

AFL-CIO KEY VOTES SURVEY



How Investment Managers Voted in the 2006 Proxy Season

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2006 AFL-CIO Key Votes Survey

Introduction

Since 1997, the AFL-CIO's *Key Votes Survey* has helped pension fund trustees fulfill their fiduciary obligations to monitor their investment managers' proxy voting performance.

Now more than ever, proxy voting is a critical fiduciary duty. As the stock option backdating scandals at UnitedHealth Group, Home Depot, KB Home and more than 130 other companies grew in 2006, judges sentenced the former executives of Enron, Worldcom and Tyco to long prison terms.

Good corporate governance matters to shareholders, and proxy voting is the most direct means for shareholders to exercise oversight over the corporations they own.

As investor attention to corporate governance has grown, many of the shareholder resolutions included in the *Key Votes Survey* have received higher levels of shareholder support. For example, in 2006, a majority of shareholders supported key votes to elect directors by majority vote at Qwest Communications (55 percent) and Waste Management (68 percent). A poison pill proposal at Hilton Hotels received 71 percent support; a severance pay resolution at McDonald's received 67 percent of the votes, and a proposal on supplemental executive retirement benefits at Raytheon garnered 50 percent support.

Once a year, every public corporation holds a shareholder meeting at which the critical decisions shaping each company's governance are made—decisions such as who will serve on the board of directors, how the CEO will be paid, and what general policies the shareholders will recommend to the company's board. The *Key Votes Survey*

is a record of how investment managers, mutual funds and proxy voting consultants voted the shares they manage on behalf of worker funds on key issues at these meetings during the proxy season.

In 1988, the U.S. Department of Labor advised pension fund trustees that under the Employee Retirement Income Security Act ("ERISA"), the voting rights attached to company stock are "plan assets" that must be managed according to ERISA fiduciary standards. The Department of Labor's Interpretative Bulletin 94-2 requires investment managers to "maintain accurate records as to proxy voting" and permit trustees to "review the actions taken in individual proxy voting situations."

Like other investment management decisions, pension funds generally delegate the authority to vote their shares to a money manager or a specialized proxy voting consultant. Because proxies are a plan asset, ensuring that they are voted in the interests of beneficiaries is part of a trustee's fiduciary duty. The *Key Votes Survey* is intended to help trustees fulfill this duty by reviewing the voting records of these investment managers and proxy consultants.

The proposals included in the *Key Votes Survey* are submitted by a variety of union-sponsored and public pension funds, employee shareholders and other investors and are consistent with the *AFL-CIO Proxy Voting Guidelines*. These proposals represent a worker/owner view of value that emphasizes management accountability and good corporate governance. Percentage scores and tier groups are assigned to each firm to assist trustees in evaluating the relative proxy voting performance of competing investment managers.

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The 2006 Proxy Season

Three corporate governance issues dominated the 2006 proxy season: executive compensation reform, majority vote director elections and shareholder access to the proxy. All three of these issues are expected to be a continuing theme of union-sponsored funds' shareholder proposals in 2007.

Union-sponsored funds continued to lead the effort to rein in runaway executive compensation. In 2005, the average CEO of a major company received \$13.51 million in total compensation, a 16.14 percent increase over 2004, according to an analysis by The Corporate Library.

In January 2006, Chairman Christopher Cox announced the first SEC revision of executive pay disclosure rules in 14 years, prompting a record-setting 23,000 comment letters, many from the AFL-CIO's PayWatch.org website. In March, *The Wall Street Journal* reported that dozens of CEOs had received backdated stock options. Professors Erik Lie of the University of Iowa and Randy Herron of Indiana University published a groundbreaking study that revealed evidence of backdating at more than 1,000 companies. The SEC, the Justice Department, the Senate Finance and Banking Committees and state attorneys general all launched investigations and, by year's end, 130 companies were under formal investigation. CEOs, top managers and board members at UnitedHealth Group, KB Home and 50 other companies were forced to resign and companies restated billions in earnings.

"Pay for performance" and "pay for superior performance" resolutions gained significant support in 2006 and 11 resolutions won majority support. In 2006, the American

Federation of State, County and Municipal Employees Pension Plan proposed advisory initiatives at 7 companies and won support from 41 percent of the votes cast, on average. At Merrill Lynch, for example, AFSCME won 35.5 percent of the votes cast on the proposal.

As a result of shareholders' growing concern about the abuse of stock option compensation, more and more companies started granting performance vesting shares to their executives. Lastly, shareholder proposals to limit golden parachutes won majority support at six of eleven companies.

Union-sponsored funds once again took the lead in promoting corporate governance reforms through shareholder resolutions, submitting 249 corporate governance proposals in 2006.

Majority vote director election proposals urge that company directors should be legally elected by a majority of votes cast. Many corporations today elect directors under a plurality vote standard, meaning that, in an uncontested election, a director can still win election to the board even if 99.9 percent of shareholders withhold their votes or abstain.

In the 2006 proxy season, there were more than 150 proposals filed for majority voting. Thirty-six (36) won a majority of votes, up from 13 in 2005. Overall, the majority vote proposals averaged 47.7 percent of votes cast. Many more are expected in the 2007 proxy season, and a variety of companies have begun implementing a majority vote director election standard.

In response to shareholder interest, the American Bar Association studied whether state laws and the Model Corporation Act should be amended to provide for majority

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voting. In addition, a working group of companies and building trades pension funds discussed the issue, with a number of companies adopting a majority vote standard for director elections.

Proxy access for shareholders scored a major victory in September when the U.S. Court of Appeals for the Second Circuit reversed the SEC's exclusion of AFSCME's proposal to amend AIG's bylaws to allow shareholder-nominated director candidates to appear on the company's proxy, AFSCME Employees Pension Plan v. AIG, 462 F.3d 121 (2006). The SEC quickly moved the issue before the full Commission.

Survey Methodology

The proposals making up the *Key Votes Survey* are selected from among shareholder proposals submitted to companies by a wide array of union-sponsored and public employee pension and benefit funds, employee shareholders and other investors, as well as management nominated directors who are opposed by institutional investors.

Pension fund trustees and consultants surveyed the proxy voting records of investment managers and forwarded the surveys to the AFL-CIO Office of Investment. Survey results are confirmed directly with the participating investment managers. Voting data for mutual fund families is gathered from the SEC Form N-PX for the fund with the largest shareholding for each vote in question.

The resulting data on investment manager voting can assist plan trustees in comparing the corporate governance policies and practices of their service providers. Assessments of particular proposals are based on the *AFL-CIO Proxy Voting Guidelines*.

Each investment manager is given a percentage score arrived at by comparing votes cast with the *AFL-CIO Proxy Voting Guidelines*. A list of the votes included in the *Key Votes Survey* is on Page 8. The total number of proposals on which a manager voted depends on the number of companies the manager held. The ratings of managers that held shares of many companies may be more representative of their proxy voting policies than the ratings of managers that held shares of only a few. Abstentions or failures to vote on shareholder proposals are counted as votes not in accordance with the *AFL-CIO Proxy Voting Guidelines*.

Each investment manager or consultant was asked to report on the votes they cast for their entire portfolio of assets managed or for the majority of those assets. Some firms chose to report their Taft-Hartley client votes in addition to their majority of assets. Those scores are listed as an endnote to the report.

A complete *Key Votes Survey* voting record for each investment manager can be found on the AFL-CIO's website at <http://www.aflcio.org/proxyvotes>. A summary of these investment manager scorecards begins on Page 9. Managers are first listed alphabetically by name, then by performance tier groups. Managers have been divided into tiers using the following criteria:

- “Top Tier” - Managers who voted on 5 or more proposals and scored 100 percent.
- “Middle Tier”- Managers who voted on 5 or more proposals and scored between 50 percent and 100 percent.
- “Bottom Tier” - Managers who voted on 5 or more proposals and scored below 50

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percent or who refused to disclose their proxy votes.

- “Fewer Than Five Votes” – Managers who are considered to have an inadequate sample size on which to be ranked, so such managers are not placed in any of the three tiers.

Proposals in Brief

Proposals selected for the *Key Votes Survey* have generally fallen into five broad categories: encouraging greater board independence, reining in excessive executive compensation, promoting sound corporate governance practices, increasing management accountability and advancing a worker/owner view of value. The *AFL-CIO Proxy Voting Guidelines* support independent boards of directors, measures to restrain excessive executive pay and link it to various measures of performance, reforms to increase management accountability, measures that encourage companies to develop the skills and human capital of their workers and mechanisms aimed at promoting disclosure and protecting brand integrity.

It is important to note, however, that these positions should not be applied mechanically. Measures to enhance management accountability, for instance, are more important at companies where management is entrenched and unresponsive. Similarly, measures to restrain executive pay or stock options are more important at companies where executive compensation is excessive. The list of key votes was assembled with attention to both the merits of the proposals and the context at particular companies. Below are descriptions of the types of shareholder proposals listed on the survey this year:

Director Elections

Shareholders dissatisfied with the performance of one or more directors—because, for example, the director is insufficiently independent of management or has participated in board or committee decisions that are not in the best long-term interest of shareholders—may urge other shareholders to withhold support from the under-performing director. High “withhold” votes communicate shareholder sentiment to directors and to the company’s management.

Disclose Political Contributions

These proposals urge companies to disclose their political campaign policies and contributions in a report to shareholders. Without adequate disclosure of political contributions, corporate executives will be free to use the company’s assets for political objectives that are not in the interests of the company and its shareholders.

Eliminate Dual-Class Stock

Dual-class stock arrangements provide for super-voting shares that are usually held by company insiders. These unequal voting rights reduce management accountability to shareholders. This type of proposal requests that the company adopt a recapitalization plan that would provide for all of the company’s outstanding stock to have one vote per share.

Equal Employment Opportunity

This proposal requests the disclosure of diversity data, including equal employment opportunity information. Such disclosure will contribute to achieving company goals.

Executive Retirement Benefits

Supplemental executive retirement plans provide retirement benefits for a select group of management or highly compensated employees whose compensation exceeds limits set by Federal

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tax law. Because these executive benefits are unfunded and payable out of the company's general assets, the associated pension liabilities can be significant. These proposals seek shareholder approval of any future extraordinary retirement benefits for senior executives.

Golden Parachutes

Overly generous severance packages, or "golden parachutes," may reward underperformance leading up to the termination of an executive and may reflect a lack of independence on the part of the board of directors. Subjecting such agreements to shareholder approval helps protect the board from manipulation and ensures that severance payments are reasonable and appropriate.

Independent Board Chair

Independent board chair proposals seek to separate the positions of chief executive officer and board chair. The primary purpose of the board of directors is to oversee management on behalf of shareholders. For this reason, an independent director who does not serve as an executive of the company can best provide the necessary leadership and objectivity as chair.

Limit Board Interlocks

Board independence is a critical safeguard to protecting shareholder interests, and this proposal will help prevent director conflicts of interest by prohibiting the nomination of directors who sit together as members of the board of another public company

Majority Vote to Elect Directors

These proposals request that the board amend the company's certificate of incorporation or its bylaws to provide that nominees standing for election to the board must receive a majority of the votes

cast in order to be elected to the board. At many companies, current governance standards only require nominees to receive a plurality of the votes cast. Requiring a majority vote to elect directors will make director elections more meaningful and boards more accountable to shareholders.

Pay for Superior Performance

These proposals urge companies to use peer group performance data in setting annual compensation and long-term equity awards. Executive compensation plan disclosure should allow shareholders to monitor the correlation between pay and performance. Linking executive pay to superior performance will prevent CEOs from receiving undeserved compensation.

PFOA Environmental Reporting

Perfluorooctanoic acid ("PFOA") is a chemical processing aid used in the production of Teflon and other products. PFOA does not break down in the environment, and it is detectable in the blood of more than 90 percent of Americans. This proposal urges the board of directors to disclose the costs and potential liabilities resulting from the health and environmental consequences of PFOA.

Redlining HDMA Data Reporting

This proposal requests that consumer banks prepare a special report on racial and ethnic disparities in the cost of home loans. This report will examine Home Mortgage Disclosure Act data and disclose what the company will do to prevent lending discrimination.

Reimburse Solicitation Expenses

These proposals seek to reimburse shareholders for reasonable expenses incurred in running candidates for election to the board of directors. The purpose of these proposals is to make director elections

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more democratic, not to encourage hostile takeovers. For this reason, only short slates of director candidates would be eligible for reimbursement.

Shareholder Approval of Pay

This proposal urges that stockholders be given the opportunity at each annual meeting to vote on the report of the compensation committee set forth in the proxy statement. If adopted, this proposal will make executive compensation practices more accountable to shareholders.

Shareholder Approval of Poison Pill

Poison pills are anti-takeover devices that can entrench management by denying shareholders the decision-making power to tender their own shares to a potential acquirer. Requiring shareholder approval of poison pills can help make sure that their design and use are in the best interests of shareholders.

Sustainability Reporting

This proposal recommends the adoption of the Global Reporting Initiative's Sustainability Reporting Guidelines to prepare a report on direct economic impacts, the environment, labor practices and work conditions, human rights, society, and product responsibility. Over 700 companies use or consult these Guidelines for sustainability reporting.

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2006 Proxy Season AFL-CIO Key Votes

Shareholder Proposals “FOR” votes are consistent with the AFL-CIO Proxy Voting Guidelines

Company	Meeting	Item #	Proposal Subject
American Express	4/24/2006	6	Reimburse Solicitation Expenses
Black and Decker Corp.	4/20/2006	3	Pay for Superior Performance
Chevron Corporation	4/26/2006	5	Political Contributions Disclosure
Chevron Corporation	4/26/2006	3	Reimburse Solicitation Expenses
Cintas Corporation	10/19/2005	4	Independent Board Chair
Citigroup Inc.	4/18/2006	7	Political Contributions Disclosure
Comcast Corporation	5/18/2006	9	Eliminate Dual-Class Stock
CVS Corporation	5/11/2006	4	Executive Retirement Benefits
E.I. Du Pont De Nemours	4/26/2006	6	PFOA Environmental Reporting
Exelon Corporation	6/27/2006	3	Golden Parachutes
Google Inc.	5/11/2006	4	Eliminate Dual-Class Stock
Hilton Hotels Corp.	5/24/2006	4	Poison Pill
Home Depot, Inc.	5/25/2006	4	Equal Employment Opportunity
Home Depot, Inc.	5/25/2006	3	Shareholder Approval of Pay
Mattel Inc.	5/11/2006	5	Pay for Superior Performance
McDonald’s Corporation	5/25/2006	3	Golden Parachutes
Peabody Energy Corp.	5/5/2006	5	Majority Vote To Elect Directors
Pfizer Inc.	4/27/2006	7	Independent Board Chair
Qwest Communications	5/24/2006	6	Majority Vote Director Elections
Raytheon Company	5/3/2006	6	Executive Retirement Benefits
Simon Property Group	5/11/2006	4	Majority Vote Director Elections
Sprint Nextel Corp.	7/13/2005	8	Executive Retirement Benefits
Target Corporation	5/17/2006	3	Political Contributions Disclosure
United Rentals	6/13/2006	4	Majority Vote Director Elections
Verizon	5/4/2006	6	Limit Board Interlocks
Wal-Mart Stores, Inc.	6/2/2006	6	Sustainability Reporting
Waste Management	5/5/2006	4	Majority Vote Director Elections
Wells Fargo & Co.	4/25/2006	6	Redlining HMDA Data Reporting

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Alphabetical Listing of Investment Manager Statistics

ABN AMRO	2 out of 2 = 100%
AIM Investments	13 out of 28 = 46.4%
Allegiant Asset Management	8 out of 8 = 100%
Alliance	14 out of 28 = 50%
Amalgamated Bank	27 out of 27 = 100%
AmalgaTrust Company	11 out of 11 = 100%
American Century	3 out of 27 = 11.1%
American Funds	2 out of 24 = 8.3%
AmeriServe Trust & Financial Services	19 out of 19 = 100%
Amivest Capital Management	1 out of 4 = 25%
Ariel Capital Management, LLC	4 out of 5 = 80%
Ark Asset Management Company, Inc.	19 out of 19 = 100%
Aronson & Johnson & Ortiz	11 out of 16 = 68.7%
ASB Capital Management	10 out of 10 = 100%
Ashfield & Company, Inc.	15 out of 21 = 71.4%
Atlanta Capital Management	7 out of 8 = 87.5%
AXA Rosenberg Institutional Equity Management	19 out of 25 = 76%
Bank of New York	14 out of 27 = 51.8%
Barclays Global Investors	6 out of 28 = 21.4%
Barrow Hanley Mewhinney & Strauss	6 out of 13 = 46.1%
Bear Stearns Asset Management Inc.	22 out of 26 = 84.6%
Becker Capital Management	13 out of 18 = 72.2%
Bernstein Value Equities	7 out of 22 = 31.8%
BlackRock, Inc.	11 out of 23 = 47.8%
Boston Partners Asset Management, LLC	14 out of 19 = 73.6%
Boston Trust & Investment Management Company	7 out of 7 = 100%
Brandywine Global Investment	12 out of 17 = 70.5%

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Alphabetical Listing of Investment Manager Statistics

C.S. McKee L.P.	8 out of 9 = 88.8%
Cadence Capital Management	4 out of 4 = 100%
Cambiar Investors LLC	7 out of 7 = 100%
Capital Management Associates	1 out of 1 = 100%
Charlotte Capital LLC	0 out of 0 = 0%
Chartwell Investment Partners	19 out of 19 = 100%
Chicago Asset Management Company	2 out of 4 = 50%
Chicago Equity Partners, LLC	12 out of 13 = 92.3%
Colony Capital Management, Inc.	11 out of 11 = 100%
Columbia Partners Investment Management	13 out of 13 = 100%
Columbus Circle Investors	6 out of 6 = 100%
Congress Asset Management	5 out of 5 = 100%
Credit Suisse Asset Management	22 out of 28 = 78.5%
Davis Hamilton Jackson & Associates	21 out of 21 = 100%
Dearborn Partners	11 out of 11 = 100%
Delaware Investments	23 out of 27 = 85.1%
DePrince, Race and Zollo, Inc.	5 out of 5 = 100%
Dodge & Cox	1 out of 8 = 12.5%
Domini Social Investments	11 out of 12 = 91.6%
Earnest Partners LLC	22 out of 22 = 100%
Evergreen Investment Management Company	22 out of 28 = 78.5%
FAF Advisors	22 out of 28 = 78.5%
Ferguson Wellman	15 out of 22 = 68.1%
Fidelity	5 out of 28 = 17.8%
Fiduciary Management, Inc. of Milwaukee	1 out of 2 = 50%
Fifth Third Asset Management	23 out of 28 = 82.1%
Fifth Third Bank	23 out of 28 = 82.1%
Financial Counselors, Inc.	10 out of 24 = 41.6%

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Alphabetical Listing of Investment Manager Statistics

Franklin Templeton	10 out of 23 = 43.4%
Freedom Capital	21 out of 21 = 100%
Freeman Associates	15 out of 15 = 100%
Frontegra New Star International Fund	0 out of 0 = 0%
Gartmore Global Investments	18 out of 24 = 75%
GIR	11 out of 12 = 91.6%
Globalt Inc.	4 out of 4 = 100%
Goldman Sachs Asset Management	22 out of 28 = 78.5%
Griffon Capital	14 out of 14 = 100%
HGK Asset Management	12 out of 12 = 100%
ICC Capital Management, Inc.	11 out of 11 = 100%
ING Investment Management Company	22 out of 26 = 84.6%
Institutional Capital	4 out of 6 = 66.6%
INTECH	26 out of 26 = 100%
Invesco	23 out of 28 = 82.1%
ISS, Inc.	22 out of 28 = 78.5%
J & W Seligman & Company Inc.	8 out of 25 = 32%
Janus	17 out of 24 = 70.8%
Janus Capital Management, LLC	5 out of 10 = 50%
JP Morgan Asset Management	22 out of 28 = 78.5%
Lazard Asset Management LLC	19 out of 20 = 95%
Lehman Brothers	12 out of 17 = 70.5%
Loomis, Sayles & Company, L.P.	18 out of 23 = 78.2%
Lord Abbett and Company	16 out of 27 = 59.2%
Lotsoff Capital Management	24 out of 25 = 96%
LSV Asset Management	14 out of 19 = 73.6%
M.D. Sass Associates Inc.	11 out of 11 = 100%
MackKay-Shields	18 out of 18 = 100%

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Alphabetical Listing of Investment Manager Statistics

Manning & Napier Advisors	2 out of 2 = 100%
Marco Consulting Group	28 out of 28 = 100%
McLean Budden Limited	0 out of 5 = 0%
McMorgan & Company	19 out of 19 = 100%
Mellon Financial	15 out of 28 = 53.5%
Mercantile Safe Deposit & Trust	22 out of 28 = 78.5%
Merrill Lynch Investment Managers	15 out of 28 = 53.5%
Mesirow Financial Investment Management	5 out of 5 = 100%
Missouri Valley Partners	10 out of 10 = 100%
Munder Capital Management	14 out of 14 = 100%
National Investment Services, Inc.	7 out of 7 = 100%
Navellier & Associates, Inc.	27 out of 28 = 96.4%
Neuberger & Berman	22 out of 28 = 78.5%
New England Asset Management, LLC	8 out of 8 = 100%
Northern Capital Management	14 out of 14 = 100%
Northern Trust Investments	28 out of 28 = 100%
Northern Trust Value Investors	20 out of 20 = 100%
NWQ Investment Management	4 out of 7 = 57.1%
Oechsle International Advisors	0 out of 0 = 0 %
Oppenheimer Capital	17 out of 18 = 94.4%
Oppenheimer Funds	8 out of 26 = 30.7%
Pacific Investment Management Company	0 out of 0 = 0%
Panagora Asset Management	0 out of 0 = 0%
Payden & Rygel	15 out of 15 = 100%
Phillips, Hager & North	3 out of 6 = 50%
Pillar Point Equity Management, LLC	18 out of 18 = 100%
Putnam	7 out of 23 = 30.4%

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Alphabetical Listing of Investment Manager Statistics

Putnam Advisory Company	25 out of 25 = 100%
Quantitative Management Associates	19 out of 28 = 67.8%
Quest Investment Management	7 out of 8 = 87.5%
Ranier Investment Management	9 out of 10 = 90%
RCM	14 out of 19 = 73.6%
RhumbLine Advisers	20 out of 26 = 76.9%
Rittenhouse Asset Management	5 out of 12 = 41.6%
Rorer Asset Management	22 out of 28 = 78.5%
Rothschild Asset Management Inc.	19 out of 19 = 100%
Roxbury Capital Management	6 out of 6 = 100%
Sawgrass Asset Management	6 out of 6 = 100%
Schroder Investment Management	15 out of 21 = 71.4%
Segall Bryant and Hamill	10 out of 15 = 66.6%
SEI Investments Management Corporation	28 out of 28 = 100%
Seizert Capital Partners	5 out of 6 = 83.3%
Seneca Capital Management	22 out of 28 = 78.5%
Sierra Investment Partners	6 out of 6 = 100%
Smith Group Asset Management	2 out of 4 = 50%
Stacey Braun Associates, Inc.	17 out of 17 = 100%
Standish Mellon Asset Management	3 out of 10 = 30%
State Street Global Advisors	5 out of 28 = 17.8%
Stone Ridge Investment Partners, LLC	10 out of 10 = 100%
Systematic Financial Management	9 out of 17 = 52.9%
T. Rowe Price	20 out of 28 = 71.4%
TCW	9 out of 24 = 37.5%
Times Square Capital Management	0 out of 0 = 0%
Trilogy Global Advisors, LLC	6 out of 6 = 100%

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Alphabetical Listing of Investment Manager Statistics

Trust Fund Advisors, Inc.	11 out of 11 = 100%
Turner Investment Partners	24 out of 24 = 100%
Trillium Asset Management	16 out of 21 = 76.1%
Tygh Capital Management	0 out of 0 = 0%
Vanguard	4 out of 28 = 14.2%
Victory Capital Management	16 out of 28 = 57.1%
Voyageur Asset Management	21 out of 21 = 100%
Waddell & Reed	6 out of 21 = 28.5%
Washington Capital Management	6 out of 6 = 100%
WEDGE Capital Management	3 out of 8 = 37.5%
Wellington Management Company, LLP	10 out of 22 = 45.4%
White Pine Capital Management	19 out of 19 = 100%
Wright Investors' Service	20 out of 20 = 100%

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Tier Group Listing of Investment Manager Statistics

Top Tier

Allegiant Asset Mangement	8 out of 8 = 100%
Amalgamated Bank	27 out of 27 = 100%
AmalgaTrust Company	11 out of 11 = 100%
AmeriServe Trust & Financial Services	19 out of 19 = 100%
Ark Asset Management Company, Inc.	19 out of 19 = 100%
Boston Trust & Investment Management	7 out of 7 = 100%
Cambiar Investors LLC	7 out of 7 = 100%
Chartwell Investment Partners	19 out of 19 = 100%
Colony Capital Management, Inc.	11 out of 11 = 100%
Columbia Partners Investment Management	13 out of 13 = 100%
Columbus Circle Investors	6 out of 6 = 100%
Congress Asset Management	5 out of 5 = 100%
Davis Hamilton Jackson & Associates	21 out of 21 = 100%
Dearborn Partners	11 out of 11 = 100%
DePrince, Race and Zollo, Inc.	5 out of 5 = 100%
Griffon Capital	14 out of 14 = 100%
ICC Capital Management, Inc.	11 out of 11 = 100%
INTECH	26 out of 26 = 100%
M.D. Sass Associates Inc.	11 out of 11 = 100%
Marco Consulting Group	28 out of 28 = 100%
McMorgan & Company	19 out of 19 = 100%
Mesirow Financial Investment Management	5 out of 5 = 100%
Missouri Valley Partners	10 out of 10 = 100%
National Investment Services, Inc.	7 out of 7 = 100%
Northern Trust Investments	28 out of 28 = 100%
Northern Trust Value Investors	20 out of 20 = 100%
Payden & Rygel	15 out of 15 = 100%

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Tier Group Listing of Investment Manager Statistics

Top Tier

Pillar Point Equity Management, LLC	18 out of 18 = 100%
Putnam Advisory Company	25 out of 25 = 100%
Rothschild Asset Management Inc.	19 out of 19 = 100%
Sawgrass Asset Management	6 out of 6 = 100%
SEI Investments Management Corporation	28 out of 28 = 100%
Sierra Investment Partners	6 out of 6 = 100%
Stacey Braun Associates, Inc.	17 out of 17 = 100%
Trilogy Global Advisors, LLC	6 out of 6 = 100%
Trust Fund Advisors, Inc.	11 out of 11 = 100%
Turner Investment Partners	24 out of 24 = 100%
Voyageur Asset Management	21 out of 21 = 100%
Washington Capital Management	6 out of 6 = 100%
Wright Investors' Service	20 out of 20 = 100%

Middle Tier

Alliance	14 out of 28 = 50%
Ariel Capital Management, LLC	4 out of 5 = 80%
Aronson & Johnson & Ortiz	11 out of 16 = 68.7%
Ashfield & Company, Inc.	15 out of 21 = 71.4%
Atlanta Capital Management	7 out of 8 = 87.5%
AXA Rosenberg Institutional Equity Management	19 out of 25 = 76%
Bank of New York	14 out of 27 = 51.8%
Bear Stearns Asset Management Inc.	22 out of 26 = 84.6%
Becker Capital Management	13 out of 18 = 72.2%
Boston Partners Asset Management, LLC	14 out of 19 = 73.6%
Brandywine Global Investment	12 out of 17 = 70.5%
C.S. McKee L.P.	8 out of 9 = 88.8%

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Tier Group Listing of Investment Manager Statistics

Middle Tier

Chicago Equity Partners, LLC	12 out of 13 = 92.3%
Credit Suisse Asset Management	22 out of 28 = 78.5%
Delaware Investments	23 out of 27 = 85.1%
Domini Social Investments	11 out of 12 = 91.6%
Evergreen Investment Management Company	22 out of 28 = 78.5%
FAF Advisors	22 out of 28 = 78.5%
Ferguson Wellman	15 out of 22 = 68.1%
Fifth Third Asset Management	23 out of 28 = 82.1%
Fifth Third Bank	23 out of 28 = 82.1%
Gartmore Global Investments	18 out of 24 = 75%
GIR	11 out of 12 = 91.6%
Goldman Sachs Asset Management	22 out of 28 = 78.5%
ING Investment Management Company	22 out of 26 = 84.6%
Institutional Capital	4 out of 6 = 66.6%
Invesco	23 out of 28 = 82.1%
ISS, Inc.	22 out of 28 = 78.5%
Janus	17 out of 24 = 70.8%
Janus Capital Management, LLC	5 out of 10 = 50%
JP Morgan Asset Management	22 out of 28 = 78.5%
Lazard Asset Management LLC	19 out of 20 = 95%
Lehman Brothers	12 out of 17 = 70.5%
Loomis, Sayles & Company, L.P.	18 out of 23 = 78.2%
Lord Abbett and Company	16 out of 27 = 59.2%
Lotsoff Capital Management	24 out of 25 = 96%
LSV Asset Management	14 out of 19 = 73.6%
Mellon Financial	15 out of 28 = 53.5%
Mercantile Safe Deposit & Trust	22 out of 28 = 78.5%
Merrill Lynch Investment Managers	15 out of 28 = 53.5%

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Tier Group Listing of Investment Manager Statistics

Middle Tier

Navellier & Associates, Inc.	27 out of 28 = 96.4%
Neuberger & Berman	22 out of 28 = 78.5%
NWQ Investment Management	4 out of 7 = 57.1%
Oppenheimer Capital	17 out of 18 = 94.4%
Phillips, Hager & North	3 out of 6 = 50%
Quantitative Management Associates	19 out of 28 = 67.8%
Quest Investment Management	7 out of 8 = 87.5%
Ranier Investment Management	9 out of 10 = 90%
RCM	14 out of 19 = 73.6%
RhumbLine Advisers	20 out of 26 = 76.9%
Rorer Asset Management	22 out of 28 = 78.5%
Schroder Investment Management	15 out of 21 = 71.4%
Segall Bryant and Hamill	10 out of 15 = 66.6%
Seneca Capital Management	22 out of 28 = 78.5%
Systematic Financial Management	9 out of 17 = 52.9%
T. Rowe Price	20 out of 28 = 71.4%
Trillium Asset Management	16 out of 21 = 76.1%
Victory Capital Management	16 out of 28 = 57.1%

Bottom Tier

AIM Investments	13 out of 28 = 46.4%
American Century	3 out of 27 = 11.1%
American Funds	2 out of 24 = 8.3%
Barclays Global Investors	6 out of 28 = 21.4%
Barrow Hanley Mewhinney & Strauss	6 out of 13 = 46.1%
Bernstein Value Equities	7 out of 22 = 31.8%

2006 AFL-CIO Key Votes Survey

Tier Group Listing of Investment Manager Statistics

Bottom Tier

BlackRock, Inc.	11 out of 23 = 47.8%
Dodge & Cox	1 out of 8 = 12.5%
Fidelity	5 out of 28 = 17.8%
Financial Counselors, Inc.	10 out of 24 = 41.6%
Franklin Templeton	10 out of 23 = 43.4%
J & W Seligman & Company Inc.	8 out of 25 = 32%
McLean Budden Limited	0 out of 5 = 0%
Oppenheimer Funds	8 out of 26 = 30.7%
Putnam	7 out of 23 = 30.4%
Rittenhouse Asset Management	5 out of 12 = 41.6%
Standish Mellon Asset Management	3 out of 10 = 30%
State Street Global Advisors	5 out of 28 = 17.8%
TCW	9 out of 24 = 37.5%
Vanguard	4 out of 28 = 14.2%
Waddell & Reed	6 out of 21 = 28.5%
WEDGE Capital Management	3 out of 8 = 37.5%
Wellington Management Company, LLP	10 out of 22 = 45.4%
Western Asset Management Company	0 out of 0 = 0%

Fewer Than Five Votes

ABN AMRO	2 out of 2 = 100%
Amivest Capital Management	1 out of 4 = 25%
Cadence Capital Management	4 out of 4 = 100%
Capital Management Associates	1 out of 1 = 100%
Charlotte Capital LLC	0 out of 0 = 0%
Chicago Asset Management Company	2 out of 4 = 50%

2006 AFL-CIO Key Votes Survey

Tier Group Listing of Investment Manager Statistics

Fewer Than Five Votes

Fiduciary Management, Inc. of Milwaukee	1 out of 2 = 50%
Frontegra New Star International Fund	0 out of 0 = 0%
Globalt Inc.	4 out of 4 = 100%
Manning & Napier Advisors	2 out of 2 = 100%
Oechsle International Advisors	0 out of 0 = 0%
Panagora Asset Management	0 out of 0 = 0%
Smith Group Asset Management	2 out of 4 = 50%
Times Square Capital Management	0 out of 0 = 0%
Tygh Capital Management	0 out of 0 = 0%

Taft-Hartley Client Votes

Alliance	28 out of 28 = 100%
Ariel Capital Management, LLC	4 out of 5 = 80%
ASB Capital Management	10 out of 10 = 100%
Ashfield & Company, Inc.	2 out of 2 = 100%
Bernstein Value Equities	18 out of 18 = 100%
Brandywine Global Investment	8 out of 8 = 100%
Earnest Partners LLC	22 out of 22 = 100%
FAF Advisors	20 out of 20 = 100%
Fifth Third Asset Management	13 out of 13 = 100%
Fifth Third Bank	13 out of 13 = 100%
Freedom Capital	21 out of 21 = 100%
Freeman Associates	15 out of 15 = 100%
Gartmore Global Investments	0 out of 0 = 0%
HGK Asset Management	12 out of 12 = 100%
ISS, Inc.	28 out of 28 = 100%

2006 AFL-CIO Key Votes Survey

Tier Group Listing of Investment Manager Statistics

Taft-Hartley Client Votes

J & W Seligman & Company Inc.	1 out of 3 = 33.3%
Lord Abbett and Company	9 out of 9 = 100%
LSV Asset Management	9 out of 9 = 100%
MacKay-Shields	18 out of 18 = 100%
Munder Capital Management	14 out of 14 = 100%
NWQ Investment Management	7 out of 7 = 100%
RCM	4 out of 4 = 100%
Rorer Asset Management	7 out of 7 = 100%
Roxbury Capital Management	6 out of 6 = 100%
Segall Bryant and Hamill	5 out of 5 = 100%
Seizert Capital Partners	5 out of 6 = 83.3%
Seneca Capital Management	4 out of 4 = 100%
Stone Ridge Investment Partners, LLC	10 out of 10 = 100%
Systematic Financial Management	10 out of 10 = 100%
TCW	9 out of 9 = 100%
Trilogy Global Advisors, LLC	6 out of 8 = 75%
White Pine Capital Management	19 out of 19 = 100%

Taft-Hartley Client Votes reflect votes for a segment of each firm's clients. Each firm's voting record for a majority of votes cast is reported separately in the Alphabetical Listing and Tier Group Listing of Investment Manager Statistics.

2006 AFL-CIO Key Votes Survey

Full investment manager scorecards are available electronically in the Capital Stewardship Toolbox of the AFL-CIO's website at <http://www.aflcio.org/proxyvotes>.

