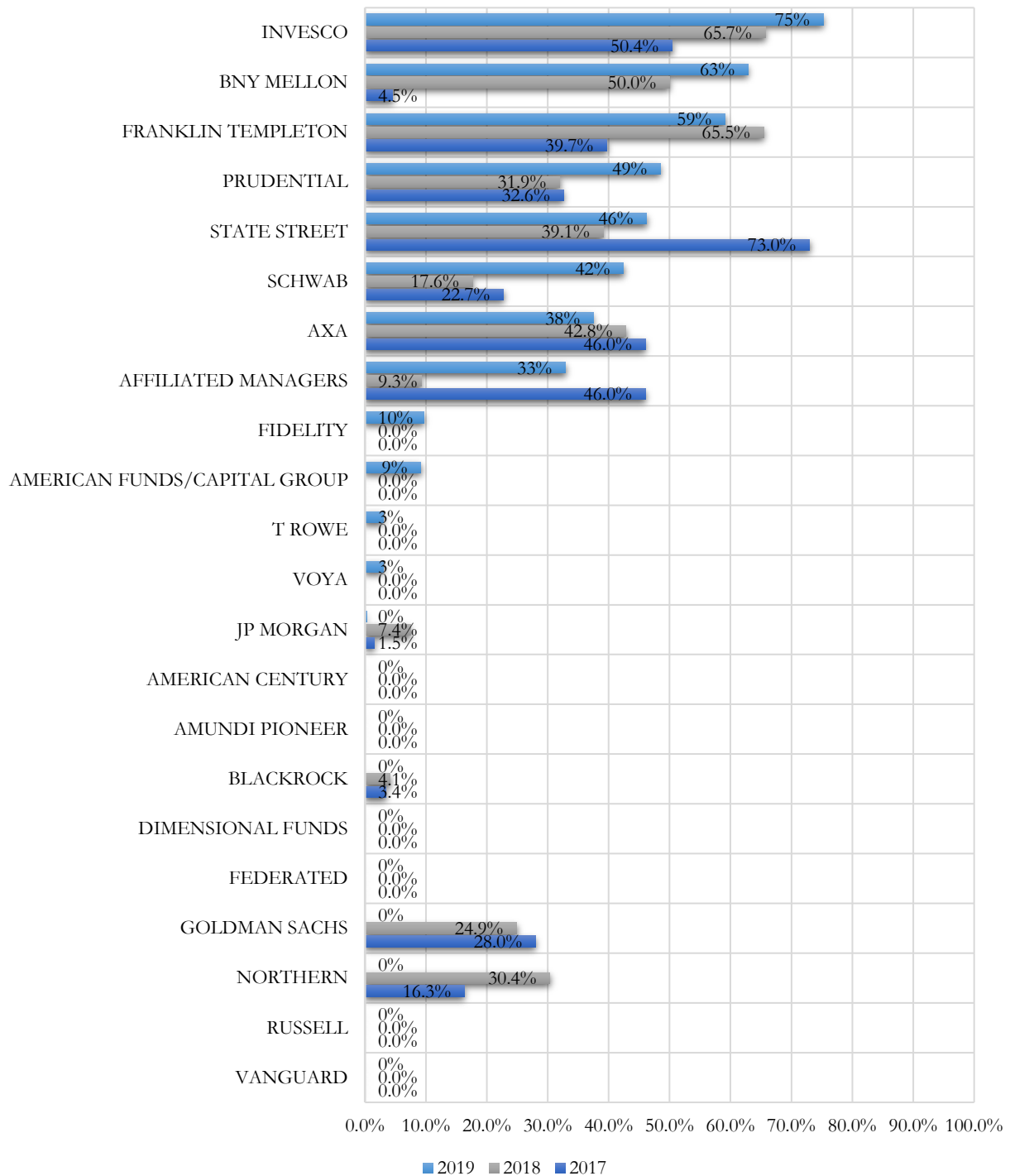
- The 18 funds increasing support this year averaged a 17.7 percentage point increase while the 20 funds that decreased support averaged an 8.5 percentage point decrease.
- In 2017, only 12 of the 45 fund groups supported 80 percent or more of the resolutions voted upon; in 2019, this figure climbed to 22 fund groups.
- Only nine groups failed to support a single political spending disclosure resolution in 2019 compared with 11 groups in 2018 and 12 in 2017.

Large Fund Family Support for CPA Model Resolution 2017-2019 (most to least supportive)

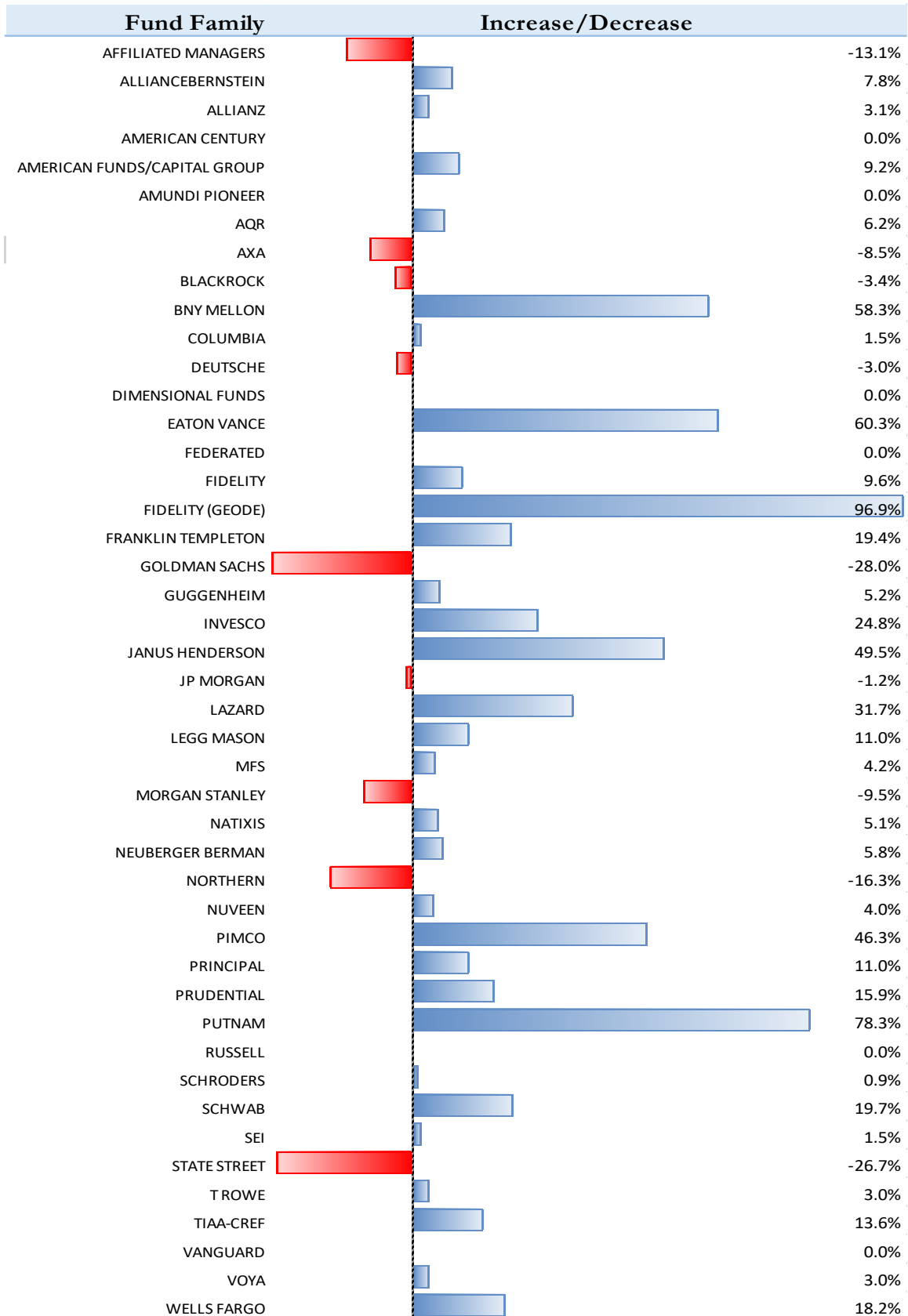


Large Fund Family Support for CPA Model Resolution 2017-2019

(most to least supportive)



Large Fund Family Change in Support 2017-2019 (percentage point change)



This year's survey considered 12,240 votes cast by 45 groups on 33 shareholder-sponsored resolutions during the 2019 proxy season, 6,225 votes cast on 18 resolutions in the 2018 season, and 7,922 votes cast on 22 resolutions in the 2017 season.

The Appendix lists all the shareholder proposals based on the CPA model resolution that came to a vote in the 2019 proxy season. A typical CPA model resolution asks companies to report on and semiannually update the following:

1. *Policies and procedures for making, with corporate funds or assets, contributions and expenditures (direct or indirect) to (a) participate or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, or (b) influence the general public, or any segment thereof, with respect to an election or referendum.*
2. *Monetary and non-monetary contributions and expenditures (direct and indirect) used in the manner described in section 1 above, including:*
 - a. *The identity of the recipient as well as the amount paid to each; and*
 - b. *The title(s) of the person(s) in the Company responsible for decision-making*

Mutual funds looking to update their proxy voting policies with more specific guidance on disclosure and oversight of corporate election spending may draw on Appendix 2 of The Conference Board's [Handbook on Corporate Political Activity](#), in which sample proxy voting guidelines are provided.

In addition, CPA's one-page summary on the [key elements of meaningful corporate political disclosure](#) provides concise guidance to proxy voters as they try to determine where the gaps may exist in a company's policies and disclosure.

APPENDIX

Shareholder-Sponsored Resolutions Based on the CPA Model Resolution Voted Upon in 2019

Company	AGM Date	Shareholder Proponent	Support
Alaska Air Group	May 9, 2019	John Chevedden	43.47%
Allstate Corp.	May 21, 2019	International Brotherhood of Teamsters	46.88%
American Airlines Group Inc.	June 12, 2019	John Chevedden	22.74%
American Tower Corp.	May 21, 2019	James McRitchie	34.95%
American Water Works Company Inc.	May 10, 2019	Trillium Asset Mgt.	36.98%
CarMax Inc.	June 25, 2019	International Brotherhood of Teamsters	29.85%
Centene Corp.	April 23, 2019	Friends Fiduciary	41.58%
Chemed	May 20, 2019	John Chevedden	46.20%
CMS Energy Corp.	May 3, 2019	Investor Voice	34.33%
Cognizant Technology Solutions Corp.	June 4, 2019	James McRitchie	53.63%
DTE Energy Co.	May 9, 2019	Mercy Investment Services	33.56%
Duke Energy Corp.	May 2, 2019	Office of the New York State Comptroller	35.78%
Equinix Inc.	May 30, 2019	John Chevedden	34.20%
Exxon-Mobil	May 29, 2019	Unitarian Universalists	26.11%
Fiserv Inc.	May 22, 2019	John Chevedden	43.76%
Ford Motor Co.	May 9, 2019	Mercy Investment Services	18.82%
Illumina Inc.	May 29, 2019	James McRitchie	37.71%
J.B. Hunt Transport Services Inc.	April 18, 2019	International Brotherhood of Teamsters	31.74%
Kohl's Corp.	May 15, 2019	John Chevedden	49.82%
Loews Corp.	May 14, 2019	Clean Yield Asset Mgt.	27.79%
Macy's Inc.	May 17, 2019	Mercy Investment Services	53.06%
Netflix Inc.	June 6, 2019	Myra K. Young	41.69%
NextEra Energy Inc.	May 23, 2019	Office of the New York State Comptroller	48.71%
Northern Trust Corp.	April 23, 2019	Unitarian Universalists	25.51%
Nucor Corp.	May 9, 2019	First Affirmative Financial Network	40.60%
PayPal Holdings Inc.	May 22, 2019	James McRitchie	8.44%
Republic Services	May 17, 2019	International Brotherhood of Teamsters	23.25%
Roper Technologies Inc.	June 10, 2019	Sonen Capital	43.07%
Royal Caribbean Cruises Ltd.	May 30, 2019	Office of the New York State Comptroller	34.45%
Simon Property Group Inc.	May 8, 2019	Office of the New York State Comptroller	37.05%
Western Union Co.	May 17, 2019	John Chevedden	44.33%
Wyndham Destinations	May 16, 2019	Mercy Investment Services	35.60%
Wynn Resorts Ltd.	May 7, 2019	Office of the New York State Comptroller	34.36%