

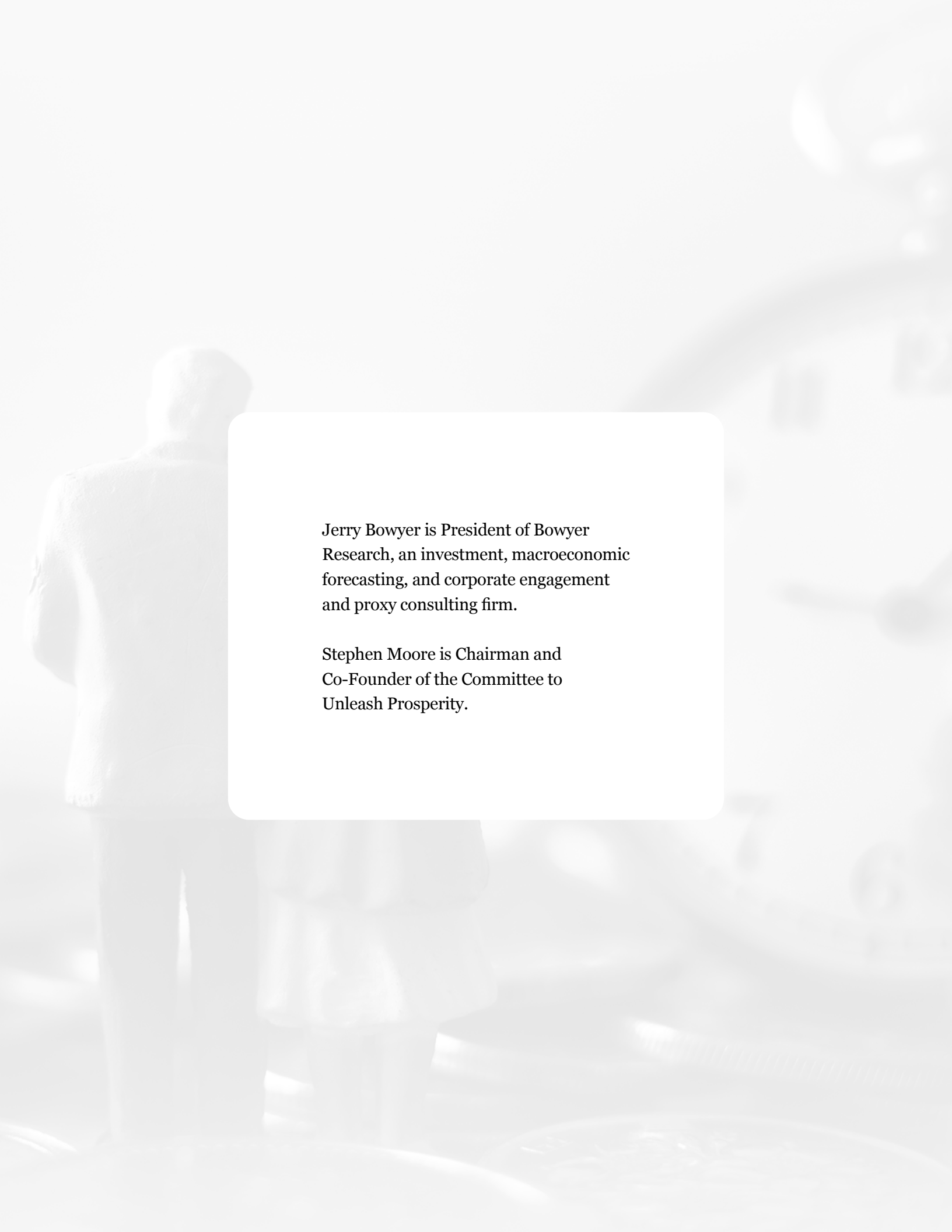
MAY 2024

Putting Politics Over Pensions:

THE 2024 COMMITTEE TO UNLEASH
PROSPERITY REPORT CARD ON
INVESTMENT FUND MANAGERS AND
PROXY VOTING BEHAVIOR

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Executive Summary

Over the past year, investment management companies have faced unprecedented scrutiny regarding their support for left-leaning shareholder proposals focused on environmental, social, and governance objectives – better known as “ESG.” These investment firms – with more than \$20 trillion of assets under management and nearly 75 percent of the publicly traded

stocks – are also pressured into supporting shareholder resolutions related to race, sex, and ethnicity under the guise of promoting diversity, equity, and inclusion (DEI). Many of these resolutions would, if approved, reduce the profitability of the targeted companies. As such, a vote for these resolutions is in direct conflict with the fiduciary obligation these firms have to their clients.

The 40 Most Active Voters on 50 Extreme Shareholder Proposals - Ranked from Best to Worst

MANAGER	SCORE	GRADE	MANAGER	SCORE	GRADE
DIMENSIONAL INVESTMENT FUNDS	9.1	A	FIRST TRUST ADVISORS LP	5.3	C
T ROWE PRICE ASSOCIATES, INC.	9.0	A	AIG FUNDS	5.0	C
VANGUARD GROUP, INC.	9.0	A	INVESCO CAPITAL MANAGEMENT LLC	5.0	C
BLACKROCK INC.	8.9	B	SEI INVESTMENTS MANAGEMENT CORP.	5.0	C
GOLDMAN SACHS ASSET MANAGEMENT LP	8.8	B	POWERSHARES FUNDS	4.9	D
AMERICAN FUNDS	8.5	B	SUNAMERICA ASSET MANAGEMENT CORP.	4.9	D
FIDELITY MANAGEMENT & RESEARCH CO. (FMR)	8.0	B	JOHN HANCOCK FUNDS	4.6	D
JNL SERIES FUNDS	7.9	B	FRANKLIN TEMPLETON FUNDS	3.4	D
GEODE CAPITAL MANAGEMENT	7.7	B	PRINCIPAL FUNDS	2.8	F
AMUNDI ASSET MANAGEMENT US	7.7	B	PROSHARES	2.8	F
AMERICAN CENTURY	7.6	B	THRIVENT INVESTMENT MANAGEMENT, INC.	2.7	F
JP MORGAN	7.6	B	EATON VANCE FUNDS	2.4	F
LAUDUS SCHWAB FUNDS	6.8	C	PROFUND ADVISORS LLC	2.2	F
CHARLES SCHWAB INVESTMENT MANAGEMENT, INC.	6.7	C	COLUMBIA FUNDS	2.1	F
EQUITABLE FUNDS	6.6	C	GUGGENHEIM INVESTMENTS	2.1	F
AB FUNDS	5.6	C	TD ASSET MANAGEMENT	1.4	F
ADVANCED SERIES FUNDS	5.6	C	MANULIFE INVESTMENT MANAGEMENT	1.3	F
STATE STREET CORPORATION	5.6	C	DANSKE BANK A/S	0.8	F-
VOYA INVESTMENT MANAGEMENT	5.6	C	VICTORY CAPITAL MANAGEMENT, INC.	0.6	F-
NEWTON INVESTMENT MANAGEMENT	5.6	C	BNP PARIBAS ASSET MANAGEMENT	0.0	F-

A Committee to Unleash Prosperity (CTUP) report released last May¹ revealed that most large firms – from State Street to BlackRock to JP Morgan to Franklin Templeton – were routinely voting in favor of even the most radical and hostile resolutions. By doing so, they were putting political considerations over the financial interests of tens of millions of Americans whose pensions and other retirement funds they manage.

CTUP has now analyzed how more than 600 investment management companies voted on 50 of the most extreme ESG-oriented resolutions in the 2023 proxy voting season. Examples of these resolutions that are in conflict with the fiduciary duty of the firms include requiring firms to divest in oil and gas companies, adopting racial/ethnic and gender quotas in hiring, and pursuing internal “racial equity” audits. The table on the preceding page shows the grades of the 40 largest investment firms, which account for the vast majority of funds under management. Our analysis reveals three headline findings.

1. The good news is that the broad trendline shows investment firms are gradually moving away from supporting ESG/DEI initiatives being pursued by left-wing pressure groups and shareholder activists. In 2023, private sector, non-ESG branded funds were 25 percent less likely to support extreme shareholder proposals than they were in 2022. And the 25 most active voting funds were 30 percent less likely to support such proposals in 2023 relative to 2022.
2. The bad news is that the large investment firms are STILL violating their fiduciary duty by supporting ESG resolutions more than half the time. The average grade assigned to the 40 largest firms was a C, with a dozen of these firms receiving a grade of F.
3. More bad news is that the two major proxy voting services, ISS and Glass-Lewis, continue to advise their client firms to vote in favor of ESG resolutions. Glass-Lewis received an implied grade of D, and ISS an F, based on their recommendations. ISS endorsed nearly every ESG resolution. Money management firms would be doing a great service to the clients whose money they manage to stop taking advice from these ultra-liberal firms on proxy voting.

The diminished support for extreme shareholder proposals is emblematic of a broader retreat from the ESG movement. In 2023, investors withdrew \$13 billion from U.S.-based ESG funds, according to Morningstar.² And total assets in U.S. “sustainable” funds at the close of 2023 were down 12

¹ <https://www.pensionpolitics.com/>

² <https://www.morningstar.com/sustainable-investing/globally-esg-funds-suffer-first-ever-quarterly-outflows-fourth-quarter-2023>

percent compared to two years earlier. Set against these encouraging developments is the reality that many firms are still embracing left-leaning ESG ideas.

Investors pay the price for this ideologically driven approach to investing – in the form of having their votes harvested in favor of policies that could diminish the performance of the funds holding their savings. Furthermore, when ESG investing is used to guide investment allocations – an example would be underweighting asset classes such as energy – this can depress returns.

The purpose of this report is to identify which major investment houses are the most – and least – guilty of putting politics ahead of their clients' interests. We examined hundreds of major shareholder proposals and trimmed that list to what we call the “Fiduciary-Free 50,” which were the most radical proposals related to left-wing activism. None of these proposals were supported by management at the targeted companies.

We calculated the percentage of times these management firms voted for ESG resolutions on issues such as curtailing the financing or insuring of fossil fuel projects or companies, banning plastics, requiring “net zero” emissions, imposing “diversity” quotas in hiring, and so on. These votes were typically made without the approval, or even the awareness, of their clients.

This report – the second in what will be an annual series – documents which of these financial behemoths are violating their fiduciary duty. The Committee will soon be releasing a companion report, which will be focused on state and local pension funds and the support they (or their asset managers) are giving to ESG-oriented shareholder resolutions.

The misplaced focus on ESG issues is a distraction – and often a major headache – for many of the country's major corporations. When their performance falters, as we've seen happen at companies like Target and Budweiser, America's security and global competitiveness is threatened.

We hope that exposing the funds that are putting political beliefs and their social policy biases above profits and returns will 1) help persuade investors to withdraw their money from these funds and 2) prompt fund management companies to stop letting left-leaning ideology drive their investment decisions.

In the appendix to this report we present the grades for 600+ investment advisory firms.

Introduction

ESG investing is a disingenuous response by the left to its failure to legislate its unpopular social policies (like race-based hiring) and its environmental agenda. Having failed through the open political process to directly impose mandates on businesses, the tactic now is to try to foist its ideas on companies through an opaque process known as “proxy voting” that leverages the money of others to interfere with corporate governance and the production of products critical to the everyday lives of consumers.

ESG investing has swept through the investment world. The process involves pension funds, endowments, and investment firms – some of which have trillions of dollars under management – wielding their influence at shareholder meetings to support left-leaning measures related to race, sex, ethnicity, the environment, and political activity. These large firms exercise this influence through what’s known as “proxy voting,” in which the aforementioned entities vote the shares of their clients on proposals advanced primarily by liberal activist groups.

While a vote of shareholders may sound like a fair approach, this is not everyday democracy. Most proxy votes are cast on behalf of shareholders by fund managers – and are not based on a survey of their clients’ wishes. (We have no problem with investors choosing for themselves funds that self-identify as operating on ESG principles.)

In recent years, left-leaning activist groups have been pressing more shareholder resolutions on companies and pursuing bolder, more audacious objectives. They hide extreme positions behind anodyne terms such as “diversity,” “racial equity,” and “climate justice.” Jamie Dimon, the CEO of JPMorgan Chase, referenced in his recent letter to shareholders “the spiraling frivolousness of the annual shareholder meeting, which has devolved into mostly a showcase of grandstanding and competing special interest groups.”³

These extreme resolutions receive a striking level of support from some of the biggest and most influential actors in America’s financial markets: large mutual funds and exchange traded funds. In this report, we have reviewed hundreds of shareholder resolutions and picked 50 of the most extreme ESG oriented shareholder proposals from 2023, which we call “The Fiduciary-Free 50.” We found that many of these large funds supported the measures – even though almost all may or will reduce shareholder returns. At best, the resolutions are incidental to, and at worst in conflict with, the profit path for the company.

3 <https://reports.jpmorganchase.com/investor-relations/2023/ar-ceo-letters.htm>

An example is State Street, which had \$4.1 trillion in assets under management as of December 2023. It earned a C grade. Franklin Templeton, with \$1.4 trillion, earned a D.

Emblematic of how a fund manager can go awry is USAA, whose capital is invested through its partner, Victory Capital. For the second year in a row, it earned an F-, surely not reflecting the views of their investors, who are limited to members of the military and their descendants.

At the other end of the spectrum are Vanguard, Fidelity, and Dimensional, which rarely support these hostile resolutions that pursue a political agenda. One firm that has improved its standing is BlackRock, with \$10 trillion of assets under management. BlackRock's CEO, Larry Fink, had been one of the leading voices in support of ESG a few years ago. But last year, under pressure from groups like ours and others, he began to retreat from its ESG advocacy on proxy voting as shareholder proposals have become more extreme. It earned a B grade, up from a C last year.

Change in score from 2022 to 2023 (the higher the number, the greater the improvement)

FUND MANAGER	DIFFERENCE	FUND MANAGER	DIFFERENCE
VANGUARD GROUP, INC.	0.2	ALLSPRING GLOBAL INVESTMENTS	0.9
FIDELITY MANAGEMENT & RESEARCH CO. (FMR)	-0.6	TIAA-CREF ASSET MANAGEMENT LLC	-0.8
BLACKROCK INC.	2.2	BNY MELLON	3.5
DWS INVESTMENT GMBH	-0.5	VOYA INVESTMENT MANAGEMENT	2.7
DIMENSIONAL FUND ADVISORS, INC.	-0.3	FIRST TRUST ADVISORS LP	3.5
T. ROWE PRICE ASSOCIATES, INC.	1.1	PROFUND ADVISORS LLC	0.6
STATE STREET CORPORATION	0.4	JENNISON ASSOCIATES LLC	-0.6
JP MORGAN	1.8	FRANKLIN TEMPLETON	-0.2
COLUMBIA THREADNEEDLE US	-0.6	STOREBRAND ASSET MANAGEMENT	-0.3
INVESCO CAPITAL MANAGEMENT LLC	1.9	AXA EQUITABLE LIFE INSURANCE CO. (MULTI-MANAGED)	1.2
GEODE CAPITAL MANAGEMENT	2.8	DANSKE BANK A/S	0.1
SUNAMERICA ASSET MANAGEMENT CORP.	-0.1	NORTHERN TRUST INVESTMENTS	2.2
ALLIANCEBERNSTEIN LP	0.8	BNP PARIBAS ASSET MANAGEMENT	0.0
INVESCO ADVISERS, INC.	2.6	DWS INVESTMENT MANAGEMENT AMERICAS, INC.	0.0
GUGGENHEIM INVESTMENTS	0.7	UBS ASSET MANAGEMENT	-0.5
RBC GLOBAL ASSET MANAGEMENT, INC.	-1.4	MANULIFE INVESTMENT MANAGEMENT	-0.8
MFS INVESTMENT MANAGEMENT, INC.	3.9	PUTNAM INVESTMENT MANAGEMENT LLC	1.9
CAPITAL GROUP	4.5	TD ASSET MANAGEMENT	1.4
PGIM QUANTITATIVE SOLUTIONS LLC	-0.2	GOTHAM ASSET MANAGEMENT, LLC	0.8
CHARLES SCHWAB INVESTMENT MANAGEMENT, INC.	3.6	VICTORY CAPITAL MANAGEMENT, INC.	0.0
WELLINGTON MANAGEMENT	3.1	PROSHARES	0.9
GOLDMAN SACHS ASSET MANAGEMENT LP	4.7	T. ROWE PRICE ASSOCIATES, INC. (SUB-ADVISED)	1.2
AMERICAN CENTURY	6.2	IRISH LIFE INVESTMENT MANAGERS LIMITED	0.0
THRIVENT INVESTMENT MANAGEMENT, INC.	0.5	CREDIT SUISSE ASSET MANAGEMENT LLC	1.1
SEI INVESTMENTS MANAGEMENT CORP.	0.8	INVESCO ASSET MANAGEMENT LIMITED	2.5

Sequence of fund managers based on size of assets under management

While many large investment firms are continuing to support extreme resolutions, the broad trendline is moving in the right direction. These firms are showing considerably less support for the extreme resolutions being pushed by left-wing pressure groups.

In 2023, private sector, non-ESG branded funds were 25 percent less likely to support extreme shareholder proposals than they were in 2022. And the 25 most active voting funds were 30 percent less likely to support such proposals in 2023 relative to 2022.

But there are still obstacles to progress. For example, the ESG agenda has found loyal handmaidens in the proxy advisory industry, which is dominated by ISS and Glass Lewis. These two groups are frequently hired by mutual fund and ETF families, as well as public pensions and endowments, to make recommendations on shareholder proposals. Both routinely recommend that companies and fund families support measures such as implementing net zero emissions goals and personnel targets that amount to de facto quotas based on race, sex, and ethnicity.

State attorneys general have raised questions as to whether these two firms have “acted contrary to the financial interests of their clients.” Our review of their 2023 voting recommendations on ESG oriented proposals reveals that Glass Lewis earned an implied grade of C (5.2) and ISS an F (1.5).

ISS and Glass Lewis do more than just provide cover for faithless managers. They represent an implied threat to all corporate managements that they comply with the ESG agenda and sign costly “advisory” contracts – or be subjected to hostile advisory notes themselves.

FUNDS NOT BRANDED “ESG” OFTEN SCORED WORSE ON SHAREHOLDER-FRIENDLY VOTING THAN ESG-BRANDED FUNDS – EVEN WITHIN THE SAME FUND FAMILY

This report excludes voting records of ESG-branded funds, since those funds are explicit about their intent and are therefore indicating a willingness to earn lower returns in hopes of persuading companies to adopt left-leaning environmental or social goals. We separately track hundreds of ESG branded funds whose names included terms such as “ESG,” “Sustainable,” “Responsible,” “Climate,” “Carbon,” “Transition,” and “Social.”

We looked at 102 fund families holding both non-ESG branded funds and ESG-branded funds under their platforms. Of these 102, only 50 them had ESG-branded funds that were more pro-ESG than non-aligned funds. Put differently, non-ESG funds were more likely to be supportive of ESG-oriented resolutions than the ESG-branded funds. (Of all the fund families, Dimensional and J.P. Morgan had the greatest voting differentiation and alignment with fund branding between their non-ESG branded fund scores vs ESG branded fund scores.)

This continues a trend we saw last year. And it suggests that once a fund family starts offering ESG-branded products, their voting decisions can become polluted across all of their fund offerings. And it underscores the need for Investors to be vigilant about where they allocate their capital, because even non-ESG funds can have a decidedly pro-ESG orientation.

In Jamie Dimon's recent letter to shareholders, he wrote that, "it is increasingly clear that proxy advisors have undue influence." He added that JP Morgan's asset management unit was implementing reforms to "amplify the role of portfolio managers" and diminish the reliance on proxy advisors.

The fundamental issue for fund families is that they are violating a legal obligation to focus on maximizing shareholder returns. As several studies show, those returns are depressed when a fund manager pursues an ESG agenda, which we document below.

Depressed returns are predictable, given that the measures being pressed by left-leaning groups interfere with merit and performance standards, while contributing to higher energy costs and lost business opportunities. The measures also seek to shackle corporate engagement in the political and legislative process.

In some cases, fund families have a financial incentive to demonstrate their pro-ESG credentials, as these credentials advertise them as socially conscious, which they use when bidding to manage the capital of politically-motivated pension funds and to launch their own high-fee funds in the ESG sector. (Fees in ESG funds average 0.52 percent, while fees in all funds average 0.33 percent.⁴)

But it is investors and company retirees who pay the price when ESG mandates drag down corporate performance and when higher fees burden returns.

The repercussions of this interference are not only economic, since America's security rests on the vitality of its private sector. American energy companies are under attack, yet they underpin the Western world's defenses against energy blackmail.

Methodology

The grades given to investment firms are based on a review of 50 of the most extreme ESG-oriented shareholder proposals ("The Fiduciary-Free 50") from 2023 and an accompanying points system. Proxy votes are cast and disclosed to the SEC by the individual funds managed by investment companies such as BlackRock (commonly referred to as fund families). At each fund managed by the fund family, every supportive vote translated to zero points for the fund family, a vote against was 10 points, and an abstention or split vote was five points.

4 <https://www.wsj.com/finance/investing/why-esg-investing-might-never-recover-7aa9e7c9>

A fund family’s score reflects the sum of points scored compared to the maximum points possible had the firm adhered to their strict fiduciary duty to investors and voted against each of these shareholder proposals. For example, a fund family such as BlackRock manages 192 individual (non-ESG branded) funds that voted on one or more of the Fiduciary-Free 50 shareholder proposals. Across these 192 funds, BlackRock scored 1,948 points out of a possible 2,198, which equates to a score index of 8.9 (1,948 divided by 2,198 x 10), or a B grade based on the scale provided below. The lower the score, the greater the alignment with ESG activism – and departure from strict adherence to fiduciary duty.

Grade Distribution Across Fund Families

GRADE	RANGE	#	SHARE
A	9.0 - 10	167	26.63%
B	7.0 - 8.9	65	10.37%
C	5.0 - 6.9	115	18.34%
D	3.0 - 4.9	99	15.79%
F	1.0 - 2.9	99	15.79%
F-	0.0 - 0.9	82	13.08%
TOTALS:		627	100%

HOW THE PROCESS WORKS AND WHO VOTES

A complex set of rules, governed by the Securities and Exchange Commission, dictates how to qualify for a shareholder vote.⁵ What’s noteworthy is that individuals – private citizens – only own about 25 percent of shares held in publicly-traded companies. The remaining shares are owned by institutions – typically mutual fund and ETF families, such as BlackRock, State Street, and Vanguard. These entities effectively determine the company policies even though the money being invested is “owned” by people whose pension funds and savings are being managed by these large money management institutions.

Today, more than half of the total investment in stock-based funds is allocated to passively managed ETFs and index funds, which simply mirror benchmarks such as the S&P 500.⁶ Here’s

5 <https://corpgov.law.harvard.edu/2023/01/03/how-companies-should-approach-shareholder-proposals-this-proxy-season/>

6 <https://archive.ph/7p7mB>

why that’s significant, as explained in a 2022 report prepared by the Republican staff of the Senate Banking Committee:

A retail investor who buys an index fund does not own the stocks in the fund. Those stocks instead are owned by the fund, which means that the fund’s manager may vote those shares. Even though they buy that voting power with other people’s money, that voting power gives asset managers like the Big Three [BlackRock, Vanguard, and State Street] enormous influence.⁷

This is a fundamental point. Institutions are voting on behalf of tens of millions of shareholders – representing trillions of dollars in capital. Yet many fund managers are staking out positions that are at odds with the preferences of these shareholders. As noted in a study by professors at Duke, UC-Berkeley, Columbia, and New York University, “Compared to institutional investors, retail shareholders do not support environmental, social, and governance (ESG) proposals to the same degree.”

Vanguard’s stance is in stark contrast to that of BlackRock, whose CEO, Larry Fink, has been vocal for many years about pushing companies to embrace the ESG agenda (though he’s scaled back that advocacy recently). In February 2023, Vanguard’s CEO, Tim Buckley, told the Financial Times:

We don’t believe that we should dictate company strategy. It would be hubris to presume that we know the right strategy for the thousands of companies that Vanguard invests with. We just want to make sure that risks are being appropriately disclosed and that every company is playing by the rules.

He added that, “Our research indicates that ESG investing does not have any advantage over broad based investing.”

In this report we also compared the performance of these major firms in 2022 to 2023. We find that on average firms have begun to vote against ESG initiatives at a higher rate, as shown in the table below. We suspect that reports like this one, which have shined a spotlight on money-management firms’ voting behavior, has impacted the way companies vote. Many mom-and-pop investors are now more aware of the ESG movement and how their firms vote – and money is moving out of the pro-ESG firms. Investors don’t want money managers steering their money in the direction of political ideology above, rather than remaining faithful to their fiduciary responsibility to provide their clients with the highest returns.

⁷ https://www.banking.senate.gov/imo/media/doc/the_new_emperors_responding_to_the_growing_influence_of_the_big_three_asset_managers.pdf

BEST AND WORST FUND FAMILIES

Among asset management firms casting at least 150 proxy votes, the following firms earned an A, based on their voting records within non-ESG branded funds on the Fiduciary-Free 50 proposals.

- Harris Associates
- Fayez Sarofim & Co.
- Calamos Funds
- PRIMECAP Management Co.
- Dimensional Investment Funds
- Vanguard Funds
- T Rowe Price Funds

The following fund families earned an F:

- ProShares Funds
- Principal Funds
- Thrivent Funds
- Touchstone Funds
- Eaton Vance Funds
- Rydex Variable Funds
- Flex Funds
- ProFunds
- Columbia Funds
- Guggenheim Funds
- Direxion Funds
- Thompson, Siegel & Walmsley
- Gotham Funds
- Mutual of America Funds
- Meeder Funds
- Morgan Stanley Funds
- TD Asset Management
- Lombard Odier Investment Managers
- Manulife Investment Management
- Danica Pension
- Victory Funds
- DWS Funds
- AQR Funds
- BNP Paribas Asset Management
- Sparinvest
- Swisscanto

ESG ACTIVISM IS RISING BUT RESOLUTIONS ARE RECEIVING FEWER VOTES

At U.S. companies, there were 337 shareholder resolutions focused on environment and social topics in 2023, a 23 percent increase over 2022.⁸ But support for these resolutions has been declining – from 37.4 percent in 2021 to 25.5 percent in 2023.⁹ A separate analysis, by the Conference Board, showed just 20 percent support for environment-focused resolutions.¹⁰

8 <https://corpgov.law.harvard.edu/2023/10/04/proxy-voting-insights-key-esg-resolutions/>

9 <https://corpgov.law.harvard.edu/2023/12/21/a-review-of-the-2023-proxy-season-an-es-backlash/>

10 <https://www.conference-board.org/press/2023-proxy-season-review#>

Some of that has to do with public pressure. But the proposals are also becoming more extreme – and more prescriptive – which makes it easier for firms to vote against them. BlackRock, for example, said that it rejected many environment and social proposals in 2023 because they were “over- reaching, lacking economic merit, or simply redundant, [and] they were unlikely to help promote long-term shareholder value.”¹¹ In 2023, BlackRock supported fewer than 7 percent of environment and social shareholder resolutions, while Vanguard supported just 2 percent of such resolutions.¹²

ESG-focused attorneys at Simpon Thacher & Bartlett echoed BlackRock, observing that, “Many shareholder proposals have moved from general requests for additional reporting to more prescriptive limitations, such as specific emissions targets or the issuance of detailed climate transition reports. These approaches were less likely to garner broad shareholder support.”¹³

The ESG activism has sparked a backlash in state capitals: there are now approximately 40 anti-ESG laws regulations spread across 20 states.¹⁴

THE PERNICIOUS INFLUENCE OF ISS AND GLASS LEWIS

One explanation for ESG’s surge in popularity in recent years (before the backlash) has been the presence of two leading advisory firms pushing the ESG agenda. Glass Lewis advises “the world’s leading investors” on governance issues, such as proxy voting. The firm’s clients include “the majority of the world’s largest pension plans, mutual funds, and asset managers who manage more than \$40 trillion in assets.” Glass Lewis and ISS are key drivers of how fund families and companies vote on shareholder proposals. Both have been ardent supporters of a leftist agenda in recent years. That has attracted attention from Republican state attorneys general. They sent a 10-page letter to both firms in January 2023 and raised several issues.

[T]he publicly available statements and actions of ISS and Glass Lewis in the performance of their duties as proxy advisors raise serious questions about whether both have violated their statutory and contractual duties. It appears that both have acted contrary to the

11 2023-investment-stewardship-voting-spotlight-summary.pdf (blackrock.com)

12 <https://corpgov.law.harvard.edu/2023/10/04/proxy-voting-insights-key-esg-resolutions/>

13 <https://corpgov.law.harvard.edu/2024/01/14/seven-key-trends-in-esg-for-2023-and-what-to-expect-in-2024/>

14 https://www.stblaw.com/docs/default-source/publications/esg_battlegroundsalert.pdf

financial interests of their clients and have promoted and relied upon false or misleading statements— and in so doing, have engaged in fraudulent and misleading practices. . . .

[Y]ou have each pledged to recommend votes on company directors and proposals based on whether a company is implementing “net zero emissions” goals and related climate commitments that you have made. For companies that are on the Climate Action 100+ Focus Group list, ISS has announced that it will “generally vote against” relevant directors if the company does not implement “[a]ppropriate [greenhouse gas] emissions reduction targets” that must “increase over time. . . .

One of you (Glass Lewis) recently recommended that shareholders reject the climate plan from Woodside Petroleum based on a concern that it did not do enough to reduce customers’ emissions. Put another way, Glass Lewis faulted the company for not having a good enough plan to get its customers to stop buying its own product. . . .

[Y]our attempts to force companies identified by Climate Action 100+ to achieve “net zero emissions” and “to set short- and medium-term targets in line with” the Paris Agreement appear unsupported by your duty to consider only the economic value of investments. . . .

[Y]ou have each pledged to recommend votes against certain directors on boards that you view as having insufficient racial, ethnic, or sex-based diversity under arbitrary quotas that you have announced. ISS recommends votes based on the number of “apparent racially or ethnically diverse members” and a “gender-diverse status.” Glass Lewis recommends votes based on racial disclosures and the number of gender diverse directors. . . .

Relatedly, you would support proposals that require companies to perform “racial equity ... audit[s],” particularly if a company has not issued sufficient “public statement[s] related to its racial justice efforts” or “engaged with” unidentified “civil rights experts.” This pledge has led, for example, ISS to support proposals that would force insurance companies to gather race data in apparent violation of state law. In addition to potentially violating your contractual and fiduciary duties, your actions in this area may violate state antidiscrimination laws as well. . . .

States generally have a constitutional obligation to treat individuals equally without regard to their race or sex. And companies are subject to many federal and state non-discrimination laws. Yet you appear to provide advice that, if taken, could expose both States and companies to significant legal liability for discriminating on prohibited bases. . . .¹⁵

¹⁵ <https://attorneygeneral.utah.gov/wp-content/uploads/2023/01/2023-01-17-Utah-Texas-Letter-to-Glass-Lewis-ISS.pdf>

ESG FUND UNDERPERFORMANCE

The fundamental issue with ESG and related measures is that they are typically in conflict with fiduciary responsibilities to investors. Money managers should not be inserting their personal political biases – from the left or right – into key investment decisions. It isn't their own money they are managing. If ESG is used to guide the investment selection process, returns are potentially diminished when politically-disfavored sectors such as energy perform well.

The good news is that the vast majority of ESG proposals are voted down. But even when ESG votes are simply a way for fund managers to “virtue signal,” the policies being promoted are often contrary to economic growth and profit maximization. That creates a thicket of liability issues for fund families that support these measures, given that state and federal law requires fund families to focus on maximizing shareholder returns.

Many liberal activists and academics contend that ESG investing increases a company's returns by lowering the risk of climate change weather events or by promoting racial and gender equality. But numerous studies show that those returns are depressed (through stock price performance and the burden of higher fee structures charged to investors), add costs to companies, and deviate from core competencies when pursuing an ESG agenda.

- A meta-review of more than 2,000 studies, published in 2015, found that ESG-focused investing depressed returns.¹⁶
- A performance review conducted by Boston College and published in 2020 found that pension funds with an ESG orientation lagged those of non-ESG funds by two basis points per year over a ten-year period.¹⁷
- The authors of a comprehensive 2019 paper in *The Journal of Finance* concluded that “we do not find evidence that high-sustainability funds outperform low-sustainability funds.”¹⁸
- Aswath Damodaran, a professor of corporate finance at New York University's Stern School of Business, has written that, “Telling firms that being socially responsible will deliver higher growth, profits and value is false advertising.”¹⁹

16 <https://www.tandfonline.com/doi/full/10.1080/20430795.2015.1118917>

17 <https://crr.bc.edu/wp-content/uploads/2020/10/SLP74.pdf>

18 <https://onlinelibrary.wiley.com/doi/abs/10.1111/jofi.12841>

19 <https://aswathdamodaran.blogspot.com/2020/09/sounding-good-or-doing-good-skeptical.html>

The metrics used to judge ESG compliance are part of a thinly-disguised political agenda that could not become law through democratic means. The biased nature of ESG gives its game away. Shareholder resolutions assume that company risk stems from scenarios imagined by the left, such as looming environmental crises or the potential triumph of identity politics.

If ESG was not driven by left-leaning ideology, it would consider the consequences of other scenarios, such as looming energy shortages and worker demands for equal treatment based on merit and not on race, ethnicity, or sexual identity.

POLICING ESG INVESTING GOING FORWARD

The tide has turned against ESG-driven investing, as asset management firms have come to understand the perils of letting politics influence their investment decisions. Given the forces arrayed in support of ESG investment, the rapid change against such investment has been a remarkable achievement.

We acknowledge the right of individual investors to engage in socially conscious investing. No one's trust is being violated when investors choose to allocate their money to companies or causes that adhere to specific ideological goals or preferences. ESG-focused funds exist for clients whose concerns about climate change or racial justice may outweigh their desire for a high return. That's why the scoring in this report focuses on votes cast by the managers of non-ESG branded funds, in which investors have given no indication of support for ESG activist agendas.

But when large investment firms put self-interest, politics or popularity over the shareholder returns of American retirees there is a clear violation of the fiduciary duty. It is especially insidious that ESG-driven proxy voting is being carried out largely without the knowledge or approval of the people whose money is being put at risk.

This report is helping to increase transparency for American investors and to foster understanding of those investment firms trying to curry favor with politically-motivated institutions at the expense of ordinary profit-seeking investors. Policymakers, state and federal regulators, fund families, and their clients need to be on alert to the ongoing threat posed by the ESG agenda, which undermines companies as they try to serve their customers, maximize shareholder value, and advance American prosperity.

Appendix

Fund Family Fiduciary-Free 50 Shareholder Proposals Scorecard for Non-ESG Branded Funds

MANAGER	SCORE	GRADE	MANAGER	SCORE	GRADE
1290 FUNDS	2.5	F	ALPHA INTELLIGENT FUNDS	10	A
2ND VOTE FUNDS	10	A	ALPHACENTRIC FUNDS	5.5	C
AAM FUNDS	5.5	C	ALPHACLONE FUNDS	10	A
AAM LIVE FUNDS	4.2	D	ALPHAMARK FUNDS	10	A
AAMA FUNDS	10	A	ALPHASIMPLEX GROUP, LLC	4.7	D
AB FUNDS	5.6	C	ALPS FUNDS	2.8	F
ABRAHAM FUNDS	10	A	AMERICAN BEACON FUNDS	4.7	D
ABRDN FUNDS	4.6	D	AMERICAN CENTURY FUNDS	7.6	B
ABSOLUTE ADVISERS FUNDS	10	A	AMERICAN CONSERVATIVE FUNDS	10	A
ABSOLUTE CAPITAL FUNDS	6.3	C	AMERICAN FUNDS	8.5	B
ACAP FUNDS	2.9	F	AMERICAN GROWTH FUNDS	8.8	B
ACCLIVITY FUNDS	10	A	AMG FUNDS	5.3	C
ACHMEA INVESTMENT MANAGEMENT	0	F-	AMPLIFY FUNDS	4.2	D
ACRUENCE FUNDS	10	A	AMUNDI ASSET MANAGEMENT US	7.7	B
ACTIVE SUPER	0.4	F-	ANCORA FUNDS	4	D
ADAMS FUNDS	10	A	AP PENSION	0	F-
ADVANCE ASSET MANAGEMENT (MULTI-MANAGED)	8.4	B	APERTURE FUNDS	0	F-
ADVANCED SERIES FUNDS	5.6	C	APG	1.2	F
ADVISER MANAGED TRUST FUNDS	4.9	D	APPLIED FINANCE FUNDS	6.3	C
ADVISORS INNER CIRCLE FUNDS	4.4	D	APTUS ETF FUNDS	7.6	B
ADVISORSHARES FUNDS	3.3	D	AQR FUNDS	0.2	F-
AEGON INVESTMENT MANAGEMENT B.V	0	F-	ARCHER FUNDS	9.3	A
AFFINITY FUNDS	3	D	ARIEL FUNDS	5.5	C
AGFIQ FUNDS	0	F-	ARISTOTLE FUNDS	5.5	C
ATG FUNDS	5	C	ARK FUNDS	7.8	B
AJO, LP	2.6	F	ARROW FUNDS	4.2	D
AKADEMIKERPENSION	0.4	F-	ARROWSTREET CAPITAL	6.7	C
AKROS ETF FUNDS	1.7	F	ARTISAN FUNDS	6	C
AL FRANK FUNDS	5	C	ASCENDANT CAPITAL MANAGEMENT, LLC	8.9	B
ALECTA	0	F-	ASPIRIANT FUNDS	6.7	C
ALGER FUNDS	0	F-	ASR NEDERLAND	1.2	F
ALLEGIANCE FUNDS	10	A	ASYMSHARES FUNDS	9.8	A
ALLIANZ FUNDS	8.3	B	ATLANTA CAPITAL MANAGEMENT COMPANY	2.5	F
ALLSPRING FUNDS	3.2	D	AUER GROWTH FUNDS	10	A
ALPHA ARCHITECT FUNDS	7.3	B	AUGUSTAR FUNDS	5	C
ALPHA DOG FUNDS	5	C	AUSTIN ATLANTIC ASSET MANAGEMENT CO.	10	A
			AUXIER ASSET FUNDS	10	A

MANAGER	SCORE	GRADE
AWARE SUPER	0.5	F-
AXS FUNDS	9.7	A
BAHL & GAYNOR, INC.	4	D
BAILARD, INC.	0	F-
BAILLIE GIFFORD FUNDS	5.6	C
BAIRD FUNDS	3.3	D
BAMCO INC.	1.9	F
BARING ASSET MANAGEMENT	2.6	F
BARON FUNDS	2	F
BARRETT ASSET FUNDS	10	A
BARROW HANLEY FUNDS	0	F-
BAYWOOD FUNDS	10	A
BBH FUNDS	3.3	D
BECKER FUNDS	6	C
BEEHIVE FUNDS	2.9	F
BERKSHIRE FUNDS	10	A
BESSEMER INVESTMENT MANAGEMENT LLC	1.8	F
BFS FUNDS	5	C
BIONDO FUNDS	10	A
BLACKROCK FUNDS	8.9	B
BLACKSTONE FUNDS	0.6	F-
BLUE CURRENT FUNDS	10	A
BLUEPRINT FUNDS	10	A
BMC FUNDS	10	A
BNP PARIBAS ASSET MANAGEMENT	0	F-
BNY MELLON FUNDS	7.4	B
BOSTON PARTNERS FUNDS	8.6	B
BOYAR FUNDS	3.8	D
BPL PENSIOEN	0	F-
BRADLEY, FOSTER & SARGENT, INC.	5	C
BRIDGE BUILDER FUNDS	8	B
BRIDGES FUNDS	10	A
BRIDGEWAY FUNDS	0	F-
BRIGHT ROCK FUNDS	10	A
BRIGHTER SUPER	3.1	D
BRIGHTHOUSE FUNDS	6.3	C
BRINKER FUNDS	6.1	C
BROOKFIELD FUNDS	5.7	C
BROWN ADVISORY FUNDS	6.6	C
BROWN BROTHERS HARRIMAN & CO. (INVESTMENT MANAGEMENT)	5.3	C
BT SUPER	7.6	B
BUFFALO FUNDS	9.9	A

MANAGER	SCORE	GRADE
BULLFINCH FUNDS	10	A
BURNEY FUNDS	0	F-
C WORLDWIDE ASSET MANAGEMENT	7.1	B
CALAMOS FUNDS	9.9	A
CALIFORNIA FIRST LEASING CORPORATION	10	A
CALVERT FUNDS	0.6	F-
CAMBIAR FUNDS	5	C
CAMBRIA FUNDS	2.5	F
CANDRIAM	0	F-
CANTOR FUNDS	4	D
CAPITAL ADVISORS FUNDS	0	F-
CAPITAL MANAGEMENT ASSOCIATES FUNDS	5	C
CARILLON FUNDS	4.2	D
CASTLE FUNDS	10	A
CATALYST FUNDS	7.7	B
CATHOLIC SUPER	6.1	C
CAUSEWAY FUNDS	2	F
CAVANAL HILL FUNDS	10	A
CBRE INVESTMENT MANAGEMENT	10	A
CCLA INVESTMENT MANAGEMENT LIMITED	0.8	F-
CENTRAL SECURITIES FUNDS	10	A
CENTRE FUNDS	10	A
CHANNING CAPITAL MANAGEMENT	0	F-
CHARLES SCHWAB INVESTMENT MANAGEMENT, INC.	6.7	C
CHARTWELL INVESTMENT PARTNERS	1.7	F
CHECK CAPITAL MANAGEMENT INC.	10	A
CHESAPEAKE FUNDS	4	D
CHESTNUT STREET EXCHANGE FUNDS	7.3	B
CHRISTOPHER WEIL FUNDS	0	F-
CI INVESTMENTS	2	F
CIBC GLOBAL ASSET MANAGEMENT (MULTI-MANAGED)	2.9	F
CITY NATIONAL ROCHDALE FUNDS	10	A
CLARIVEST ASSET MANAGEMENT	2.5	F
CLEARWATER FUNDS	1.8	F
CLIPPER FUNDS	10	A
CLOCKWISE FUNDS	2.2	F

MANAGER	SCORE	GRADE
CLOUGH FUNDS	9.4	A
COGNIOS CAPITAL	10	A
COHEN & STEERS FUNDS	8.9	B
COLUMBIA FUNDS	2.1	F
COMMERCE FUNDS	7	B
COMMONWEALTH FUNDS	5.4	C
CONGRESS ASSET FUNDS	10	A
CONNORS FUNDS	10	A
CONSULTING GROUP ADVISORY SERVICES LLC (MULTI-MANAGED)	7.4	B
CONVERGENCE INVESTMENT PARTNERS, LLC	9.2	A
CORBETT ROAD FUNDS	1.7	F
CORE ALTERNATIVE FUNDS	3	D
CORNERCAP FUNDS	10	A
CORNERSTONE FUNDS	10	A
COUNSEL PORTFOLIO SERVICES INC.	0	F-
COVERED BRIDGE FUNDS	10	A
CRAWFORD INVESTMENTS FUNDS	10	A
CREF	4.2	D
CULLEN FUNDS	7.3	B
CULTIVAR FUNDS	10	A
CUTLER FUNDS	10	A
DANICA PENSION	0.7	F-
DANSKE BANK A/S	0.8	F-
DAVENPORT ASSET MANAGEMENT	5.5	C
DAVIDSON FUNDS	7.5	B
DAVIS FUNDS	10	A
DAY HAGAN FUNDS	10	A
DCM MUTUAL FUNDS	5.3	C
DEAN MUTUAL FUNDS	10	A
DEARBORN FUNDS	8.3	B
DEFIANCE FUNDS	2	F
DELAWARE FUNDS	3.6	D
DF DENT FUNDS	10	A
DIAMOND HILL FUNDS	9.8	A
DIMENSIONAL INVESTMENT FUNDS	9.1	A
DIREXION FUNDS	2.1	F
DISTILLATE CAPITAL FUNDS	2	F
DODGE & COX FUNDS	10	A
DOMINI FUNDS	0	F-
DOUBLELINE FUNDS	2.9	F

MANAGER	SCORE	GRADE
DUNHAM FUNDS	2.1	F
DUPONT CAPITAL MANAGEMENT	0	F-
DWS FUNDS	0.3	F-
EAGLE CAPITAL GROWTH FUNDS	10	A
EAGLE GLOBAL ADVISORS	10	A
EARNEST PARTNERS, LLC	1.7	F
EASTERLY FUNDS	8.6	B
EATON VANCE FUNDS	2.4	F
EDGAR LOMAX FUNDS	1.4	F
EIC VALUE FUNDS	8.8	B
EIP INVESTMENT FUNDS	6	C
ELFUN FUNDS	5.6	C
ELLERSTON CAPITAL LIMITED	10	A
EMERALD FUNDS	7.5	B
EMPOWER FUNDS	7.5	B
EMPOWERED FUNDS	10	A
ENGINE NO. 1	1	F
ENTREPRENEURSHARES FUNDS	10	A
ENVESTNET (MULTI- MANAGED)	5.6	C
EPOCH INVESTMENT PARTNERS	3.4	D
EQ ADVISORS FUNDS	10	A
EQUIPSUPER	6.1	C
EQUITABLE FUNDS	6.6	C
EQUITYCOMPASS STRATEGIES	3.3	D
ERSTE ASSET MANAGEMENT	0	F-
ETF MANAGERS FUNDS	6.2	C
ETHOS	0	F-
EULAV ASSET MANAGEMENT	6.7	C
EVERCORE FUNDS	6.2	C
EVERENCE CAPITAL MANAGEMENT, INC.	0	F-
EXCHANGE TRADED CONCEPTS FUNDS	1.8	F
FAYEZ SAROFIM & CO.	10	A
FCA CORP.	5.4	C
FCF FUNDS	6.6	C
FEDERATED HERMES FUNDS	7.6	B
FENIMORE ASSET MANAGEMENT	10	A
FIDELITY FUNDS	8	B
FINANCIAL INVESTORS FUNDS (ALPS)	0	F-

MANAGER	SCORE	GRADE
FIRST EAGLE FUNDS	3.6	D
FIRST TRUST FUNDS	5.3	C
FIS FUNDS	4	D
FISHER FUNDS	3.5	D
FJARDE AP-FONDEN	0	F-
FLEX FUNDS	2.4	F
FMCX FUNDS	10	A
FMI FUNDS	7.9	B
FPA FUNDS	8.3	B
FRANKLIN TEMPLETON FUNDS	3.4	D
FRONT STREET CAPITAL MANAGEMENT	10	A
FRONTIER FUNDS	8.3	B
FROST FUNDS	6.4	C
FS FUND ADVISOR, LLC	1.5	F
FS INVESTMENTS FUNDS	2.2	F
FULLER THALER FUNDS	5	C
FUNDVANTAGE FUNDS	4.5	D
FUNDX INVESTMENT GROUP	9	A
GABELLI FUNDS	5.9	C
GAMCO FUNDS	5	C
GENERAL AMERICAN FUNDS	10	A
GENTER FUNDS	10	A
GEODE CAPITAL MANAGEMENT	7.7	B
GLENMEDE FUNDS	0	F-
GLOBAL ATLANTIC FUNDS	9.5	A
GLOBAL INCOME FUNDS	4.3	D
GLOBAL X FUNDS	4.2	D
GMO FUNDS	3.2	D
GOLDMAN SACHS FUNDS	8.8	B
GOLUB FUNDS	0	F-
GOOD HAVEN FUNDS	10	A
GOTHAM FUNDS	2	F
GPS FUNDS	9.1	A
GQG PARTNERS FUNDS	3.9	D
GRANITESHARES FUNDS	4	D
GRANTHAM, MAYO, VAN OTTERLOO CO. LLC	10	A
GREEN CENTURY FUNDS	0.9	F-
GRIZZLE ETF FUNDS	4.4	D
GSAM FUNDS	9.3	A
GUARDIAN CAPITAL FUNDS	5.5	C
GUARDIANLIFE FUNDS	6.4	C
GUGGENHEIM FUNDS	2.1	F

MANAGER	SCORE	GRADE
GUGGENHEIM VARIABLE FUNDS	1.6	F
GUIDESTONE FUNDS	3.7	D
GUINNESS ATKINSON FUNDS	4.1	D
GW&K INVESTMENT MANAGEMENT	10	A
HARBOR FUNDS	6.1	C
HARDING LOEVNER FUNDS	10	A
HARRIS ASSOCIATES	10	A
HARTFORD FUNDS	7.1	B
HAVERFORD FUNDS	3.3	D
HENNESSY FUNDS	9	A
HIGHMARK CAPITAL MANAGEMENT, INC.	7.5	B
HILLMAN FUNDS	5	C
HIRTLE CALLAGHAN FUNDS	2.6	F
HODGES MUTUAL FUNDS	9.4	A
HOMESTEAD FUNDS	9.5	A
HORIZON FUNDS	1.4	F
HOSTPLUS	0.5	F-
HOTCHKIS & WILEY CAPITAL MANAGEMENT LLC	4.4	D
HOTCHKIS AND WILEY FUNDS	3.6	D
HOYA CAPITAL REAL ESTATE, LLC	10	A
HOYA ETF FUNDS	10	A
HUBER CAPITAL FUNDS	5	C
HUMANKIND FUNDS	4.8	D
HUSSMAN FUNDS	3.6	D
HYPERION ASSET MANAGEMENT LIMITED	10	A
ICON FUNDS	2.9	F
IMAN FUNDS	0	F-
IMGP FUNDS	4	D
IMPACT SHARES FUNDS	0.6	F-
IMPAX FUNDS	0	F-
IMS FUNDS	5	C
INDEXIQ FUNDS	0.6	F-
INFRACAP EQUITY ETF FUNDS	10	A
INNOVATOR FUNDS	3.2	D
INSPIRE FUNDS	10	A
INVESCO FUNDS	5	C
INVEST CIP FUNDS	9.2	A
INVEST PMC FUNDS	5.2	C
INVESTMENT HOUSE FUNDS	10	A
JACKSON SQUARE PARTNERS	7.5	B

MANAGER	SCORE	GRADE
JAG FUNDS	2.5	F
JAMES ADVANTAGE FUNDS	2.1	F
JAMESTOWN FUNDS	2.8	F
JANUS HENDERSON FUNDS	7.2	B
JENSEN FUNDS	10	A
JNL SERIES FUNDS	7.9	B
JOHCM FUNDS	4.6	D
JOHN HANCOCK FUNDS	4.6	D
JOHNSON INVESTMENT COUNSEL, INC.	6.3	C
JOHNSON MUTUAL FUNDS	7.1	B
JPMORGAN FUNDS	7.6	B
JSP FUNDS	7.5	B
KLP KAPITALFORVALTNING	0	F-
KNIGHTS OF COLUMBUS FUNDS	2.3	F
KOVITZ FUNDS	10	A
KRANESHARES FUNDS	5.5	C
LAUDUS SCHWAB FUNDS	6.8	C
LAZARD FUNDS	3	D
LEADERSHARES FUNDS	10	A
LEAVELL INVESTMENT MANAGEMENT, INC.	5.7	C
LEITH WHEELER INVESTMENT COUNSEL LTD	6.4	C
LEUTHOLD FUNDS	10	A
LEVIN CAPITAL STRATEGIES	1.1	F
LIBERTY FUNDS	5.5	C
LINCOLN VARIABLE FUNDS	7.1	B
LIONTRUST ASSET MANAGEMENT PLC	3.3	D
LKCM FUNDS	2.9	F
LOCALTAPIOLA ASSET MANAGEMENT	0	F-
LOGAN CAPITAL FUNDS	5.7	C
LOMBARD ODIER INVESTMENT MANAGERS	1.4	F
LOOMIS SAYLES	5	C
LORD ABBETT FUNDS	9.5	A
LOWE, BROCKENBROUGH & CO., INC.	2.8	F
LSV FUNDS	4.8	D
LUTHER KING CAPITAL MANAGEMENT	2.7	F
LYRICAL FUNDS	6.3	C
M FUNDS	3.6	D
MADISON FUNDS	9.3	A

MANAGER	SCORE	GRADE
MADISON/CLAYMORE FUNDS	3.8	D
MAGELLAN ASSET MANAGEMENT	7.8	B
MAI FUNDS	10	A
MAINSTAY FUNDS	4.2	D
MAIRS AND POWER FUNDS	10	A
MANAGED PORTFOLIO FUNDS	10	A
MANNING & NAPIER FUNDS	4.9	D
MANOR INVESTMENT FUNDS	9.2	A
MANULIFE INVESTMENT MANAGEMENT	1.3	F
MAR VISTA INVESTMENT PARTNERS, LLC	5	C
MARSICO FUNDS	9.6	A
MARTIN CURRIE INVESTMENT MANAGEMENT	3.3	D
MASSMUTUAL FUNDS	6.7	C
MATRIX FUNDS	4.2	D
MATTHEW25 FUNDS	10	A
MEEDER FUNDS	1.7	F
MEEHAN FUNDS	10	A
MERCATOR ASSET MANAGEMENT, L.P.	5	C
MERCER FUNDS	4	D
MERCY INVESTMENT SERVICES	0	F-
MERIDIAN FUNDS	7.5	B
MFS FUNDS	5.5	C
MIDAS FUNDS	0	F-
MIDDLEFIELD GROUP	5.4	C
MILLIMAN FUNDS	2.5	F
MINE SUPER	4.8	D
MITCHELL SINKLER & STARR, INC.	6.7	C
MLC WEALTH	3.8	D
MML FUNDS	4.9	D
MONARCH FUNDS	3.6	D
MONDRIAN FUNDS	1.4	F
MONETTA FUNDS	10	A
MONTEAGLE FUNDS	1.5	F
MORGAN STANLEY FUNDS	1.5	F
MORGAN STANLEY FUNDS (MSCG)	7.7	B
MORNINGSTAR FUNDS	6.3	C
MOTILAL OSWAL AMC	0	F-
MOTLEY FUNDS	6.5	C
MP 63 FUNDS	10	A

PUTTING POLITICS OVER PENSIONS

MANAGER	SCORE	GRADE
MUHLENKAMP FUNDS	10	A
MUNDOVAL FUNDS	10	A
MUTUAL OF AMERICA FUNDS	1.8	F
NATIONWIDE ETF FUNDS	0	F-
NATIONWIDE FUNDS	3.4	D
NATIXIS FUNDS	5	C
NEEDHAM FUNDS	10	A
NEI INVESTMENTS	0.2	F-
NEIMAN FUNDS	10	A
NEOS FUNDS	5.2	C
NEUBERGER BERMAN FUNDS	7	B
NEW COVENANT FUNDS	5.4	C
NEW ZEALAND SUPERANNUATION FUND	0	F-
NEWDAY FUNDS	3	D
NEWTON INVESTMENT MANAGEMENT	5.6	C
NGS SUPER	10	A
NICHOLAS FUNDS	3.3	D
NORTH COUNTRY FUNDS	2.6	F
NORTH SQUARE FUNDS	8	B
NORTH STAR FUNDS	5.5	C
NORTHERN FUNDS	2.6	F
NORTHWESTERN FUNDS	7.9	B
NUVEEN FUNDS	3.9	D
O'SHAUGHNESSY FUNDS	0	F-
OAK ASSOCIATES FUNDS	1.4	F
OAKMARK FUNDS	10	A
OELSCHLAGER FUNDS	10	A
OLD MUTUAL PLC	5.8	C
OLD WESTBURY FUNDS	2.1	F
OLSTEIN FUNDS	0.7	F-
ONE FUNDS	3.9	D
OPPENHEIMERFUNDS, INC.	6.7	C
OREGON STATE TREASURY	0	F-
OSTERWEIS FUNDS	4.3	D
PACER FUNDS	5.8	C
PACIFIC FUNDS	8.2	B
PANAGORA ASSET MANAGEMENT, INC.	6	C
PARNASSUS FUNDS	0	F-
PATIENT FUNDS	10	A
PAYDEN FUNDS	6.7	C
PAYSON FUNDS	10	A
PEAR TREE FUNDS (QUANT)	0.8	F-
PENN SERIES FUNDS	5.5	C

MANAGER	SCORE	GRADE
PENSAM	0.3	F-
PENSIOENFONDS HORECA & CATERING	0	F-
PENSIONDANMARK	0	F-
PENSIONSKASERNES ADMINISTRATION (PKA)	0.3	F-
PERMANENT PORTFOLIO FAMILY OF FUNDS	10	A
PERSIMMON FUNDS	2.8	F
PFM FUNDS	2.9	F
PGIM FUNDS	4.1	D
PIER CAPITAL LLC	8	B
PIMCO FUNDS	0	F-
PINEBRIDGE FUNDS	4.3	D
PIONEER FUNDS	7	B
POLEN CAPITAL FUNDS	7.1	B
POPLAR FOREST FUNDS	10	A
PORT STREET INVESTMENTS FUNDS	2.9	F
POWER FUNDS	2.2	F
POWERSHARES FUNDS	4.9	D
PPFAS ASSET MANAGEMENT	10	A
PRAXIS FUNDS	0.9	F-
PRIMECAP MANAGEMENT CO.	9.5	A
PRIMECAP ODYSSEY FUNDS	10	A
PRINCIPAL FUNDS	2.8	F
PROCURE ETF FUNDS	6	C
PROFUNDS	2.2	F
PROSHARES FUNDS	2.8	F
PROSPECTOR FUNDS	8.9	B
PRUDENTIAL FUNDS	5	C
PUERTO RICO FUNDS	3.1	D
PUTNAM FUNDS	8.8	B
QRAFT ETFS	2	F
QUAKER FUNDS	0	F-
R3 GLOBAL CAPITAL FUNDS	10	A
RAILPEN (RPMI)	1.9	F
RATHBONES	0	F-
RATIONAL FUNDS	7.5	B
RBB FUNDS	5	C
RBC FUNDS	4.3	D
RE ADVISERS	9.1	A
REDWOOD FUNDS	9	A
REVERB FUNDS	4.8	D
REYNOLDS FUNDS	10	A
RIVER ROAD ASSET MANAGEMENT	1.5	F

MANAGER	SCORE	GRADE
RIVERBRIDGE FUNDS	8.6	B
RIVERFRONT INVESTMENT GROUP, LLC	10	A
RIVERNORTH CAPITAL MANAGEMENT	5	C
RIVERPARK FUNDS (SEI)	10	A
RMB FUNDS	3.8	D
ROBO GLOBAL ETF FUNDS	3.8	D
ROUNDHILL INVESTMENT FUNDS	2.9	F
ROXBURY FUNDS	5	C
ROYCE FUNDS	0	F-
RPAR FUNDS	9.6	A
RUSSELL FUNDS	5.1	C
RYDEX VARIABLE FUNDS	2.4	F
SA FUNDS	9.3	A
SANDS CAPITAL FUNDS	10	A
SARASIN & PARTNERS LLP	0.4	F-
SARATOGA FUNDS	5.9	C
SCHARF FUNDS	2	F
SCHWARTZ FUNDS	10	A
SEASONS FUNDS	4.9	D
SECURIAN FUNDS	6.3	C
SEGALL BRYANT & HAMILL FUNDS	3.9	D
SEI FUNDS	5	C
SELECTED FUNDS	10	A
SENTRY INVESTMENTS	0	F-
SEXTANT MUTUAL FUNDS	9	A
SGIAM FUNDS	10	A
SHELTON FUNDS	2.2	F
SIGNATURE GLOBAL ASSET MANAGEMENT	0	F-
SILVERBAY CAPITAL MANAGEMENT LLC	2.9	F
SIREN FUNDS	5	C
SIT ETF FUNDS	3.1	D
SIX CIRCLES TRUST	8.7	B
SMARTETF FUNDS	2.9	F
SMEAD FUNDS	6.3	C
SOFI FUNDS	10	A
SOUND SHORE FUNDS	10	A
SOURCE CAPITAL FUNDS	10	A
SP FUNDS	10	A
SPARINVEST	0	F-
SPARROW FUNDS	10	A
SPDR FUNDS	5	C

MANAGER	SCORE	GRADE
SPIRIT OF AMERICA INVESTMENT FUNDS	5.1	C
SRH FUNDS	1.3	F
STATE FARM FUNDS	4.5	D
STATE STREET FUNDS	5.6	C
STERLING CAPITAL FUNDS	5	C
STEWART FUNDS	2.2	F
STF INVESTMENT FUNDS	4	D
STOCK DIVIDEND FUNDS	10	A
STONEBRIDGE CAPITAL MANAGEMENT, INC.	10	A
STOREBRAND ASSET MANAGEMENT	0	F-
STRATEGAS FUNDS	5.7	C
STRIVE FUNDS	9.8	A
SUBVERSIVE FUNDS	5	C
SUMMITRY LLC	0	F-
SUNAMERICA ASSET MANAGEMENT CORP.	4.9	D
SUSTAINABLE GROWTH ADVISERS	5.4	C
SWISSCANTO	0	F-
SYCOMORE ASSET MANAGEMENT	1.6	F
SYMMETRY FUNDS	9.5	A
T ROWE PRICE FUNDS	9	A
TANAKA CAPITAL MANAGEMENT, INC	10	A
TANAKA FUNDS	10	A
TARKIO FUNDS	10	A
TCW FUNDS	0.9	F-
TD ASSET MANAGEMENT	1.4	F
TELSTRA SUPER	4.8	D
TFA FUNDS	3.3	D
THE FBP FUNDS	10	A
THE GOVERNMENT STREET FUNDS	5.7	C
THE INDEX GROUP, INC	2.8	F
THE LONDON COMPANY	4.3	D
THE MONEYPAPER ADVISOR, INC.	10	A
THE RENAISSANCE GROUP LLC	3.8	D
THINK NEWFOUND FUNDS	10	A
THOMPSON IM FUNDS	3.1	D
THOMPSON, SIEGEL & WALMSLEY	2.1	F
THORNBURG FUNDS	4.8	D
THRIVENT FUNDS	2.7	F

PUTTING POLITICS OVER PENSIONS

MANAGER	SCORE	GRADE	MANAGER	SCORE	GRADE
TIAA LIFE	3.7	D	VIRTUS FUNDS	3.6	D
TIAA-CREF FUNDS	4	D	VISION SUPER	0.9	F-
TIDAL FUNDS	3.8	D	VOLUMETRIC FUNDS	10	A
TIFF FUNDS	1.7	F	VONTOBEL FUNDS	10	A
TIMOTHY PLAN FUNDS	0.9	F-	VOYA FUNDS	5.6	C
TOBAM	0	F-	VULCAN VALUE PARTNERS FUNDS	10	A
TOCQUEVILLE FUNDS	4.6	D	W. E. DONOGHUE & CO., INC.	2.5	F
TORRAY FUNDS	10	A	WADDELL & REED INVESTMENT MANAGEMENT CO.	2.8	F
TORTOISE ADVISORS FUNDS	6	C	WAHED INVEST FUNDS	9.3	A
TORTOISE FUNDS	7	B	WALTER SCOTT & PARTNERS LIMITED	10	A
TOUCHSTONE FUNDS	2.5	F	WAYCROSS FUNDS	10	A
TRANSAMERICA FUNDS	6	C	WBI FUNDS	1.1	F
TRI CONTINENTAL CORPORATION FUNDS	1.3	F	WCM INVEST FUNDS	10	A
TRIBUTARY FUNDS	10	A	WEALTHTRUST FUNDS	10	A
TRUE SHARES	4.2	D	WEISS FUNDS	2.2	F
TRUST FOR ADVISED PORTFOLIOS	7.1	B	WEITZ FUNDS	10	A
TUTTLE FUNDS	10	A	WESBANCO BANK, INC.	1.9	F
TWEEDY BROWNE FUNDS	10	A	WESMARK FUNDS	2.5	F
UBS FUNDS	3.5	D	WESTCHESTER CAPITAL MANAGEMENT LLC	6	C
ULTIMUS FUNDS	8.2	B	WILLIAM BLAIR FUNDS	2.1	F
ULTRA SERIES FUNDS	9.4	A	WILMINGTON FUNDS	1.8	F
UNION STREET PARTNER FUNDS	9.7	A	WILSHIRE FUNDS	5.6	C
US GLOBAL INVESTORS FUNDS	2.5	F	WINSLOW CAPITAL MANAGEMENT	4.4	D
USCA ASSET MANAGEMENT, LLC	2.8	F	WISCONSIN CAPITAL FUNDS	10	A
USCF FUNDS	0	F-	WISDOMTREE FUNDS	8.5	B
V-SHARES FUNDS	0	F-	WP FUNDS	10	A
VALIC FUNDS	4.9	D	X-SQUARE FUNDS	10	A
VALUE LINE FUNDS	6.7	C	XANTHUS FUNDS	2.9	F
VALUED ADVISERS FUNDS	3.9	D	XTRACKERS FUNDS	0.3	F-
VANECK FUNDS	4.3	D	YACKTMAN ASSET MANAGEMENT	10	A
VANGUARD FUNDS	9	A	YCG FUNDS	6	C
VANTAGE CONSULTING GROUP	5.4	C	YORKTOWN FUNDS	0	F-
VELA FUNDS	10	A	ZACKS FUNDS	6.3	C
VERITAS ASSET MANAGEMENT	5	C	ZCM FUNDS	4.1	D
VERSUS CAPITAL FUNDS	7.3	B	ZEVENBERGEN FUNDS	6	C
VEST FUNDS	5	C			
VICTORY FUNDS	0.6	F-			
VIDENT FINANCIAL FUNDS	8.9	B			
VIKING FUND MANAGEMENT, LLC	6	C			
VILLERE FUNDS	10	A			



PREPARED BY THE STAFF OF THE
COMMITTEE TO UNLEASH PROSPERITY