

# AFL-CIO KEY VOTES SURVEY



## *How Investment Managers Voted in the 2007 Proxy Season*

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# 2007 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 subprime crisis wipes out billions in pension fund assets, Wall Street leaders like Merrill Lynch and Citigroup took a total of \$36 billion in write-downs in 2007 alone. Merrill's CEO, Stanley O'Neal, retired with \$161 million and Citi's Charles Prince retired with \$38 million, including a \$10 million bonus. Not to be outdone, Countrywide CEO Angelo Mozilo, who presided over his company's virtual meltdown and fire sale to Bank of America, received over \$120 million in compensation and from the sale of his Countrywide stock in 2007. Mozilo assured investors Countrywide was healthy, all the while he was selling his own stock in the company.

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

Like the stock options backdating epidemic that dominated the 2006 proxy season, the subprime crisis that began in 2007 has its roots in corporate governance failures. Many of the shareholder resolutions included in the *Key Votes Survey* have received higher levels of shareholder support. For example, in 2007, "say on pay" proposals won majority support at seven companies, including the Key Vote at Verizon Communications.<sup>1</sup> Verizon agreed

to amend its bylaws to provide shareholders with an advisory vote on pay beginning in 2009. According to Risk Metrics, "say on pay" proposals averaged 41.7 percent support at 41 meetings. Aflac was the first company to permit shareholders to cast an advisory vote on executive compensation.

Once a year, every public corporation holds a shareholder meeting. Shareholders and senior management make critical decisions shaping each company's governance—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 fund 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

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<sup>1</sup> Activision, Blockbuster, Clear Channel, Ingersoll-Rand, Motorola and Valero Energy.

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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.

### The 2007 Proxy Season

Three corporate governance issues continued to dominate the 2007 proxy season, as they did in 2006: 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 2008.

The SEC, however, bowing to pressure from the U.S. Chamber of Commerce, ended 2007 with a partisan 3-1 vote that effectively curtailed the rights of shareholders to nominate corporate directors. The Commission did this by implementing a rule allowing companies to bar shareholder access to ballots for board elections. It was the first time in recent memory that the SEC had voted to take away investor rights to present shareholder proposals on corporate governance issues.

Union-sponsored funds continued to lead the effort to rein in runaway executive compensation. According to House Oversight and Government Reform Committee Chairman Henry Waxman, "The

CEOs of the 500 largest American companies received an average of \$15 million each in 2006—a 38 percent raise in just one year. In 1980, CEOs were paid 40 times the average worker. Today they are paid 600 times more. And incredibly, 10 percent of corporate profits are now flowing to the top executives."<sup>2</sup>

The first SEC revision of executive pay disclosure rules in 14 years, however, did little to shed new light on CEO compensation. As companies filed their proxies for 2007, SEC Chairman Christopher Cox said many were trying to evade the rules. Some companies even filed 40 pages of text instead of the 4-5 pages the SEC had envisioned when it adopted the new rules.

House Financial Services Committee Chairman Barney Frank, with strong support from the AFL-CIO and leading institutional investors, led a successful effort to pass a landmark "say on pay" bill in 2007 that would require companies to give shareholders an advisory vote on CEO compensation. The bill remained stalled in the Senate, however.

Another important shareholder vote on pay, proposals on "Golden Parachutes" (future severance packages for executives) also won more support in 2007. Golden parachute proposals averaged 52.5 percent support at 11 companies, including Key Votes at Coca Cola Enterprises and Excelon Corporation. In addition, "pay for performance" and "pay for superior performance" resolutions received an average of 32 percent support. Yet another pay reform proposal, "claw-backs," won majority support at Motorola

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<sup>2</sup> Statement of Chairman Henry Waxman, House Committee on Oversight and Government Reform, March 7, 2008.

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and Wyeth and received an average of 29 percent support. Claw-back proposals seek the return of executive bonuses in the event a company is required to make a financial restatement. Home Depot, which ousted CEO Robert Nardelli after paying him more than \$220 million in severance, adopted a claw-back proposal. Home Depot also saw 10 of its 11 directors receive withhold vote totals exceeding 30 percent of the total votes cast at its annual meeting.

Majority vote proposals for director elections gained even wider acceptance in 2007. These proposals urge that company directors should be legally elected by a majority of votes cast. Key Vote proposals at Cintas Corporation and Pulte called for a majority vote standard. Overall, at least 40 majority vote proposals won 50 percent support and 15 proposals won more than 50 percent support. According to RiskMetrics, 70 of the more than 150 majority vote proposals filed in 2007 were withdrawn after companies agreed to amend their bylaws to provide for a majority vote standard.

Another significant governance reform, shareholder access to the proxy, became a central focus in 2007 after AFSCME successfully overturned an SEC decision to deny shareholders the right to amend corporate bylaws to place director nominees on company proxies. The SEC Staff officially took a “no view” position after the decision in AFSCME Employees Pension Plan v. AIG, 462 F.3d 121 (2006). There were three votes during the 2007 proxy season, with Key Vote and AFSCME’s H-P proposal receiving 43 percent support.<sup>3</sup> The other Key Vote on equal access to the proxy was CalPERS’ non-binding proposal at UnitedHealth Group. The CalPERS proposal received 43 percent support.

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<sup>3</sup> Reliant Energy saw the proposal withdrawn.

Breaking new ground in 2007 was a shareholder proposal at Ford by the Camilla Madden Charitable Trust, Trinity Health, and the National Ministries of the American Baptist Churches USA, requesting a report examining the implications of rising health-care expenses and how Ford is addressing this issue without compromising the health and productivity of its workforce. Until 2007, the SEC had routinely granted “No-Action” letters to companies seeking to exclude healthcare proposals from their proxies. While Ford opposed the proposal, the SEC’s decision offered a new opportunity for shareholders to bring the significant social issue of healthcare reform to company proxies.

Finally, the Key Vote at Toll Brothers was a withhold vote against Carl Marbach, who chairs the compensation committee and was responsible for CEO Robert Toll’s compensation of \$28 million in 2006, while profits fell almost 15 percent. Marbach received a 25 percent withhold vote after an initiative led by the Laborers’ International Union of North America and the Amalgamated Bank.

### 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

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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 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 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.

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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” or no 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 board oversight and 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.

### **Equal Access to the Proxy**

Shareholders who wish to challenge the company’s director nominees are forced to spend millions of dollars in support of their

own slate or submit names to the nominating committee of the board, which makes the final decision. As a result, the incidence of challenges to incumbent directors is extremely rare. The U.S. Court of Appeals for the Second Circuit overturned the SEC’s restrictions on shareholder access to the proxy, thereby permitting shareholder proposals to amend corporate bylaws to permit shareholder access to the proxy.

### **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 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.

### **Healthcare and Drug Reforms**

Health insurance and prescription drug costs are the “biggest economic challenge” facing companies, according to the Business Roundtable. These proposals ask companies to adopt principles for reform on a significant social issue.

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### **Implement ILO Standards and Review Poor Labor Practices**

These resolutions are designed to align management with global labor practices. Corporate liabilities and damage to reputation from failure to meet ILO Standards are a serious risk to shareholder equity.

### **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.

### **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.

### **Repeal Classified Board**

A classified board of directors limits director accountability to shareholders. Classified boards set terms for "classes" of directors so that only a portion of the board is elected each year. As a result, shareholders have little or no way to register their views on a majority of the directors on a board, effectively insulating them.

### **Require Equity Awards to be Held**

Equity-based executive compensation, particularly stock options, are at the core of the stock options backdating problem at more than 1,000 companies, according to leading economists like Professor Erik Lie. Requiring a substantial portion of equity-based compensation to be held during an executive's tenure better aligns the interests of shareholders and management.

### **Set GHG Emissions Reduction Goals**

Reducing total greenhouse gas emissions (GHG) is critical to corporate profits and the reduction of global warming, according to virtually every leading scientific study. This proposal seeks a prompt report to shareholders on company plans to achieve these goals.

### **Shareholder Approval of Pay**

This proposal urges that shareholders be given the opportunity at each annual meeting to cast an advisory vote on the

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compensation committee's report in the proxy. If adopted, this proposal will make executive compensation practices more accountable to shareholders.

### **Votes “Against” Proposals**

The **CVS Caremark** merger was finally approved March 16, 2007, but only after CVS was forced to increase its initial offer several times amid shareholders' protests. Investors came out against the merger after Caremark's board rejected a competing bid from Express Scripts Inc. that was initially higher than the CVS offer.

**Goldman Sachs** management opposed a proposal that would increase corporate reporting burdens of charitable contributions after protests from anti-conservation interests in the U.S. and Chile.

### **Votes “For” Directors**

Nelson Peltz's Triun Group, citing poor company performance and destruction of shareholder value, sought five board seats at H.J. Heinz. The Company argued that Peltz's campaign to replace five directors was little more than an unqualified “clique” of Peltz associates who were not aligned with shareholder interests.

### **“Withhold” Votes**

Toll Brothers' Compensation Committee Chairman, Carl Marbach, was responsible for CEO Robert Toll's compensation of \$28 million in 2006, while profits fell almost 15 percent. Marbach received a 25 percent withhold vote after an initiative led by the Laborers' International Union of North America and the Amalgamated Bank.

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### 2007 Proxy Season AFL-CIO Key Votes

Company	Meeting	Item #	Proposal Subject
Affiliated Computer Services	6/7/07	6	Shareholder Approval of Pay
Apple	5/10/07	7	Link Pay to Performance
Charles Schwab	5/17/07	4	Political Contributions Disclosure
Chevron Corporation	4/25/07	4	Adopt Comprehensive Human Rights Policy
Cintas Corporation	10/10/06	4	Majority Vote Director Elections
Coca-Cola Enterprises	4/24/07	4	Golden Parachutes
Comcast Corporation	5/23/07	8	Report on Compensation
Constellation Energy	12/8/06	3	Repeal Classified Board
E.I. Du Pont De Nemours	4/25/07	6	PFOA Environmental Reporting
Exelon Corporation	5/8/07	4	Golden Parachutes
Exxon	5/30/07	15	Set GHG Emissions Reduction Goals
Ford Motor Company	5/10/07	10	Report Plans on Healthcare Challenges
Halliburton	5/16/07	3	Adopt Comprehensive Human Rights Policy
Hewlett Packard	3/14/07	3	Equal Access to Proxy
KB Home	4/5/07	5	Require Equity Awards to be Held
McDonald's Corporation	5/24/07	4	Implement ILO Standards
Pulte	5/10/07	3	Majority Vote Director Elections
Raytheon	5/2/07	5	Executive Retirement Benefits
Safeway	5/16/07	6	Independent Board Chair
The Stanley Works	4/25/07	3	Repeal Classified Board
United Technologies	4/11/07	6	Shareholder Approval of Pay
UnitedHealth Group	5/29/07	4	Equal Access to Proxy
Verizon	5/3/07	6	Shareholder Approval of Pay
Wal-Mart Stores, Inc.	6/1/07	11	Review Impact of Poor Labor Practices
Wyeth	4/26/07	6	Report on Drug Reimportation Policy

**Votes "FOR" the following directors are consistent with the AFL-CIO Proxy Voting Guidelines:**

Company	Meeting	Item #	Director
Heinz	8/16/06	1	All 12 Incumbent Heinz Directors

**"WITHHOLD" vote on the following director is consistent with AFL-CIO Proxy Voting Guidelines:**

Company	Meeting	Item #	Director
Toll Brothers	3/14/07	1	Carl B. Marbach

**Votes "AGAINST" the following proposals are consistent with AFL-CIO Proxy Voting Guidelines:**

Company	Meeting	Item #	Proposal Subject
Caremark	3/16/07	1	CVS Caremark Merger
Goldman Sachs	4/11/07	3	Report on Charitable Contributions

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### Alphabetical Listing of Investment Manager Statistics

Alliance Growth Equities	8 out of 28 = 28.5%
Amalgamated Bank	29 out of 29 = 100%
Amalgamated Bank of Chicago (AmalgaTrust)	10 out of 10 = 100%
Amcore Investments Group	15 out of 21 = 71%
American Funds (Mutual Fund)	0 out of 0 = 0%
AmeriServe Trust & Financial Services	16 out of 16 = 100%
Amivest Capital Management	0 out of 0 = 0%
Ark Asset Management	15 out of 15 = 100%
ASB Capital Management	7 out of 7 = 100%
Ashfield Capital Partners	16 out of 22 = 73%
Atlanta Capital Management	5 out of 7 = 71.4%
AXA Rosenberg Institutional Equity Management	15 out of 21 = 71%
Bank of New York	14 out of 27 = 52%
Barclays Global Investors	7 out of 29 = 24%
Barrow Hanley Mewhinney & Strauss	7 out of 13 = 54%
Becker Capital Management	14 out of 20 = 70%
Bernstein Value Equities	8 out of 27 = 30%
Boston Trust & Investment Mgmt/Walden Asset	10 out of 11 = 91%
Brandywine Global Investment	14 out of 21 = 67%
Buckhead Capital Management	1 out of 2 = 50%
C. S. McKee	4 out of 4 = 100%
Cadence Capital Management	3 out of 5 = 60%
Calvert Asset Management Company	7 out of 8 = 87.5%
Cambiar Investors LLC	0 out of 3 = 0%
Campbell Newman Asset Management	0 out of 2 = 0%
Capital Management Associates	10 out of 11 = 91%
Carret and Company	7 out of 7 = 100%

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### Alphabetical Listing of Investment Manager Statistics

Chartwell Investment Partners	13 out of 14 = 93%
Chicago Asset Management Company LLC	2 out of 2 = 100%
Chicago Equity Partners, LLC	17 out of 17 = 100%
Clear Bridge Advisors (Legg Mason affiliate)	15 out of 29 = 52%
Colony Capital Management, Inc.	10 out of 10 = 100%
Columbia (Mutual Fund)	16 out of 29 = 55.1%
Columbia Circle Investors	8 out of 12 = 66.6%
Columbia Partners Investment Management	13 out of 13 = 100%
Columbus Circle Investors	8 out of 12 = 66.6%
Comerica Bank, Institutional Trust	28 out of 28 = 100%
Congress Asset Management	5 out of 5 = 100%
Davis Hamilton Jackson & Associates	18 out of 18 = 100%
Delaware Investments	21 out of 29 = 72.4%
Dodge & Cox	0 out of 7 = 0%
Dodge & Cox (Mutual Fund)	1 out of 7 = 14.2%
Domini Social Investors	7 out of 8 = 87.5%
FAF Advisors, Inc.	21 out of 29 = 72%
Ferguson Wellman Capital Management	11 out of 21 = 52%
Fidelity Investments (Mutual Fund)	9 out of 26 = 34.6%
Fifth Third Asset Management	23 out of 29 = 79%
Fifth Third Bank	23 out of 29 = 79%
Financial Counselors	11 out of 25 = 44%
Franklin Templeton Investments (Mutual Fund)	13 out of 20 = 65%
Freeman Associates	11 out of 14 = 78.5%
Gamco Investors, Inc.	1 out of 28 = 3.5%
Glass, Lewis & Company, LLC	15 out of 29 = 52%
Globalt	7 out of 7 = 100%
Goldman Sachs Asset Management	21 out of 29 = 72%

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### Alphabetical Listing of Investment Manager Statistics

Great Lakes Advisors, Inc.	6 out of 7 = 86%
Griffon Capital	10 out of 10 = 100%
Hartford Mutual Funds (Mutual Fund)	13 out of 24 = 54.1%
Haverford Trust Company	19 out of 26 = 73%
HGK Asset Management	11 out of 11 = 100%
ICC Capital	10 out of 10 = 100%
ING Investment Management	20 out of 26 = 77%
Institutional Capital	3 out of 6 = 50%
INTECH	23 out of 23 = 100%
ISS Governance Services	21 out of 29 = 72.4%
J & W Seligman & Company Inc.	3 out of 4 = 75%
Janus (Mutual Fund)	12 out of 20 = 60%
Janus Capital Management	4 out of 10 = 40%
John Hancock (Mutual Fund)	10 out of 26 = 38.4%
JP Morgan Asset Management	17 out of 29 = 59%
Lazard Asset Management LLC	20 out of 22 = 91%
Loomis, Sayles & Company, L.P.	12 out of 17 = 71%
Lord and Abbett and Company	12 out of 28 = 42.8%
LSV Asset Management	13 out of 18 = 72%
M.D. Sass Associates, Inc.	0 out of 0 = 0%
MacKay-Shields LLC	13 out of 13 = 100%
Manning & Napier Advisors	0 out of 1 = 0%
Marco Consulting Group	29 out of 29 = 100%
McMorgan & Company	21 out of 21 = 100%
Mellon Financial	12 out of 29 = 41%
Mesirow Financial Investment Management	6 out of 8 = 75%
Missouri Valley Partners	4 out of 4 = 100%
Munder Capital Management	13 out of 13 = 100%

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### Alphabetical Listing of Investment Manager Statistics

National Investment Services	5 out of 5 = 100%
Navellier & Associates	25 out of 25 = 100%
NCM Capital Management	9 out of 13 = 69%
New Amsterdam Partners	1 out of 6 = 16.6%
Nicholas Applegate	15 out of 29 = 51.7%
Northern Trust Company	5 out of 29 = 17%
Northern Trust Value Investors	3 out of 3 = 100%
NWQ Investment Management	4 out of 7 = 57.1%
Ocean State Asset Management, LLC	16 out of 18 = 89%
Oechsle International Advisors	0 out of 0 = 0%
Oppenheimer Capital	9 out of 10 = 90%
Panagora Asset Management	21 out of 29 = 72%
Payden & Rygel	14 out of 14 = 100%
Phillips, Hager & North	0 out of 0 = 0%
Pillar Point Equity Management, LLC	15 out of 16 = 94%
Provident Investment Counsel	3 out of 5 = 60%
ProxyVote Plus	29 out of 29 = 100%
Putnam Advisory Company	11 out of 29 = 38%
Quantitative Management Associates	13 out of 29 = 45%
Quest Investment Management, Inc.	12 out of 12 = 100%
Ram Trust Services	13 out of 21 = 62%
Ranier Investment Management, Inc.	8 out of 9 = 89%
RCM Capital Management, LLC	11 out of 17 = 65%
Renaissance Investment Management	13 out of 20 = 65%
Rittenhouse Asset Management	6 out of 12 = 50%
Robeco Investment Management	15 out of 17 = 88%
Rothschild Asset Management	17 out of 17 = 100%
Roxbury Capital Management	0 out of 0 = 0%

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### Alphabetical Listing of Investment Manager Statistics

SCM Advisors LLC	7 out of 8 = 87.5%
SCP Private Equity Partners, L.P.	0 out of 0 = 0%
SCP Private Equity Partners II, L.P.	0 out of 0 = 0%
Segall Bryant and Hamill	9 out of 13 = 69%
SEI Investments Management Corporation	26 out of 26 = 100%
Seizert Capital Partners	0 out of 1 = 0%
Shareholders Association for Research & Education	3 out of 3 = 100%
Sierra Investment Partners	13 out of 13 = 100%
Stacey Braun Associates, Inc.	10 out of 10 = 100%
Stone Ridge Investment Partners, LLC	7 out of 7 = 100%
Systematic Financial Management	13 out of 17 = 76%
T. Rowe Price	16 out of 29 = 55.1%
T. Rowe Price (Mutual Fund)	15 out of 26 = 57.6%
Taft-Hartley Advisory Services	29 out of 29 = 100%
Times Square Capital Management, LLC	0 out of 0 = 0%
Trillium Asset Management	21 out of 22 = 95%
Trilogy Advisors, LLC	2 out of 4 = 50%
Trust Company of the West	8 out of 21 = 38%
Trust Fund Advisors	19 out of 19 = 100%
Turner Investment Partners	20 out of 20 = 100%
Tygh Capital Management	0 out of 0 = 0%
Union Labor Life Insurance Company	5 out of 5 = 100%
Vanguard (Mutual Fund)	3 out of 28 = 10.7%
Victory Capital Management	15 out of 29 = 52%
Voyageur Asset Management	27 out of 27 = 100%
Waddell & Reed	2 out of 19 = 10.5%
Washington Capital Management	4 out of 4 = 100%

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### Alphabetical Listing of Investment Manager Statistics

Wright Investors' Service

15 out of 17 = 88%

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### Tier Group Listing of Investment Manager Statistics

#### Top Tier

Amalgamated Bank	29 out of 29 = 100%
Amalgamated Bank of Chicago	10 out of 10 = 100%
AmeriServe Trust & Financial Services	16 out of 16 = 100%
Ark Asset Management	15 out of 15 = 100%
ASB Capital Management	7 out of 7 = 100%
Carret and Company, LLC	7 out of 7 = 100%
Chicago Equity Partners, LLC	17 out of 17 = 100%
Colony Capital Management, Inc.	10 out of 10 = 100%
Comerica Bank, Institutional Trust	28 out of 28 = 100%
Congress Asset Management	5 out of 5 = 100%
Davis Hamilton Jackson & Associates	18 out of 18 = 100%
Globalt	7 out of 7 = 100%
Griffon Capital	10 out of 10 = 100%
HGK Asset Management	11 out of 11 = 100%
ICC Capital	10 out of 10 = 100%
Marco Consulting Group	29 out of 29 = 100%
McMorgan & Company	21 out of 21 = 100%
National Investment Services	5 out of 5 = 100%
Navellier & Associates	25 out of 25 = 100%
Payden & Rygel	14 out of 14 = 100%
ProxyVote Plus	29 out of 29 = 100%
Quest Investment Management, Inc.	12 out of 12 = 100%
Rothschild Asset Management	17 out of 17 = 100%
SEI Investments Management Corporation	26 out of 26 = 100%
Sierra Investment Partners	13 out of 13 = 100%
Stacey Braun Associates, Inc.	10 out of 10 = 100%
Taft-Hartley Advisory Services	29 out of 29 = 100%
Trust Fund Advisors	19 out of 19 = 100%

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### Tier Group Listing of Investment Manager Statistics

#### Top Tier

Turner Investment Partners	20 out of 20 = 100%
Union Labor Life Insurance Company	5 out of 5 = 100%
Voyageur Asset Management	27 out of 27 = 100%

#### Middle Tier

Amcore Investments Group	15 out of 21 = 71%
Ashfield Capital Partners	16 out of 22 = 73%
Atlanta Capital Management	5 out of 7 = 71.4%
AXA-Rosenberg Institutional Equity Management	15 out of 21 = 71%
Bank of New York	14 out of 27 = 52%
Barrow Hanley Mewhinney & Strauss, Inc.	7 out of 13 = 54%
Becker Capital Management	14 out of 20 = 70%
Boston Trust & Investment Mgm/Walden Asset	10 out of 11 = 91%
Brandywine Global Investment	14 out of 21 = 67%
Cadence Capital Management	3 out of 5 = 60%
CalSTRS	25 out of 29 = 86%
Calvert Asset Management Company	7 out of 8 = 87.5%
Capital Management Associates, LLC	10 out of 11 = 91%
Chartwell Investment Partners	13 out of 14 = 93%
Clear Bridge Advisors (Legg Mason affiliate)	15 out of 29 = 52%
Columbia (Mutual Fund)	16 out of 29 = 55.1%
Columbus Circle Investors	8 out of 12 = 66.6%
Delaware Investments	21 out of 29 = 72.4%
Domini Social Investors	7 out of 8 = 87.5%
FAF Advisors	21 out of 29 = 72%
Ferguson Wellman Capital Management	11 out of 21 = 52%

## 2007 AFL-CIO Key Votes Survey

### Tier Group Listing of Investment Manager Statistics

#### Middle Tier

Fifth Third Asset Management	23 out of 29 = 79%
Fifth Third Bank	23 out of 29 = 79%
Franklin Templeton Investments (Mutual Fund)	13 out of 20 = 65%
Glass, Lewis & Company, LLC	15 out of 29 = 52%
Great Lakes Advisors, Inc.	6 out of 7 = 86%
Hartford Mutual Funds (Mutual Fund)	13 out of 24 = 54.1%
Haverford Trust Company	19 out of 26 = 73%
ING Investment Management	20 out of 26 = 77%
Institutional Capital	3 out of 6 = 50%
ISS Governance Services	21 out of 29 = 72.4%
Janus (Mutual Fund)	12 out of 20 = 60%
JP Morgan Asset Management	17 out of 29 = 59%
Lazard Asset Management LLC	20 out of 22 = 91%
Loomis, Sayles & Company, L.P.	12 out of 17 = 71%
LSV Asset Management	13 out of 18 = 72%
Dodge & Cox	0 out of 7 = 0%
Lord and Abbett and Company	2 out of 28 = 42.8%
Mesirow Financial Investment Management	6 out of 8 = 75%
NCM Capital Management	9 out of 13 = 69%
Ocean State Asset Management, LLC	16 out of 18 = 89%
Oppenheimer Capital	9 out of 10 = 90%
PanAgora Asset Management	21 out of 29 = 72%
Pillar Point Equity Management, LLC	15 out of 16 = 94%
Provident Investment Counsel	3 out of 5 = 60%
Ram Trust Services	13 out of 21 = 62%
Ranier Investment Management, Inc.	8 out of 9 = 89%
RCM Capital Management, LLC	11 out of 17 = 65%

## 2007 AFL-CIO Key Votes Survey

### Tier Group Listing of Investment Manager Statistics

#### Middle Tier

Renaissance Investment Management	13 out of 20 = 65%
Rittenhouse Asset Management	6 out of 12 = 50%
Robeco Investment Management	15 out of 17 = 88%
SCM Advisors LLC	7 out of 8 = 87.5%
Segall Bryant and Hamill	9 out of 13 = 69%
Systematic Financial Management	13 out of 17 = 76%
T. Rowe Price	16 out of 29 = 55.1%
T. Rowe Price (Mutual Fund)	15 out of 26 = 57.6%
Trillium Asset Management	21 out of 22 = 95%
Trilogy Advisors, LLC	2 out of 4 = 50%
Victory Capital Management	15 out of 29 = 52%
Wright Investors' Service	15 out of 17 = 88%

#### Bottom Tier

Alliance Growth Equities	8 out of 28 = 28.5%
Barclays Global Investors	7 out of 29 = 24%
Bernstein Value Equities	8 out of 27 = 30%
Dodge & Cox	0 out of 7 = 0%
Dodge & Cox (Mutual Fund)	1 out of 7 = 14.2%
Fidelity Investments (Mutual Fund)	9 out of 26 = 34.6%
Financial Counselors, Inc.	11 out of 25 = 44%
Gamco Investors, Inc.	1 out of 28 = 3.5%
Janus Capital Management	4 out of 10 = 40%
John Hancock (Mutual Fund)	10 out of 26 = 38.4%
Lord Abbett and Company	12 out of 28 = 42.8%
Mellon Financial	12 out of 29 = 41%

## 2007 AFL-CIO Key Votes Survey

### Tier Group Listing of Investment Manager Statistics

#### Bottom Tier

New Amsterdam Partners	1 out of 6 = 16.6%
Nicholas Applegate	15 out of 29 = 51.7%
Northern Trust Company	5 out of 29 = 17%
Putnam Advisory Company	11 out of 29 = 38%
Quantitative management Associates	13 out of 29 = 45%
Trust Company of the West	8 out of 21 = 38%
Vanguard (Mutual Fund)	3 out of 28 = 10.7%
Waddell & Reed	2 out of 19 = 10.5%

#### Fewer Than Five Votes

American Funds (Mutual Fund)	0 out of 0 = 0%
C. S. McKee	4 out of 4 = 100%
Cambiar Investors LLC	0 out of 3 = 0%
J & W Seligman & Company Inc.	3 out of 4 = 75%
M.D. Sass Associates, Inc.	0 out of 0 = 0%
Manning & Napier	0 out of 1 = 0%
Missouri Valley Partners	4 out of 4 = 100%
Oechsle International Advisors	0 out of 0 = 0%
Phillips, Hager & North	0 out of 0 = 0%
SCP Private Equity Partners, L.P.	0 out of 0 = 0%
SCP Private Equity Partners II, L.P.	0 out of 0 = 0%
Shareholders Association for Research & Education	3 out of 3 = 100%
Times Square Capital Management, LLC	0 out of 0 = 0%
Tygh Capital Management	0 out of 0 = 0%
Washington Capital Management	4 out of 4 = 100%
Panagora Asset Management	0 out of 0 = 0%
Smith Group Asset Management	2 out of 4 = 50%

## 2007 AFL-CIO Key Votes Survey

### Tier Group Listing of Investment Manager Statistics

#### Fewer Than Five Votes

Times Square Capital Management	0 out of 0 = 0%
Tygh Capital Management	0 out of 0 = 0%

#### Taft-Hartley Client Votes

Alliance Growth Equities	19 out of 19 = 100%
Amcore Investments Group	0 out of 0 = 0%
Amivest Capital Management	0 out of 0 = 0%
Ashfield Capital Partners	5 out of 5 = 100%
Bernstein Value Equities	18 out of 19 = 95%
Brandywine Global Investment	12 out of 12 = 100%
Buckhead Capital Management	1 out of 2 = 50%
Campbell Newman Asset Management	0 out of 2 = 0%
Chicago Asset Management Company, LLC	2 out of 2 = 100%
FAF Advisors	20 out of 20 = 100%
Fifth Third Asset Management	22 out of 22 = 100%
Fifth Third Bank	22 out of 22 = 100%
Freeman Associates	11 out of 14 = 78.5%
Haverford Trust Company	0 out of 0 = 0%
INTECH	23 out of 23 = 100%
Lord Abbett and Company	11 out of 11 = 100%
LSV Asset Management	4 out of 14 = 100%
MacKay-Shields LLC	13 out of 13 = 100%
Manning & Napier	1 out of 1 = 100%
Mesirow Financial Investment Management	9 out of 9 = 100%
Munder Capital Management	13 out of 13 = 100%
Navellier & Associates	4 out of 4 = 100%
NCM Capital Management	6 out of 6 = 100%

## 2007 AFL-CIO Key Votes Survey

### Tier Group Listing of Investment Manager Statistics

#### Taft-Hartley Client Votes

Northern Trust Company	27 out of 27 = 100%
Northern Trust Value Investors	3 out of 3 = 100%
PanAgora Asset Management	0 out of 0 = 0%
Putnam Advisory Company	28 out of 28 = 100%
RCM Capital Management	6 out of 6 = 100%
Renaissance Investment Management	5 out of 5 = 100%
Roxbury Capital Management	0 out of 0 = 0%
Seizert Capital Partners	0 out of 1 = 0%
Stone Ridge Investment Partners, LLC	7 out of 7 = 100%
Systematic Financial Management	10 out of 10 = 100%
Trilogy Advisors, LLC	0 out of 0 = 0%
Trust Company of the West	5 out of 5 = 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.

## 2007 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>.

