

**Embargo: 00:01am, Tuesday 26<sup>th</sup> June 2007**

## **Fund managers continue to keep voting in the dark**

1. Just nine of the UK's leading fund managers publicly disclose comprehensive data on how they exercise their shareholder voting rights, with the majority of fund managers continuing to disclose no information at all, according to research by the Local Authority Pension Fund Forum (LAPFF).
2. As a result of its findings the Forum has recommended that the Institutional Shareholders Committee clearly endorses full disclosure as best practice in its expected forthcoming guidance on the issue.
3. The Forum, whose members manage over £70bn in assets, reviewed the websites of 40 leading UK asset managers during May to assess the extent and nature of disclosure of shareholder voting records.
4. The key findings were:
  - 15% (6) of the sample disclose full records.
  - 22.5% (9) disclose reasonably comprehensive data.
  - 40% (16) of the sample disclose some data.
  - Data can be hard to locate on websites.
  - A number of managers' records are not regularly updated.
  - At least one record contains an inaccurate or misleading disclosure on a high-profile voting issue.
  - Overall disclosure by the market is limited.
5. 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. Just one manager – Co-operative Insurance Society – achieved a top score in all three areas, with Insight Investment and Standard Life also scoring highly. However, 60% (24) of the managers reviewed scored zero in all three areas.
6. The Institutional Shareholders Committee (ISC) is expected to issue guidance on voting disclosure shortly. Based on the findings from its research, the Forum has recommended that the ISC guidelines should set out:
  - That full disclosure of voting records by company meeting is best practice.

- That voting records should be made easily accessible.
  - That voting records should be updated at least quarterly.
7. Cllr Darrell Pulk, chair of the Forum, said: “Leaving it up to fund managers to decide how and what to disclose has resulted in a situation where just a handful provide meaningful data, whilst the majority disclose nothing at all. 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.”
8. A full copy of the LAPFF report, *Proxy Voting Disclosure by UK Asset Managers*, which includes individual manager ratings, is available on request.

About LAPFF:

The Local Authority Pension Fund Forum (LAPFF), which was set up in 1991, is a voluntary association of 40 public sector pension funds based in the UK. It exists ‘to promote the investment interests of local authority pension funds, and to maximise their influence as shareholders to promote corporate social responsibility and high standards of corporate governance amongst the companies in which they invest.’ The Forum’s members currently have combined assets of over £70 billion.

**For further information contact:**

Cllr Darrell Pulk, Chair, LAPFF  
C/o LAPFF Secretariat,  
Bradford City Council,  
Britannia Ings, Bradford,  
Email: [cldr.darrell.pulk@nottscc.gov.uk](mailto:cldr.darrell.pulk@nottscc.gov.uk)

Tom Powdrill  
Head of Communications  
PIRC Ltd  
Tel no: 020 7392 7887  
Email: [TomP@pirc.co.uk](mailto:TomP@pirc.co.uk)