

LAPFF urges ISC to recommend full public voting disclosure

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THE Local Authority Pension Fund Forum has urged the Institutional Shareholders Committee to recommend fund managers to publicly disclose comprehensive data on how they exercise voting rights.

The forum – which represents 40 public sector pension funds with assets in excess of £70bn – said that it reviewed the websites of 40 asset managers and found that only nine firms publicly disclosed comprehensive data on how they exercise their shareholder voting rights.

It said the majority of fund managers continuing to disclose no information at all and urged the ISC – which represents bodies such as the Association of British Insurers; the National Association of Pension Funds; and the Investment Management Association – to clearly endorse full disclosure as best practice in its expected guidance on the issue.

The LAPFF's findings revealed that while 40pc of the sample disclosed some data only 15pc disclosed full records.

It also claimed that at least one record contained an "inaccurate or misleading" disclosure on a high-profile voting issue.

The forum also scored the disclosures made by each fund manager in terms of level of disclosure, ease of access and the usefulness of the data provided.

Only one manager – Co-operative Insurance Society – achieved a top score in all three areas. Insight Investment and Standard Life also scored highly, but 60pc of the managers reviewed scored zero in all three areas.

LAPFF chairman Darrell Pulk said: "The current state of disclosure is patchy to say the least, which is unhelpful for trustees and beneficiaries who want to understand how managers address corporate governance issues.

"We urge the ISC to take the opportunity to send a clear message that full disclosure is best practice, and to encourage fund managers to take transparency seriously."