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# Proxy-Voting Insights: 2022 in Review

## ESG Resolutions: How Have the Top U.S. Asset Managers Voted?

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### Morningstar Manager Research

Jan. 31, 2023

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#### Corrections and Clarifications

[Correction](#) issued March 10, 2023.

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#### Important Disclosure

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### Executive Summary

The last year has seen the debate over sustainable investing come to a head. There has never been a greater range of views on how considering environmental, social, and governance factors affects investing. Amid all this debate, everyone seems to agree on one thing: proxy-voting decisions matter.

Asset managers believe that voting at shareholder meetings is an essential element of how they exercise their fiduciary duty on behalf of their clients. Yet, outside the asset-management industry, opinions are increasingly polarized. Some stakeholders think that asset managers aren't using the influence of their voting power to address environmental and social issues at companies. Others believe managers are overprioritizing such issues to the detriment of investor returns. But, with 2022's record number of shareholder resolutions on environmental and social issues, it's hard to find anyone who believes that these votes are inconsequential.

Amid this unprecedented focus on voting, it is a good opportunity to take a deep dive into how the top U.S. asset managers voted on key shareholder resolutions at U.S. companies. We define these key resolutions as those shareholder resolutions addressing environmental or social themes that were supported by 40% or more of a company's independent shareholders. At a time when asset managers have emphasized their reluctance to support proposals that they see as "unduly prescriptive" or repetitive of existing asks of companies, analyzing these key resolutions gives a clear picture of the levels of shareholder support for proposals that asset managers with a range of approaches to sustainability are prepared to back.

This paper analyzes the trends and key topics for shareholder resolutions over not only 2022 but also 2021 and 2020. It evaluates how the top 20 U.S. asset managers have voted on 241 key resolutions and how those managers' sustainable funds have voted relative to the wider fund range.

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### Key Takeaways

- ▶ Out of the 241 key resolutions identified in the last three proxy years, last year's 102 resolutions represented a steep increase from around 70 in each of the previous two years. (See Page 5.)
- ▶ Some key resolutions on the list have made headlines, such as the resolutions over the last two years on net-zero strategy at Exxon Mobil, on worker treatment at Amazon.com, on civil rights at Apple, or on platform misuse at Meta Platforms. But most represent the incremental changes to sustainability

practice and disclosure that asset managers wish to see at investee companies in the interests of generating long-term value.

- ▶ The majority (170) of 2022's key resolutions focused on various social issues, the three major ones being political influence and activity, equity in the workplace, and civil rights and racial equity. Fifty-five key resolutions targeted environmental themes, primarily climate. (See Pages 6–10.)
- ▶ Support for key resolutions fell in the 2022 proxy year to an average<sup>1</sup> 44% from a peak of 53% in 2021 amid the pushback on prescriptive proposals. On an adjusted basis (that is, only including votes cast by shareholders independent of the company), there was 56% support for key resolutions in the 2022 proxy year, down from 62% in 2021. (See Pages 6–7.)
- ▶ On average, the top 10 asset managers showed a lower level of support for key resolutions over the last three proxy years (51%) compared with the next 10 firms (72%). The average for the top 20 firms overall is 56%. The comparable average for the "Big Three" index firms—Vanguard, BlackRock, and State Street—was lower still at 45%. Vanguard showed considerably lower support (36%) for key resolutions than BlackRock (43%) and State Street (59%) over the last three proxy years. (See Pages 12–13.)
- ▶ Overall, only 13% of the top 20 U.S. managers' fund assets is run by managers that have shown a high or very high level of overall support for key resolutions in the last three proxy years. MFS and Pimco both cast more than 90% of their fund votes on key resolutions in support of them. Overall support for key resolutions by Columbia Threadneedle, Franklin Templeton, Invesco, Schwab, and TIAA/Nuveen exceeded 70%. (See Pages 15–16.)
- ▶ The sustainable funds offered by the top 20 managers generally showed similar or higher levels of support for key resolutions than the rest of their fund ranges, but there are some exceptions. Vanguard and Fidelity Investments' sustainable funds show noticeably lower support for these resolutions compared with their wider fund range, which may surprise some of their sustainable funds' investors. (See Pages 17–18.)
- ▶ In general, managers with a Morningstar ESG Commitment Level<sup>2</sup> of Low (including Vanguard, Dimensional, and Dodge & Cox) showed low support for key resolutions; those assigned an ESG Commitment Level of Basic generally showed medium levels of support. TIAA/Nuveen, which has an ESG Commitment Level of Advanced, showed a high level of support. (See Page 15.)
- ▶ There were some exceptions to these trends. T. Rowe Price (ESG Commitment Level: Basic) showed low support for key resolutions over the last three proxy years. Franklin Templeton and Schwab Asset Management (ESG Commitment Level: Low) showed high levels of support. (See Page 15.)

<sup>1</sup> This report refers to both mean and median averages for proxy-voting data. Where not specified, "average" refers to the mean. Where applicable—for example, where the voting records of several managers are aggregated—mean averages are weighted by the number of fund votes cast.

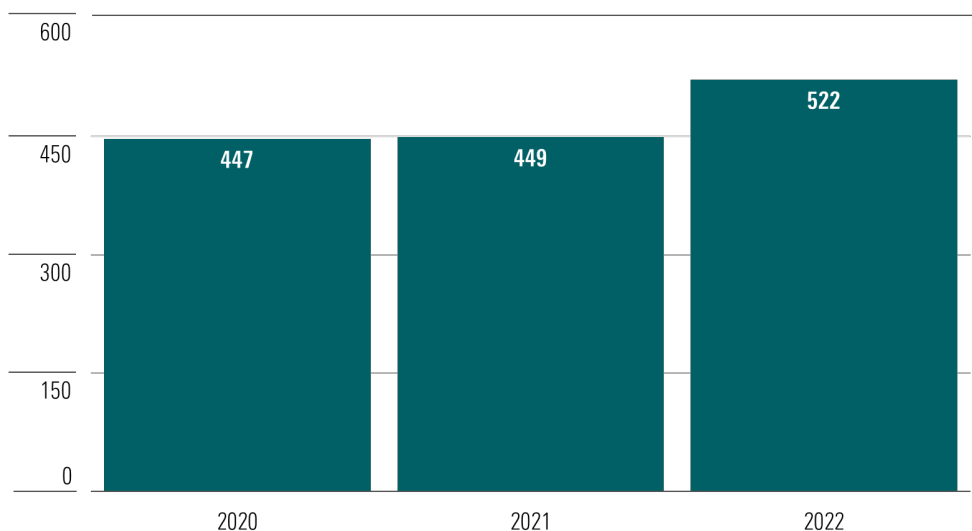
<sup>2</sup> See our December 2022 research paper, [The Morningstar ESG Commitment Level—Our Assessment of 94 Asset Managers](#).

## Trends in Key Shareholder Resolutions

### Why Shareholder Resolutions Are an Important Indicator of Market Sentiment

Every year, thousands of items are put to shareholder vote via the corporate proxy ballot; most are proposed by management, some are proposed by shareholders. Morningstar tracks all resolutions across all ballots that come to a vote at U.S. companies—an average of 35,000 items a year over the last three proxy years<sup>3</sup>, reaching a high of 37,000 items in 2022. Around 1.3% of these are shareholder proposals.

**Exhibit 1** Number of U.S. Shareholder Resolutions, 2020 to 2022 Proxy Years



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

Company boards nearly always recommend that shareholders vote “For” resolutions proposed by management—most of these are not controversial and pass easily, although there are notable exceptions every proxy season. Resolutions proposed by the company's shareholders often aim to address concerns about management’s approach to managing environmental, social, and governance

<sup>3</sup> As most U.S. shareholder meetings are held in the first half of the calendar year, a proxy year represents the 12 months ended June 30 of that year. Throughout this paper, where a year is mentioned, it refers to the proxy year unless otherwise stated.

risks. Company boards tend to back the management team and recommend voting "Against" shareholder resolutions. As a result, most shareholder resolutions do not achieve majority support.

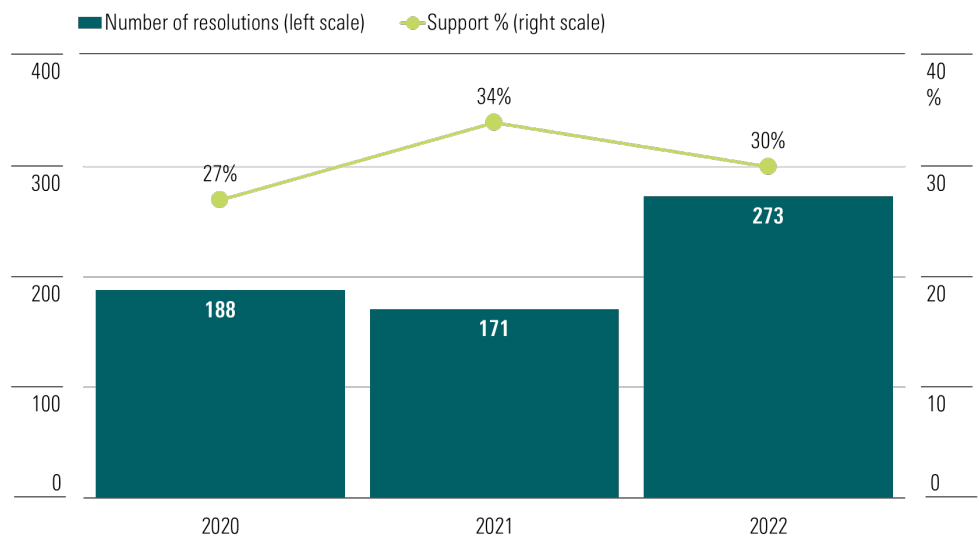
Shareholder resolutions seek to address concerns or emerging risks across a range of ESG issues. For example, some resolutions on climate change ask companies to be more transparent about the climate risks they face and their strategies to reduce their greenhouse gas emissions. Other proposals may ask for policies to be implemented addressing diversity, equity, and inclusion in the workplace or requesting better human capital management information. Still others may request audits evaluating the treatment of workers across supply chains according to human rights norms.

Although such proposals rarely gain outright majority shareholder support, a shareholder resolution can still have an influence without doing so. (In any case, such resolutions are usually advisory rather than binding on company management.) Vote outcomes are a signal to management about shareholder sentiment on the issue in question. Furthermore, since some resolutions may reappear on a ballot in subsequent years, they can also indicate the direction in which that sentiment is heading. Resolutions can serve to open constructive dialogue between management and shareholders. The influence of a proxy vote can extend to other companies, too. When an issue receives strong support at one company, its peers also take note and may take proactive steps to address the issue.

**Environmental and Social Themes Take Center Stage in 2022**

There was a sharp rise in the number of shareholder resolutions on environmental and social themes in 2022 compared with the previous two years, following the SEC's [decision](#) in November 2021 to broaden the definition of permissible shareholder resolutions addressing "significant social policy issues."

**Exhibit 2** Number of U.S. Shareholder Resolutions on Environmental and Social Themes, 2020 to 2022 Proxy Years



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

As a result, the number of shareholder resolutions focusing on environmental and social issues surpassed those addressing governance issues for the first time in the 2022 proxy year, increasing 60% to 273. However, this coincided with a decline in the level of shareholder support for such proposals, which fell to 30% in the 2022 proxy year from a high of 34% the prior year. (See Exhibit 2 above.)

A key factor in this trend was asset managers—including BlackRock, Vanguard, and others—voting against a higher proportion of shareholder resolutions in 2022 compared with the prior year<sup>4</sup>, taking the view that many of the new shareholder proposals were either "unduly prescriptive" in their nature or requested actions that, in their opinion, were already being substantially implemented by management. In short, several large asset managers viewed many of the latest proposals as being of lesser quality and not conducive to generating long-term value for investors.

However, as is often the case with investment stewardship matters, the headline figures don't quite tell the whole story. For several years, Morningstar has identified and analyzed well-supported "key resolutions" when evaluating trends in shareholder proposals. Amid an increase in the overall volume of shareholder resolutions and increased scrutiny of them by asset managers, this approach remains valuable in getting to the bottom of the sentiment driving proxy-voting trends.

### **Key Resolution Analysis Reveals Important Insights**

When analyzing U.S. shareholder resolutions at Morningstar, we identify as key resolutions those proposals that address environmental and social topics and gain more than 40% adjusted support—that is, support for the proposal from shareholders who are independent of the company and its management. Because only well-supported resolutions are included in the key resolution analysis, it gives a better idea of the environmental and social themes on which investment managers are prepared to take a stand.

Adjusted support calculations exclude votes attributable to shareholdings of management, founders, and strategic investors who are unlikely to defy board recommendations by supporting shareholder resolutions. For example, the adjusted support calculation for the shareholder resolutions at Amazon would exclude the votes attributable to Jeff Bezos' shareholding. Calculating adjusted support in this way gives a better idea of the level of independent shareholders' backing for shareholder resolutions, which is often considerably higher than the headline support figure. (See Appendix 1 for further detail.)

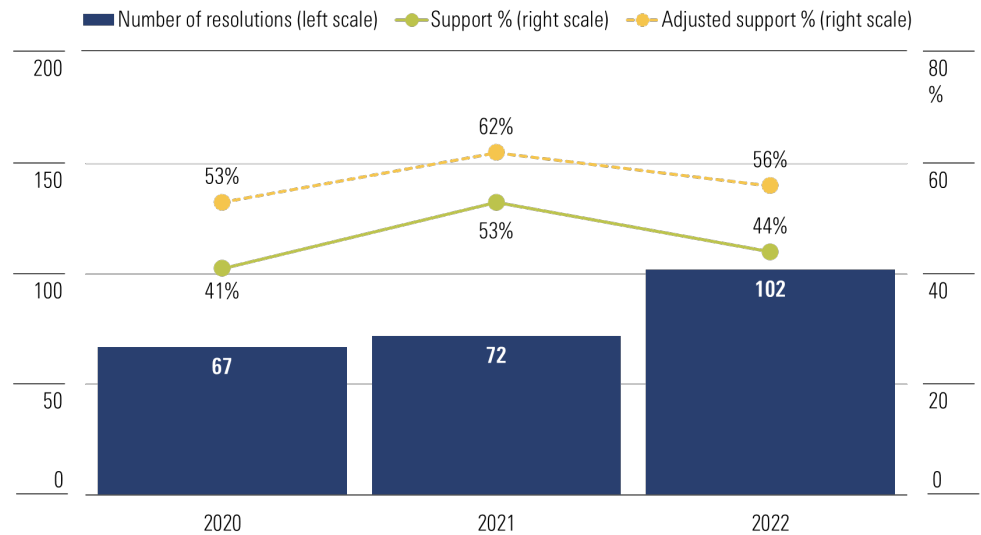
In collaboration with Morningstar Sustainalytics' ESG Voting Policy Overlay Service, we identified 241 key resolutions in the last three proxy years: 67 in 2020 and 72 in 2021, rising to 102 in 2022 amid the increase in the volume of shareholder resolutions last year. A full list of these key resolutions, by year and by theme, can be found in Appendix 1. Some key resolutions on the list have made headlines, such

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<sup>4</sup> Although many commentators are reporting this trend as a sign of lower commitment to sustainability by the largest asset managers, we believe a more nuanced interpretation is warranted. It is important to bear in mind that 2022's votes "For" shareholder resolutions are a smaller proportion of a much larger number compared with 2021. This means that absolute levels of support for shareholder resolutions of similar perceived quality (which we identify as key resolutions) may have declined by less, or not at all, year-on-year. We fully analyze these trends in Appendix 2.

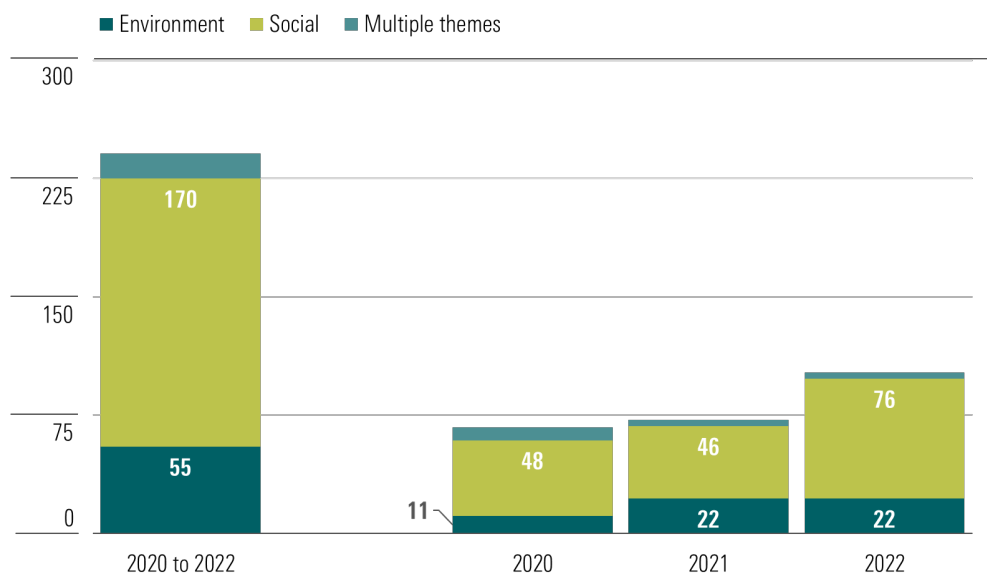
as the resolutions over the last two years on net-zero strategy at Exxon Mobil, on worker treatment at Amazon, on civil rights at Apple, or on online misinformation at Meta. But most represent incremental changes to sustainability practice and disclosure that asset managers wish to see at investee companies in the interests of generating long-term value.

**Exhibit 3** Key Shareholder Resolutions, 2020 to 2022 Proxy Years



Source: Morningstar Proxy-Voting Database, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

**Exhibit 4** Breakdown of Themes Addressed by Key Shareholder Resolutions, 2020 to 2022 Proxy Years



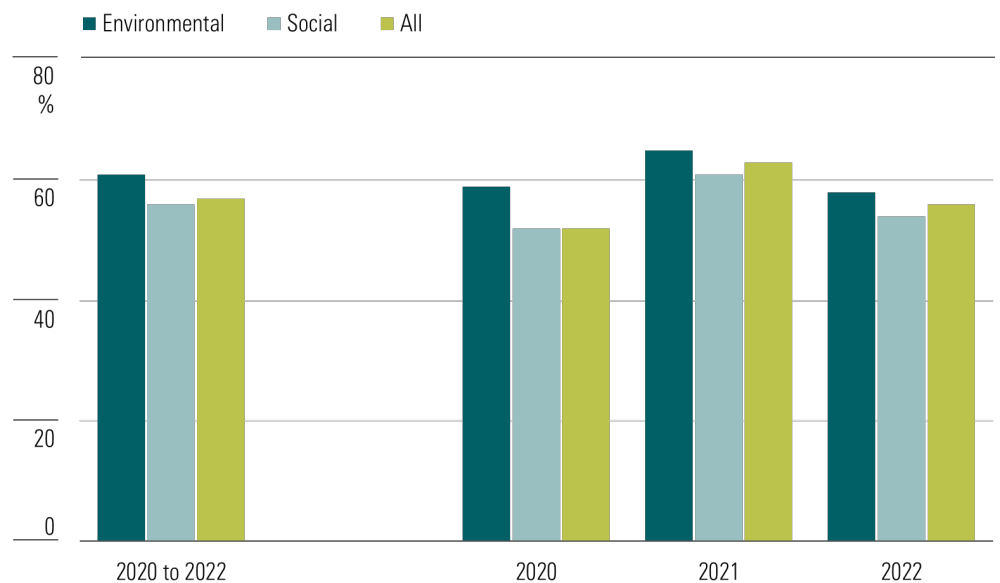
Source: Morningstar Proxy-Voting Database, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

As shown on Exhibit 3 above, the average support level for these 241 resolutions (including votes by company insiders) was 46%—standing at 41% in 2020 before peaking at 53% in 2021, then falling back to 44% in 2022. However, the average adjusted support level for these 241 key resolutions, excluding opposition from company insiders, is 11 percentage points higher at 57%, peaking at 62% in 2021.

Although resolutions about climate and environmental matters have generated plenty of headlines, they actually represent a minority of key resolutions, most of which address social themes (see Exhibit 4 above). Only 55 of the 241 key resolutions in the last three proxy years were environment-focused (23%), with 170 (71%) addressing social themes. In the 2022 proxy year, 75% of the 102 key resolutions targeted social themes (76 resolutions), with 22% addressing environmental themes (22 resolutions). We've also included a handful of resolutions in our analysis that cut across several ESG themes—16 in total: eight in the 2020 proxy year and four each in 2021 and 2022. Most (12) of these relate to board and management composition, sometimes connecting this governance theme with other environmental and social issues. The other four address food supply chain ethics and general sustainability reporting.

As shown in Exhibit 5 below, environmental key resolutions are, on average, slightly better supported than social key resolutions. However, both themes have greater than 50% support from independent shareholders on average, in each individual year and across the entire three-year period. Key resolutions on environmental themes gained the support of between 58% and 65% of independent shareholders on average in each of the three years, with an overall three-year average of 59%. Key resolutions on social themes were supported by between 52% and 61% of independent shareholders on average in each of the three years, with an overall three-year average of 56%. (See also Exhibits 6–9.)

**Exhibit 5** Average Adjusted Support for Key Resolutions by Theme, 2020 to 2022 Proxy Years

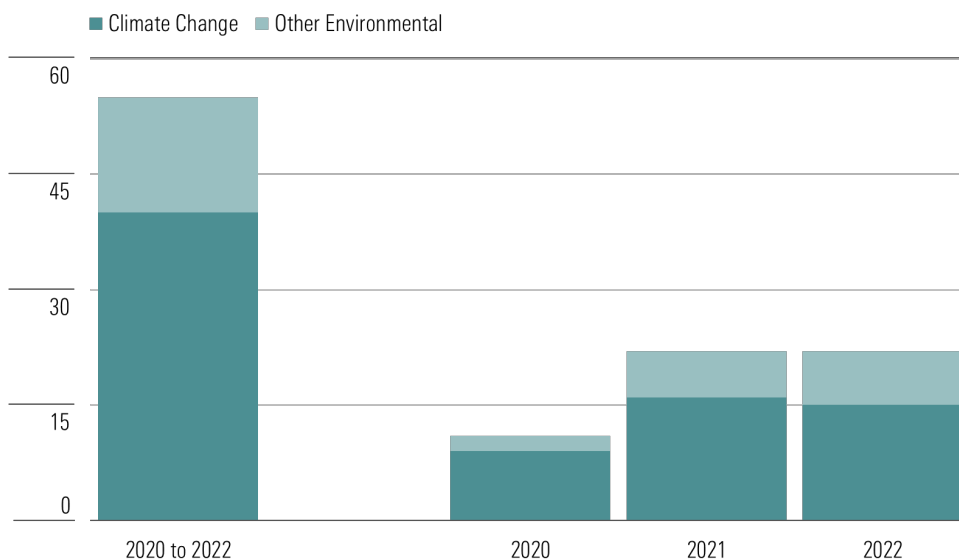


Source: Morningstar Proxy-Voting Database, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

### Key Resolutions on Environmental Themes

There were 22 key resolutions addressing environmental themes in the 2022 proxy year, as there also was in 2021 after doubling from 11 in 2020. Unsurprisingly, the majority of these resolutions address climate change, covering topics such as greenhouse gas emissions reduction, climate risk management, and corporate lobbying activity related to climate policy.<sup>5</sup> Other environmental topics addressed include sustainable packaging, deforestation, water risk, and use of plastics.

**Exhibit 6** Number of Key Shareholder Resolutions on Environmental Themes, 2020 to 2022 Proxy Years



Source: Morningstar Proxy-Voting Database, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

**Exhibit 7** Support for Key Shareholder Resolutions on Environmental Themes, 2020 to 2022 Proxy Years

	2020 to 2022	2020	2021	2022
<b>Number of key resolutions</b>				
Climate Change	40	9	16	15
Other Environmental	15	2	6	7
<b>Total</b>	<b>55</b>	<b>11</b>	<b>22</b>	<b>22</b>
<b>Average support</b>				
Climate Change	<b>53%</b>	53%	61%	45%
Other Environmental	<b>47%</b>	16%	57%	48%
<b>Environmental, All</b>	<b>52%</b>	<b>46%</b>	<b>60%</b>	<b>46%</b>
<b>Average adjusted support</b>				
Climate Change	<b>60%</b>	58%	63%	57%
Other Environmental	<b>65%</b>	65%	69%	61%
<b>Environmental, All</b>	<b>59%</b>	<b>59%</b>	<b>65%</b>	<b>58%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

<sup>5</sup> In this study, we have separated climate-related lobbying resolutions from those that address lobbying and political activity more generally. The former are classified as environmental resolutions, while the latter are classified as social resolutions.

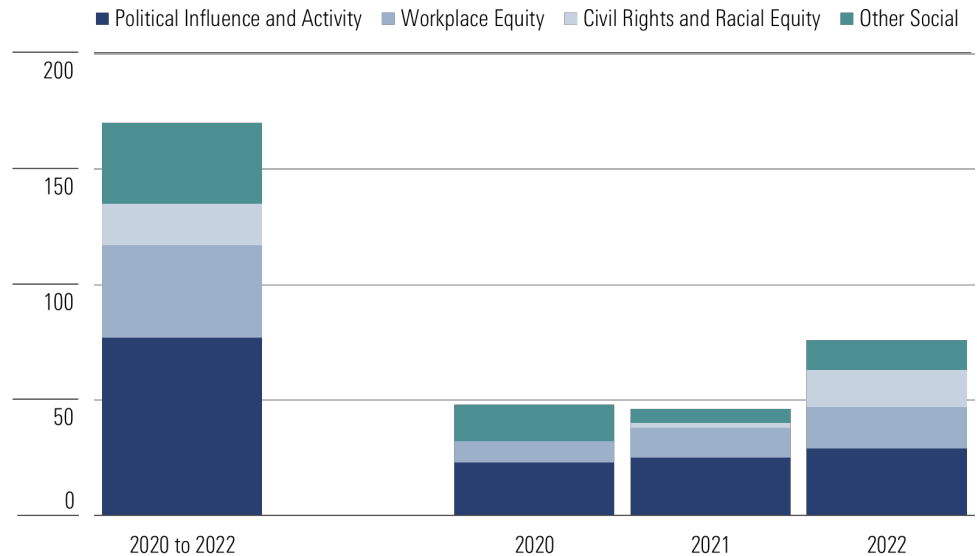


Key resolutions on environmental themes were generally well supported by independent shareholders. The 40 key resolutions addressing climate change in the last three proxy years had an average adjusted support level of 60%. The 15 key resolutions on other environmental topics had an even higher average adjusted support level of 65%.

**Key Resolutions on Social Themes**

There were 76 key resolutions on social themes in 2022, a steep increase on the levels seen in 2021 (46 resolutions) and 2020 (48 resolutions). These resolutions addressed a much broader range of topics compared with climate resolutions, which we've categorized into four subthemes in Exhibit 8 below: political influence and activity, workplace equity, civil rights and racial equity, and other social themes.

**Exhibit 8** Number of Key Shareholder Resolutions on Social Themes, 2020 to 2022 Proxy Years



Source: Morningstar Proxy-Voting Database, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

Shareholder resolutions on political influence and activity appeared regularly on proxy cards in the last three years, with between 23 and 29 such proposals featuring as key resolutions in each year. Generally, these resolutions requested reports on companies' political spending and lobbying activities, and the key resolutions on this topic were supported by 43% of independent shareholders on average across the three years.

The number of key shareholder resolutions on workplace equity topics doubled between 2020 and 2022 from nine to 18. There were 40 in total over the last three proxy years. These resolutions cover topics such as reporting on diversity, equity, and inclusion; workforce composition; gender and racial pay gaps; or workers' rights. Also included are seven resolutions addressing workplace harassment and discrimination at several companies in the technology sector, which appeared on the key resolutions list

for the first time in the 2022 proxy year. Across the three proxy years in this study, more than half of independent shareholders supported key resolutions on workplace equity themes.

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**Exhibit 9** Support for Key Shareholder Resolutions on Social Themes, 2020 to 2022 Proxy Years

	2020 to 2022	2020	2021	2022
<b>Number of key resolutions</b>				
Political Influence and Activity	77	23	25	29
Workplace Equity	40	9	13	18
Civil Rights and Racial Equity	18	0	2	16
Other Social	35	16	6	13
<b>Total</b>	<b>170</b>	<b>48</b>	<b>46</b>	<b>76</b>
<b>Average support</b>				
Political Influence and Activity	43%	43%	48%	40%
Workplace Equity	53%	51%	60%	49%
Civil Rights and Racial Equity	49%	n/a	43%	50%
Other Social	47%	16%	57%	48%
<b>Social, All</b>	<b>44%</b>	<b>41%</b>	<b>50%</b>	<b>43%</b>
<b>Average adjusted support</b>				
Political Influence and Activity	53%	52%	57%	50%
Workplace Equity	62%	56%	69%	60%
Civil Rights and Racial Equity	54%	n/a	48%	55%
Other Social	55%	51%	63%	55%
<b>Social, All</b>	<b>56%</b>	<b>52%</b>	<b>61%</b>	<b>54%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023. Note: Where "n/a" is shown, there were no resolutions on the topic that year.

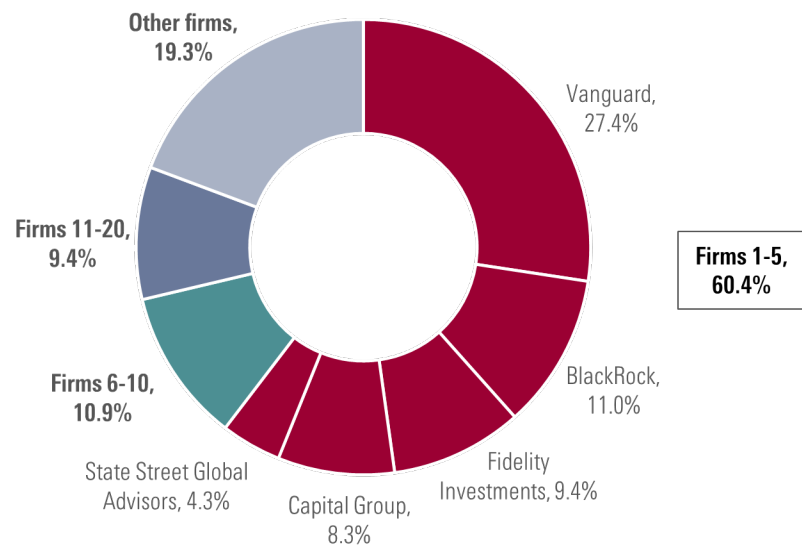
There were 16 key resolutions requesting civil rights audits or racial equity audits at U.S. companies in the 2022 proxy year, eight of which gained outright majority support from shareholders. This was a newly common topic—there were no such proposals on our key resolutions list in 2020 and only two in 2021. On average, these 18 resolutions were supported by 49% of independent shareholders.

The other 35 key resolutions addressing social themes covered a range of topics, including ethical use of technology, public health, and human rights. They were supported by 55% of independent shareholders on average.

## Top 20 U.S. Asset Managers' Voting Records on Key Shareholder Resolutions

Although the market in open-end and exchange-traded funds in the United States is competitive<sup>6</sup>, its top 20 firms make up over 80% of the total USD 23 trillion market, while the top five make up 60% (see Exhibits 10 and 11 below). This means that the active ownership decisions they make on environmental and social topics have a significant influence on the decisions made by businesses they invest in and the outcomes delivered on behalf of fund investors.

**Exhibit 10** Top 20 U.S. Asset Managers: Fund Market Share



Source: Morningstar Direct. Data as of Nov. 30, 2022. Note: Chart shows the top 20 U.S. asset managers by assets in open-end funds and ETFs.

The voting power of these fund managers has truly been in the spotlight in the last year, amid the large increase in the number of shareholder proposals covering environmental and social topics. This has particularly been true for the "Big Three" index asset managers—Vanguard, BlackRock, and State Street—whose voting policies and practices have come under increasing political scrutiny. Vanguard is

<sup>6</sup> According to the data in Exhibit 10, the U.S. fund market has a Herfindahl-Hirschman Index score of 1,075—a commonly accepted measure of market concentration. The U.S. Department of Justice considers an HHI below 1,500 to indicate a competitive market.

by far the largest player in the U.S. fund market, with over one fourth of U.S. fund assets. BlackRock and State Street represent over 15% between them. As the majority of the Big Three firms' assets are index-based, they vote on virtually all key shareholder resolutions. All three firms are rolling out new systems and processes to allow their fund investors to participate in voting decisions—known as *pass-through voting*. This trend is likely to have an impact on voting trends in coming proxy-voting seasons.

**Exhibit 11** Top 20 U.S. Asset Managers: Assets, Market Share, and Morningstar ESG Commitment Level

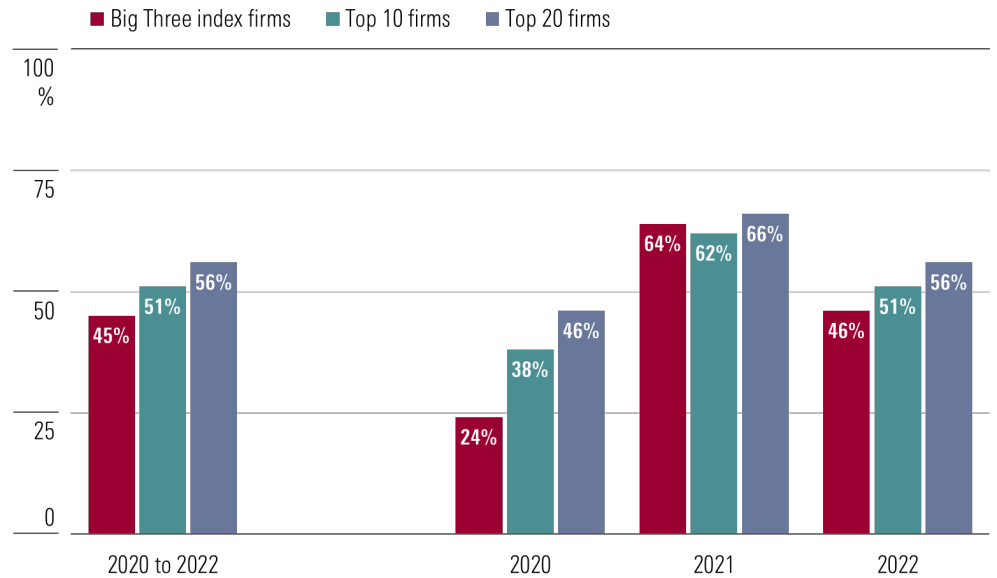
Firm name	Rank	Total Net Assets,		Morningstar ESG
		USD bn	Market Share	Commitment Level
Vanguard	1	6,237	27.4%	Low
BlackRock	2	2,506	11.0%	Basic
Fidelity Investments	3	2,136	9.4%	Low
Capital Group	4	1,881	8.3%	Basic
State Street Global Advisors	5	981	4.3%	Basic
T. Rowe Price	6	604	2.7%	Basic
Invesco	7	572	2.5%	Basic
JPMorgan Asset Management	8	459	2.0%	Basic
Dimensional	9	433	1.9%	Low
Franklin Templeton	10	403	1.8%	Low
Schwab Asset Management	11	391	1.7%	Low
Pimco	12	338	1.5%	Basic
MFS	13	299	1.3%	Basic
TIAA/Nuveen	14	262	1.2%	Advanced
Dodge & Cox	15	213	0.9%	Low
Jackson National	16	182	0.8%	n/a
Columbia Threadneedle	17	175	0.8%	Basic
Janus Henderson	18	144	0.6%	Low
Lord Abbett	19	142	0.6%	n/a
Goldman Sachs	20	133	0.6%	Basic

Source: Morningstar Direct. Data as of Dec. 31, 2022. BlackRock includes iShares-branded funds. Capital Group includes American Funds. The Morningstar ESG Commitment Level shows as "n/a" for firms that have not been assessed.

Although all leading U.S. fund managers emphasize their focus on materiality and long-term value generation when considering shareholder proposals, our research shows that they often reach different conclusions on issues addressed by key resolutions. This is because, between them, they are taking different approaches to how they incorporate environmental and social sustainability themes in their investment processes. The voting record of each of the top 20 U.S. asset managers, and our methodology, is examined in detail in Appendix 2 of this paper. This section summarizes the key findings.

The top 20 asset managers showed 56% overall support for key resolutions over the last three proxy years. On average, the top 10 firms showed a lower level of overall support (51% mean) compared with the next 10 firms (72%). The comparable average for the Big Three index firms—Vanguard, BlackRock, and State Street—was lower still at 45%. Vanguard showed lower overall support (36%) for key resolutions than BlackRock (43%) and State Street (59%) over the three years.

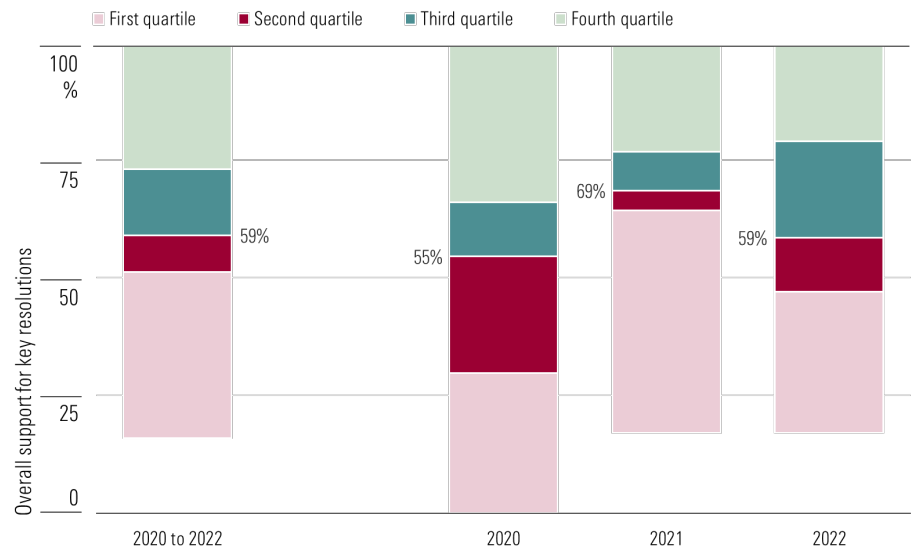
**Exhibit 12** Top 20 U.S. Asset Managers: Average Overall Support for Key Resolutions, 2020 to 2022 Proxy Years



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

In each of these cases, there was a steep rise in support in the 2021 proxy year versus 2020, followed by a pullback in 2022. Looking at the spread of overall support levels for the top 20 managers, it appears as though the 2021 proxy year was unusual—both in terms of the high level of support for key resolutions (66% mean, 69% median) and the narrow interquartile range of that support (see Exhibit 13).

**Exhibit 13** Top 20 U.S. Asset Managers: Support for Key Resolutions by Quartile, 2020 to 2022 Proxy Years



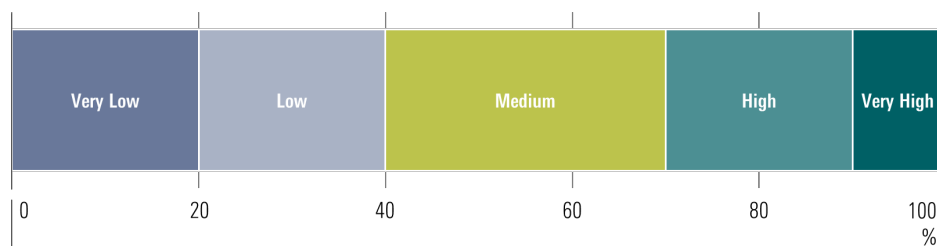
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023. Note: The median support level for each period is shown on the chart.

In short, the top 20 managers made unusually similar and supportive voting decisions on key resolutions in 2021 compared with 2020 (46% mean, 55% median). This reversed somewhat in the 2022 proxy year, which shows lower support (56% mean, 59% median) and a wider interquartile range. It indicates that in 2022, the pushback on prescriptive resolutions, and the increase in resolutions addressing more diverse social themes that asset managers are more likely to disagree on, has prompted a fall in average support and a widening of the range of support levels between managers. (The median is consistently higher than the mean. Some managers with very low levels of overall support for key resolutions compared with the rest of the group are present in each of the three years, which pulls the mean down.)

These trends can divide opinion. While some would argue that this is an indication of healthy disagreement between organizations with differing opinions and priorities on environmental and social themes, others may see this as evidence of a softening of commitment to sustainability goals on the part of the asset-management industry. We believe that what's important for investors is to ascertain whether a manager's voting record is well-aligned with its stated sustainability objectives, as well as its fiduciary and regulatory obligations.

When evaluating asset managers' support for key resolutions, we assess support levels of 70% or above as high, with 90% representing a very high level (see Exhibit 14 below). Anything from 40% up to 70% is considered a medium level of support, with anything below 40% considered low (or very low, below 20%). The banding we have used skews slightly high, reflecting the fact that key resolutions are by definition well supported by asset managers. The midpoint of the medium band is 55%—close to the 57% average adjusted support for the 241 key resolutions in this study.

**Exhibit 14** How We Describe Asset Managers' Levels of Overall Support for Key Resolutions



Source: Morningstar Research.

To put this in context, our recent [landscape report](#) assessing the Morningstar ESG Commitment Level for 94 fund managers worldwide covered 18 of the top 20 U.S. managers (see Exhibit 11). The ESG Commitment Level is a qualitative measure that aims to help investors better understand which asset managers are committed to delivering the sustainability outcomes that best meet investors' preferences.

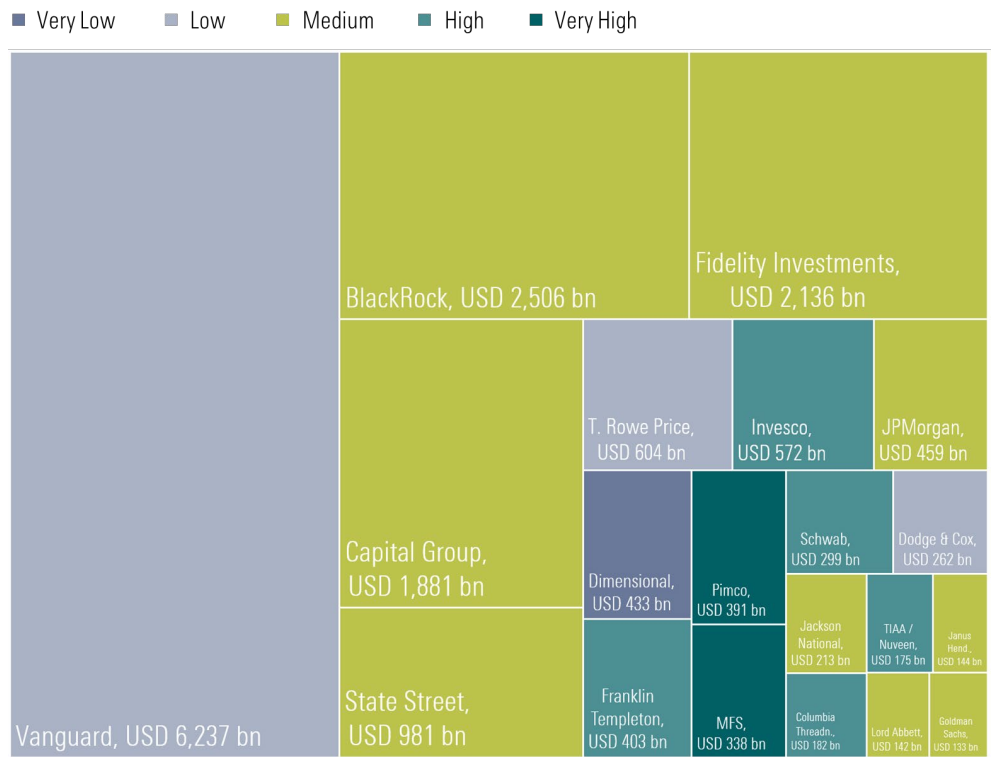
Ten of the top 20 firms are assigned a Basic ESG Commitment Level, including BlackRock, State Street, T. Rowe Price, Invesco, and JPMorgan in the top 10. An ESG Commitment Level of Basic means that, in general, these firms are progressing in their sustainability efforts but still blend in with the crowd. Seven of the firms, including Vanguard, Fidelity Investments, Dimensional, and Franklin Templeton, are

assigned a Low ESG Commitment Level, indicating that they are not expected to drive the sustainability agenda for investors. One asset manager, TIAA/Nuveen, is assigned an ESG Commitment Level of Advanced, reflecting a long track record of sustainable investing. In general, managers' voting records reflect their ESG Commitment Level.

As Exhibit 15 below shows, managers with an ESG Commitment Level of Low (including Vanguard, Dimensional, and Dodge & Cox) largely showed low support for key resolutions, while those assigned an ESG Commitment Level of Basic generally showed medium levels of support. TIAA/Nuveen — the only manager in the study with an ESG Commitment Level of Advanced — showed high support for key resolutions.

There were some exceptions to these trends. For example: T. Rowe Price (ESG Commitment Level: Basic) showed low support for key resolutions over the last three proxy years. Franklin Templeton and Schwab Asset Management (ESG Commitment Level: Low) showed high levels of support, while Janus Henderson (ESG Commitment Level: Low) showed a medium level of support. Interestingly, Pimco showed 100% support for key resolutions in its equity funds across all of the last three proxy years. (Given its fixed-income focus, Pimco made fewer than 400 fund-voting decisions during the period, which is relatively low compared with its peers.)

**Exhibit 15** Top 20 U.S. Asset Managers: Fund Assets and Support for Key Resolutions, 2020 to 2022 Proxy Years



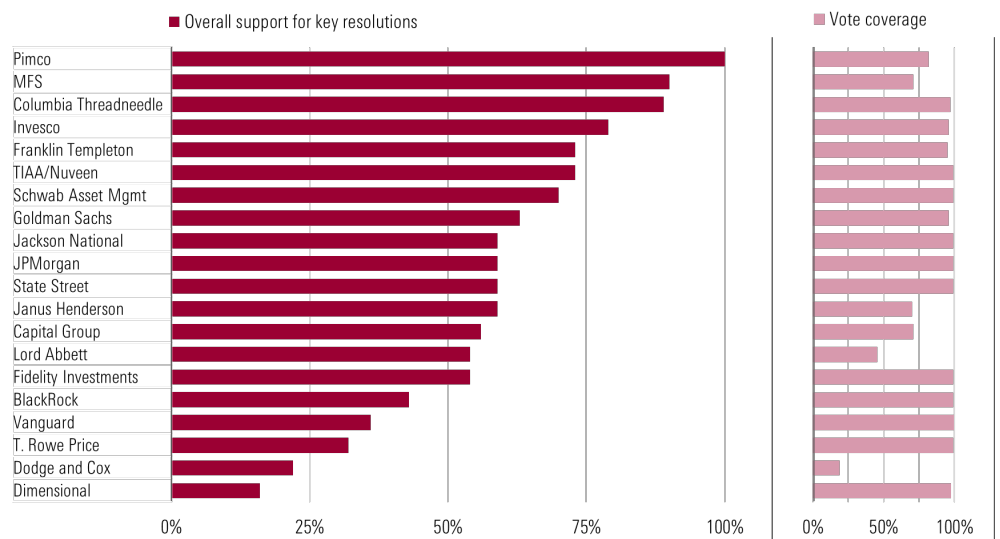
Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Dec. 31, 2022.

Overall, 46% of the USD 18.5 billion of fund assets in Exhibit 15 above are run by managers that have shown a medium level of support for key resolutions. This includes BlackRock, Fidelity Investments, Capital Group, and State Street, which together account for over one third of the total. Managers that have shown a low or very low level of support for key resolutions account for 41% of the total — Vanguard accounts for most of the assets in this group. Only 13% of the top 20 U.S. managers' fund assets is run by managers that have shown a high or very high level of support for key resolutions in the last three proxy years.

In analyzing these figures, it's important to remember that support levels for different fund managers are not always directly comparable because of different levels of vote coverage. For the purposes of this paper, vote coverage is the percentage of key resolutions in each period that were voted on by each fund manager. Lower levels of vote coverage usually reflect less-diversified ownership of U.S. company stocks, meaning that a manager would have fewer voting decisions to make.

As shown in Exhibit 16 below, vote coverage for most of the top 20 U.S. managers is usually close to 100%. Capital Group, Pimco, MFS, and Janus Henderson are exceptions to this, with vote coverage of around 70% to 80%. (It is noteworthy that the two managers with the very highest support levels over the last three years — Pimco and MFS — have vote coverage somewhat lower than the largest firms.) Vote coverage over the last three proxy years is lower than 50% only for Dodge & Cox and Lord Abbett.

**Exhibit 16** Top 20 U.S. Asset Managers' Support for Key Resolutions, 2020 to 2022 Proxy Years



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

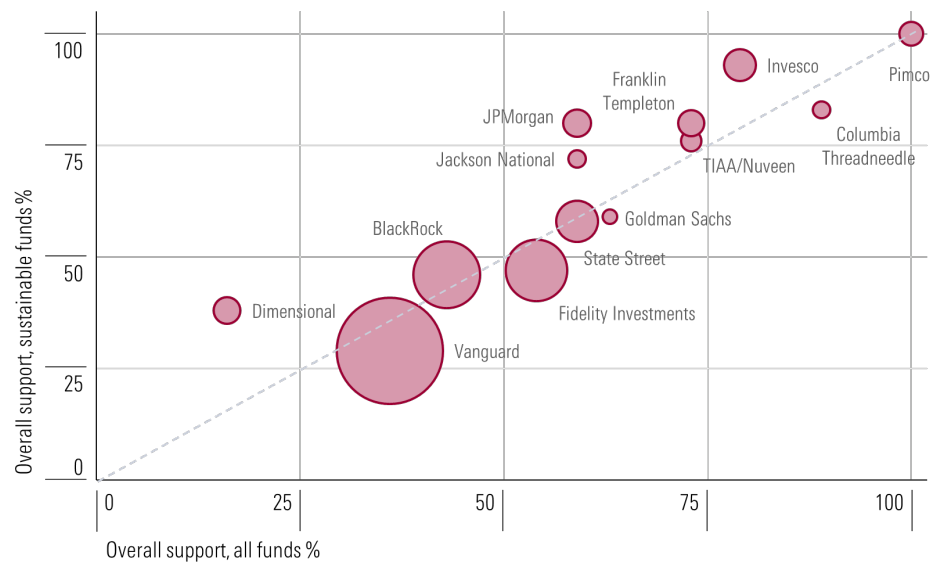
Looking at sustainable funds, there is often an expectation among fund investors that funds labeled as sustainable will show stronger support for shareholder resolutions on environmental and social themes than conventional funds. However, in practice, asset managers often have dedicated teams ensuring the



firm takes a coordinated line on each issue, meaning that sustainable funds tend to vote largely in line with that of the wider firm. We analyzed 13 of the top 20 managers' sustainable funds voting data, where this data was available in sufficient volume. These managers' sustainable funds generally show similar or slightly higher levels of support for key resolutions than their fund ranges as a whole.

Exhibit 17 plots each asset manager's support for key resolutions in its sustainable fund range (on the vertical axis) against support for those same resolutions in the entire fund range (on the horizontal axis). The dashed line indicates where key resolutions' support by sustainable funds is equal to that of the entire fund range. A firm whose bubble appears above the line shows a higher level of support for key resolutions by sustainable funds compared with the fund range as a whole; those below the line show a lower level of support.

**Exhibit 17** Asset Manager Support for Key Resolutions: Sustainable Funds vs. All Funds, 2020 to 2022 Proxy Years



Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Bubbles show relative size according to fund assets (see Exhibit 11). Capital Group, Dodge & Cox, Lord Abbett, and MFS are excluded as they have no sustainable funds that voted on the 241 key resolutions. Janus Henderson, Schwab, and T. Rowe Price are excluded because of a low number of sustainable fund votes on key resolutions.

Invesco and JPMorgan's sustainable funds both show considerably higher support for key resolutions in the last three proxy years compared with their fund range as a whole. Their support is also high in absolute terms—over 75% in both cases. Dimensional also sits well above the dashed line but with a much lower level of support, both overall and in its sustainable fund range.

In contrast, Vanguard and Fidelity Investments' sustainable funds show noticeably lower support for key resolutions compared with their wider fund range. This may surprise some of their sustainable funds' investors, particularly in funds that specifically intend to address social issues. ■■

## Appendix 1: Key Shareholder Resolutions, 2020 to 2022 Proxy Years

Our list of key resolutions includes shareholder resolutions that primarily address environmental or social themes with an adjusted support level of 40% (that is, support from 40% of independent shareholders). We identified 241 key resolutions in the last three proxy years, with 102 of these occurring in the 2022 proxy year. The proportion of environment-related key resolutions over the three years is 23%, peaking at 31% in the 2021 proxy year and declining in 2022 as management-sponsored "say on climate" resolutions became more common. Resolutions on social themes account for the majority of key resolutions, representing 71% of the three-year total and 75% of key resolutions in the 2022 proxy year.

### Exhibit 18 Summary of Key Shareholder Resolutions, 2020 to 2022 Proxy Years

	2020 to 2022	2020	2021	2022
<b>Number of resolutions</b>				
Environmental	55	11	22	22
Social	170	48	46	76
Multiple themes	16	8	4	4
<b>Total</b>	<b>241</b>	<b>67</b>	<b>72</b>	<b>102</b>
<b>Percentage of total</b>				
Environmental	23%	16%	31%	22%
Social	71%	72%	64%	75%
Multiple themes	7%	12%	6%	4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

We calculate overall support for each key resolution (that is, the number of votes "For" the resolution divided by the number of votes cast) and adjusted support, which indicates the level of support for a resolution by a company's independent shareholders. The calculation excludes votes controlled by management and strategic investors, or other company insiders with significant shareholdings, who we assume opposed the resolution and voted all their shares accordingly. For companies with structures where classes of shares held by founders and other insiders have much greater voting rights (such as Alphabet, Berkshire Hathaway, and Meta), this adjustment can be very large.

### Key Shareholder Resolutions on Environmental Themes

We identified 55 key shareholder resolutions addressing environmental themes in the last three proxy years: 11 in 2020, and 22 in 2021 and 2022. The majority (40) of these resolutions address climate

change. This total includes resolutions on climate-related lobbying — we have separated these from resolutions addressing lobbying more generally, which are included under social themes. The 15 resolutions on other environmental topics address the themes of sustainable packaging, deforestation, use of plastics, and water risk.

#### Exhibit 19 Key Shareholder Resolutions on Environmental Themes, 2020 Proxy Year

Company Name	Proxy Year	Proposal	Theme	Support	Adjusted Support
Chevron Corp	2020	Lobbying Aligned With Paris Climate Agreement	Climate Change	53%	53%
Chevron Corp	2020	Petrochemical Investment Risk Report	Climate Change	46%	46%
Delta Air Lines Inc	2020	Lobbying Aligned With Paris Climate Agreement	Climate Change	46%	46%
Dollar Tree Inc	2020	Greenhouse Gas Emissions Targets	Climate Change	74%	74%
JB Hunt Transport Services Inc	2020	Report on Climate Change Initiatives	Climate Change	54%	75%
JPMorgan Chase & Co	2020	Lending Aligned With Paris Climate Agreement	Climate Change	50%	68%
Ovintiv Inc	2020	Report on Climate Risk Management	Climate Change	56%	56%
Phillips 66	2020	Petrochemical Investment Risk Report	Climate Change	55%	55%
Pilgrims Pride Corp	2020	Report on Reduction of Water Pollution	Water Risk	15%	87%
TransDigm Group Inc	2020	Greenhouse Gas Emissions Targets	Climate Change	45%	45%
Walmart Inc	2020	Report on Impacts of Single-Use Plastic Bags	Sustainable Packaging	17%	42%

Source: Morningstar Proxy-Voting Database, Morningstar Sustainability ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

#### Exhibit 20 Key Shareholder Resolutions on Environmental Themes, 2021 Proxy Year

Company Name	Proxy Year	Proposal	Theme	Support	Adjusted Support
Amazon.com Inc	2021	Report on Packaging Materials	Sustainable Packaging	36%	44%
Berkshire Hathaway Inc	2021	Report on Climate Risk Management	Climate Change	28%	52%
Bloomin Brands Inc	2021	Report on Climate Change Initiatives	Climate Change	76%	76%
Booking Holdings Inc	2021	Annual Climate Transition Report	Climate Change	56%	56%
Bunge Ltd	2021	Report on Soy Supply Chain	Deforestation	99%	99%
Caterpillar Inc	2021	Report on Climate Policy	Climate Change	48%	48%
Charter Communications Inc	2021	Disclosure of Greenhouse Gas Emissions	Climate Change	39%	58%
Chevron Corp	2021	Reduce Scope 3 Greenhouse Gas Emissions	Climate Change	61%	61%
Chevron Corp	2021	Report on Impacts of Net Zero 2050 Scenario	Climate Change	48%	48%
Conoco Phillips	2021	Emission Reduction Targets	Climate Change	59%	59%
Delta Air Lines, Inc	2021	Climate-Related Lobbying Activities	Climate Change	63%	63%
DuPont de Nemours Inc	2021	Annual Report on Plastic Pollution	Use of Plastics	81%	81%
Exxon Mobil Corp	2021	Climate-Related Lobbying Activities	Climate Change	64%	64%
Exxon Mobil Corp	2021	Report on IEA Net Zero 2050 Scenario Analysis	Climate Change	49%	49%
General Electric Co	2021	Report on Net Zero Indicator	Climate Change	98%	98%
Kroger Co	2021	Recyclability of Packaging	Sustainable Packaging	46%	46%
Norfolk Southern Corp	2021	Climate-Related Lobbying Activities	Climate Change	76%	76%
Phillips 66	2021	Climate-Related Lobbying Activities	Climate Change	62%	62%
Phillips 66	2021	Greenhouse Gas Emissions Targets	Climate Change	80%	80%
Pilgrim's Pride Corp	2021	Report on Reduction of Water Pollution	Water Risk	11%	73%
Procter & Gamble Co	2021	Report on Efforts to Eliminate Deforestation	Deforestation	68%	68%
United Airlines Holdings Inc	2021	Climate-Related Lobbying Activities	Climate Change	65%	65%

Source: Morningstar Proxy-Voting Database, Morningstar Sustainability ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

**Exhibit 21** Key Shareholder Resolutions on Environmental Themes, 2022 Proxy Year

Company Name	Proxy Year	Proposal	Theme	Support	Adjusted Support
Alphabet Inc	2022	Climate-Related Lobbying Activities	Climate Change	19%	53%
Alphabet Inc	2022	Report on Climate Risk Management	Climate Change	18%	48%
Alphabet Inc	2022	Report on Water Management Risks	Water Risk	23%	62%
Amazon.com Inc	2022	Report on Packaging Materials	Sustainable Packaging	49%	59%
AutoZone Inc	2022	Climate Transition Planning	Climate Change	70%	70%
Berkshire Hathaway Inc	2022	Report on Climate Risk Management	Climate Change	27%	50%
Berkshire Hathaway Inc	2022	Report on GHG Emissions Reduction Initiatives	Climate Change	27%	50%
Charter Communications Inc	2022	Disclosure of Greenhouse Gas Emissions	Climate Change	37%	54%
Chubb Ltd	2022	Disclosure of Greenhouse Gas Emissions	Climate Change	72%	72%
ConocoPhillips	2022	Greenhouse Gas Emissions Targets	Climate Change	42%	42%
Costco Wholesale Corp	2022	Greenhouse Gas Emissions Targets	Climate Change	70%	70%
Dollar Tree Inc	2022	Climate Transition Planning	Climate Change	55%	55%
Exxon Mobil Corp	2022	Report on Climate Scenario Analysis	Climate Change	51%	51%
Home Depot Inc	2022	Report on Deforestation	Deforestation	65%	65%
Jack In The Box Inc	2022	Report on Sustainable Packaging	Sustainable Packaging	95%	95%
McDonald's Corp	2022	Report on Reducing Plastics Use	Use of Plastics	42%	42%
Monster Beverage Corp	2022	Report on GHG Emissions Reduction Initiatives	Climate Change	44%	57%
Phillips 66	2022	Shift to Recycled Polymer for Single Use Plastics	Use of Plastics	50%	50%
Travelers Companies Inc	2022	Report on GHG Emissions Reduction Initiatives	Climate Change	56%	56%
Tyson Foods Inc	2022	Report on Sustainable Packaging	Sustainable Packaging	14%	57%
Valero Energy Corp	2022	Greenhouse Gas Emissions Targets	Climate Change	47%	47%
Worthington Industries Inc	2022	Report on Climate Policy	Climate Change	41%	73%

Source: Morningstar Proxy-Voting Database, Morningstar Sustainability ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

**Key Shareholder Resolutions on Social Themes**

We identified 170 key resolutions addressing social themes in the last three proxy years, with 76 of these occurring in the 2022 proxy year as the themes addressed by such resolutions broadened.

Political influence and activity was consistently the most common theme across all of the last three proxy years as company shareholders sought greater transparency on companies' political spending and lobbying activities. There were 23 such key resolutions in 2020, rising to 25 in 2021, and 29 in 2022. Civil rights and racial equity emerged as a key theme in 2022 with strong backing for civil rights or racial equity audits at 16 companies in 2022, compared with only two in 2021 and none in 2020.

Key resolutions on workplace equity themes—including pay equity, workforce and DEI reporting, workplace harassment and discrimination, and workers' rights—was another emerging key theme. There were nine such resolutions in the 2020 proxy year, rising to 13 in 2021, and 18 in 2022.

**Exhibit 22** Key Shareholder Resolutions on Social Themes, 2020 Proxy Year

Company Name	Proxy Year	Proposal	Theme	Support	Adjusted Support
Activision Blizzard Inc	2020	Political Spending Disclosure	Political Influence and Activity	59%	59%
Alaska Air Group Inc	2020	Lobbying Activities Report	Political Influence and Activity	52%	52%
Alaska Air Group Inc	2020	Political Spending Disclosure	Political Influence and Activity	42%	42%
Alphabet Inc	2020	Human Rights Risk Oversight Committee	Human Rights	16%	45%
Alphabet Inc	2020	Mandatory Arbitration of Employment-Related Claims	Workers' Rights	16%	45%
Amazon.com Inc	2020	Customer Use of Surveillance Technologies	Ethical Use of Technology	32%	40%
Amazon.com Inc	2020	Facial Recognition Technology and Human Rights	Ethical Use of Technology	32%	40%
Amazon.com Inc	2020	Hate Speech and Offensive Products	Human Rights	35%	44%
Apple Inc	2020	Policies on Freedom of Expression	Human Rights	41%	41%
Centene Corp	2020	Political Spending Disclosure	Political Influence and Activity	51%	51%
Charles Schwab Corp	2020	EEO-1 Reporting	Workforce and DEI Reporting	43%	48%
Chemed Corp	2020	Political Spending Disclosure	Political Influence and Activity	48%	48%
Chipotle Mexican Grill Inc	2020	Mandatory Arbitration of Employment-Related Claims	Workers' Rights	51%	51%
Comcast Corp	2020	Lobbying Activities Report	Political Influence and Activity	26%	43%
CorVel Corp	2020	Sexual Orientation and Gender Identity in EEO Policy	Workforce and DEI Reporting	37%	91%
Delta Air Lines Inc	2020	Political Spending Disclosure	Political Influence and Activity	46%	46%
Duke Energy Corp	2020	Lobbying Activities Report	Political Influence and Activity	42%	42%
Fastenal Co	2020	Workforce Diversity and Inclusion	Workforce and DEI Reporting	61%	42%
Fiserv Inc	2020	Political Spending Disclosure	Political Influence and Activity	45%	43%
Ford Motor Co	2020	Lobbying Activities Report	Political Influence and Activity	20%	61%
Fortinet Inc	2020	Workforce Diversity and Inclusion	Workforce and DEI Reporting	70%	45%
Genuine Parts Co	2020	Workforce Diversity and Inclusion	Workforce and DEI Reporting	79%	48%
GEO Group Inc	2020	Lobbying Activities Report	Political Influence and Activity	43%	43%
Honeywell International Inc	2020	Lobbying Activities Report	Political Influence and Activity	46%	92%
Illumina Inc	2020	Political Spending Disclosure	Political Influence and Activity	50%	79%
JB Hunt Transport Services Inc	2020	Political Spending Disclosure	Political Influence and Activity	53%	50%
Johnson & Johnson	2020	Report on Governance of Opioids-Related Risks	Public Health	61%	66%
Kroger Co	2020	Human Rights Due Diligence	Human Rights	45%	45%
Lear Corp	2020	Human Rights Impact Assessment	Human Rights	45%	61%
Maximus Inc	2020	Lobbying Activities Report	Political Influence and Activity	43%	50%
McKesson Corp	2020	Lobbying Activities Report	Political Influence and Activity	46%	45%
Meta Platforms Inc	2020	Online Child Exploitation	Human Rights	13%	46%
Meta Platforms Inc	2020	Political Advertising Standards	Political Influence and Activity	13%	43%
Microchip Technology Inc	2020	Recruitment and Forced Labor Risk to Workers	Human Rights	51%	51%
Motorola Solutions Inc	2020	Political Spending Disclosure	Political Influence and Activity	48%	48%
Netflix Inc	2020	Political Spending Disclosure	Political Influence and Activity	42%	42%
Oracle Corp	2020	Gender Pay Equity Report	Pay Equity	36%	64%
O'Reilly Automotive Inc	2020	Workforce Diversity and Inclusion	Workforce and DEI Reporting	66%	66%
Pilgrims Pride Corp	2020	Human Rights Due Diligence	Human Rights	13%	73%
Sanderson Farms Inc	2020	Human Rights Due Diligence	Human Rights	37%	40%
Santander Consumer USA Hldgs Inc	2020	Equal Credit Opportunity	Human Rights	12%	69%
Skechers USA Inc	2020	Adopt a Human Rights Policy	Human Rights	18%	58%
TJX Companies Inc	2020	Report on Reducing Chemical Footprint	Public Health	45%	45%
Tyson Foods Inc	2020	Human Rights Due Diligence	Human Rights	15%	59%
Tyson Foods Inc	2020	Lobbying Activities Report	Political Influence and Activity	15%	59%
Verizon Communications Inc	2020	Lobbying Activities Report	Political Influence and Activity	47%	47%
Vertex Pharmaceuticals Inc	2020	Lobbying Activities Report	Political Influence and Activity	49%	49%
Western Union Co	2020	Political Spending Disclosure	Political Influence and Activity	53%	53%

Source: Morningstar Proxy-Voting Database, Morningstar Sustainability ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

**Exhibit 23** Key Shareholder Resolutions on Social Themes, 2021 Proxy Year

Company Name	Proxy Year	Proposal	Theme	Support	Adjusted Support
AECOM	2021	Lobbying Activities Report	Political Influence and Activity	55%	55%
Amazon.com Inc	2021	Civil Rights, Equity, Diversity, Inclusion Audit	Civil Rights and Racial Equity	44%	55%
Amazon.com Inc	2021	Customer Use of Surveillance Technologies	Ethical Use of Technology	35%	44%
Amazon.com Inc	2021	Facial Recognition Technology and Human Rights	Ethical Use of Technology	34%	43%
Amazon.com Inc	2021	Lobbying Activities Report	Political Influence and Activity	35%	43%
American Express Co	2021	Report on Diversity and Inclusion Efforts	Workforce and DEI Reporting	60%	60%
Badger Meter Inc	2021	Report on Increasing Board Diversity	Workforce and DEI Reporting	85%	85%
Berkshire Hathaway Inc	2021	Diversity, Equity, and Inclusion Reports	Workforce and DEI Reporting	27%	50%
Biogen Inc	2021	Lobbying Activities Report	Political Influence and Activity	41%	41%
Charles Schwab Corp	2021	Lobbying Activities Report	Political Influence and Activity	44%	48%
Charter Communications Inc	2021	EEO-1 Reporting	Workforce and DEI Reporting	41%	59%
Charter Communications Inc	2021	Lobbying Activities Report	Political Influence and Activity	36%	53%
Charter Communications Inc	2021	Report on Diversity and Inclusion Efforts	Workforce and DEI Reporting	41%	60%
Chemed Corp	2021	Political Spending Disclosure	Political Influence and Activity	80%	80%
Chevron Corp	2021	Lobbying Activities Report	Political Influence and Activity	48%	48%
Cintas Corp	2021	Political Spending Disclosure	Political Influence and Activity	42%	51%
DaVita Inc	2021	Political Spending Disclosure	Political Influence and Activity	34%	58%
Duke Energy Corp	2021	Political Spending Disclosure	Political Influence and Activity	52%	52%
DuPont de Nemours Inc	2021	EEO-1 Reporting	Workforce and DEI Reporting	84%	84%
Eli Lilly and Co	2021	Lobbying Activities Report	Political Influence and Activity	48%	48%
Expedia Group Inc	2021	Political Spending Disclosure	Political Influence and Activity	37%	58%
Exxon Mobil Corp	2021	Lobbying Activities Report	Political Influence and Activity	56%	56%
Flowers Foods, Inc	2021	Political Spending Disclosure	Political Influence and Activity	38%	45%
GEO Group, Inc	2021	Lobbying Activities Report	Political Influence and Activity	66%	66%
Goldman Sachs Group, Inc	2021	Mandatory Arbitration of Employment-Related Claims	Workers' Rights	53%	53%
Int'l Business Machines Corp	2021	Annual Report on Diversity, Equity, and Inclusion	Workforce and DEI Reporting	94%	94%
JPMorgan Chase & Co	2021	Racial Equity Audit	Civil Rights and Racial Equity	41%	41%
Lyft Inc	2021	Lobbying Activities Report	Political Influence and Activity	40%	70%
McKesson Corp	2021	Lobbying Activities Report	Political Influence and Activity	52%	52%
Meta Platforms Inc	2021	Online Child Exploitation	Human Rights	17%	56%
Meta Platforms Inc	2021	Platform Misuse/Misinformation	Ethical Use of Technology	19%	63%
Netflix Inc	2021	Political Spending Disclosure	Political Influence and Activity	81%	81%
Omnicom Group, Inc	2021	Political Spending Disclosure	Political Influence and Activity	51%	51%
Oracle Corp	2021	Pay Equity Report	Pay Equity	46%	86%
Pfizer Inc	2021	Political Spending Disclosure	Political Influence and Activity	47%	47%
Royal Caribbean Group	2021	Political Spending Disclosure	Political Influence and Activity	53%	53%
Sunrun Inc	2021	Mandatory Arbitration of Employment-Related Claims	Workers' Rights	59%	59%
Tesla Inc	2021	Mandatory Arbitration of Employment-Related Claims	Workers' Rights	27%	41%
Tyson Foods, Inc	2021	Human Rights Due Diligence	Human Rights	18%	78%
Tyson Foods, Inc	2021	Lobbying Activities Report	Political Influence and Activity	18%	79%
Union Pacific Corp	2021	EEO-1 Report Disclosure	Workforce and DEI Reporting	86%	86%
Union Pacific Corp	2021	Report Annually on Diversity and Inclusion Efforts	Workforce and DEI Reporting	81%	81%
United Airlines Holdings Inc	2021	Political Spending Disclosure	Political Influence and Activity	68%	68%
Walmart Inc	2021	Lobbying Activities Report	Political Influence and Activity	22%	54%
Wendy's Co	2021	Report on Protection of Workers in the Supply Chain	Human Rights	95%	95%
XPO Logistics Inc	2021	Political Spending Disclosure	Political Influence and Activity	46%	58%

Source: Morningstar Proxy-Voting Database, Morningstar Sustainability ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

**Exhibit 24** Key Shareholder Resolutions on Social Themes, 2022 Proxy Year (Activision Blizzard to Maximus)

Company Name	Proxy Year	Proposal	Theme	Support	Adjusted Support
Activision Blizzard Inc	2022	Prevention of Abuse, Harassment, and Discrimination	Workplace Harassment	67%	68%
Alphabet Inc	2022	Algorithm Disclosures	Ethical Use of Technology	20%	53%
Alphabet Inc	2022	Human Rights Assessment of Data Center Siting	Human Rights	17%	46%
Alphabet Inc	2022	Lobbying Activities Report	Political Influence and Activity	19%	52%
Alphabet Inc	2022	Misinformation and Disinformation	Ethical Use of Technology	23%	63%
Alphabet Inc	2022	Racial Equity Audit	Civil Rights and Racial Equity	22%	61%
Altria Group Inc	2022	Civil Rights Audit	Civil Rights and Racial Equity	62%	62%
Amazon.com Inc	2022	Customer Use of Surveillance Technologies	Ethical Use of Technology	40%	49%
Amazon.com Inc	2022	Facial Recognition Technology and Human Rights	Ethical Use of Technology	21%	49%
Amazon.com Inc	2022	Lobbying Activities Report	Political Influence and Activity	47%	57%
Amazon.com Inc	2022	Report on Warehouse Working Conditions	Workers' Rights	44%	53%
Amazon.com Inc	2022	Reporting on Freedom of Association	Workers' Rights	39%	47%
American Water Works Co Inc	2022	Racial Justice Audit	Civil Rights and Racial Equity	48%	48%
Apple Inc	2022	Civil Rights Audit	Civil Rights and Racial Equity	54%	54%
Apple Inc	2022	Report on Concealment Clauses	Workplace Harassment	50%	50%
AT&T Inc	2022	Political Congruency Report	Political Influence and Activity	44%	44%
Berkshire Hathaway Inc	2022	Diversity, Equity, and Inclusion Reports	Workforce and DEI Reporting	26%	49%
Boeing Co	2022	Lobbying Activities Report	Political Influence and Activity	41%	41%
Caterpillar Inc	2022	Lobbying Activities Report	Political Influence and Activity	45%	45%
Charter Communications Inc	2022	Diversity, Equity, and Inclusion Reports	Workforce and DEI Reporting	45%	64%
Charter Communications Inc	2022	EEO-1 Reporting	Workforce and DEI Reporting	45%	65%
Charter Communications Inc	2022	Lobbying Activities Report	Political Influence and Activity	39%	56%
Charter Communications Inc	2022	Political Congruency Report	Political Influence and Activity	30%	43%
Chevron Corp	2022	Racial Equity Audit	Civil Rights and Racial Equity	47%	47%
Cigna Corp	2022	Political Spending Disclosure	Political Influence and Activity	46%	46%
DaVita Inc	2022	Political Spending Disclosure	Political Influence and Activity	24%	45%
Digital Realty Trust Inc	2022	Report on Concealment Clauses	Workplace Harassment	46%	46%
DISH Network Corp	2022	Political Spending Disclosure	Political Influence and Activity	4%	46%
Dollar General Corp	2022	Political Spending Disclosure	Political Influence and Activity	57%	57%
Elevance Health Inc	2022	Racial Equity Audit	Civil Rights and Racial Equity	41%	41%
Eli Lilly and Co	2022	Lobbying Activities Report	Political Influence and Activity	37%	43%
FedEx Corp	2022	Lobbying Activities Report	Political Influence and Activity	62%	69%
FedEx Corp	2022	Political Spending Disclosure	Political Influence and Activity	39%	43%
Flowers Foods Inc	2022	Political Spending Disclosure	Political Influence and Activity	48%	48%
Fox Corp	2022	Lobbying Activities Report	Political Influence and Activity	43%	79%
Gilead Sciences Inc	2022	Lobbying Activities Report	Political Influence and Activity	50%	50%
HCA Healthcare Inc	2022	Political Spending Disclosure	Political Influence and Activity	32%	43%
Hershey Co	2022	End Child Labor in Cocoa Production	Human Rights	8%	53%
Home Depot Inc	2022	Political Spending Misalignment	Political Influence and Activity	43%	43%
Home Depot Inc	2022	Racial Equity Audit	Civil Rights and Racial Equity	63%	63%
Int'l Business Machines Corp	2022	Report on Concealment Clauses	Workplace Harassment	65%	65%
Johnson & Johnson	2022	Legal and Compliance Costs in Incentive Compensation	Public Health	48%	48%
Johnson & Johnson	2022	Lobbying Activities on Universal Health Coverage	Political Influence and Activity	43%	43%
Johnson & Johnson	2022	Racial Equity Audit	Civil Rights and Racial Equity	63%	63%
Lowe's Companies Inc	2022	Report on Racial and Gender Pay Gaps	Pay Equity	58%	58%
Lyft Inc	2022	Lobbying Activities Report	Political Influence and Activity	24%	41%
Maximus Inc	2022	Third-Party Equity Audit	Civil Rights and Racial Equity	64%	64%

Source: Morningstar Proxy-Voting Database, Morningstar Sustainability ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

**Exhibit 25** Key Shareholder Resolutions on Social Themes, 2022 Proxy Year (McDonald's to XPO Logistics)

Company Name	Proxy Year	Proposal	Theme	Support	Adjusted Support
McDonald's Corp	2022	Civil Rights Audit	Civil Rights and Racial Equity	56%	56%
Meta Platforms Inc	2022	Community Standards Enforcement	Ethical Use of Technology	19%	63%
Meta Platforms Inc	2022	Human Rights Impact Assessment	Human Rights	24%	78%
Meta Platforms Inc	2022	Lobbying Activities Report	Political Influence and Activity	21%	67%
Meta Platforms Inc	2022	Online Child Exploitation	Human Rights	17%	57%
Meta Platforms Inc	2022	Report on Concealment Clauses	Workplace Harassment	19%	62%
Microsoft Corp	2022	Pay Equity Report	Pay Equity	40%	40%
Microsoft Corp	2022	Sexual Harassment	Workplace Harassment	78%	78%
Mondelez International Inc	2022	Racial Equity Audit	Civil Rights and Racial Equity	49%	49%
Netflix Inc	2022	Lobbying Activities Report	Political Influence and Activity	60%	60%
Nike Inc	2022	Human Rights Impact Assessment	Human Rights	28%	47%
Nike Inc	2022	Political Spending Disclosure	Political Influence and Activity	31%	52%
Nike Inc	2022	Report on Diversity and Inclusion Efforts	Workforce and DEI Reporting	36%	61%
Oracle Corp	2022	Racial Equity Audit	Civil Rights and Racial Equity	32%	65%
Smith & Wesson Brands Inc	2022	Adopt a Human Rights Policy	Human Rights	44%	44%
Stericycle Inc	2022	Civil Rights Audit	Civil Rights and Racial Equity	61%	61%
Sturm Ruger & Co Inc	2022	Human Rights Impact Assessment	Human Rights	69%	69%
Tesla Inc	2022	Mandatory Arbitration of Employment-Related Claims	Workers' Rights	46%	66%
Tesla Inc	2022	Workforce Diversity and Inclusion	Workforce and DEI Reporting	57%	81%
Travelers Companies Inc	2022	Lobbying Activities Report	Political Influence and Activity	53%	53%
Travelers Companies Inc	2022	Racial Equity Audit	Civil Rights and Racial Equity	47%	47%
Twitter Inc	2022	Lobbying Activities Report	Political Influence and Activity	41%	41%
Twitter Inc	2022	Political Spending Disclosure	Political Influence and Activity	53%	53%
Twitter Inc	2022	Report on Concealment Clauses	Workplace Harassment	69%	69%
Uber Technologies Inc	2022	Lobbying Activities Report	Political Influence and Activity	45%	45%
Walt Disney Co	2022	Pay Equity Report	Pay Equity	60%	60%
Waste Management Inc	2022	Civil Rights Audit	Civil Rights and Racial Equity	55%	55%
XPO Logistics Inc	2022	Additional Disclosure of Political Activities	Political Influence and Activity	42%	49%
XPO Logistics Inc	2022	Civil Rights Audit	Civil Rights and Racial Equity	40%	46%

Source: Morningstar Proxy-Voting Database, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.



### Key Shareholder Resolutions on Multiple Themes

Sixteen key resolutions covered topics that cut across environmental and social themes while often also having a governance aspect—they are listed below. Most cover the topic of board and management composition and oversight.

#### Exhibit 26 Key Shareholder Resolutions on Multiple Themes, 2020 Proxy Year

Company Name	Proxy Year	Proposal	Theme	Support	Adjusted Support
Amazon.com Inc	2020	Food Waste	Food Supply Chain Issues	32%	40%
Boeing Co	2020	Independent Board Chair	Board and Management	53%	53%
Dominion Energy Inc	2020	Independent Board Chair	Board and Management	47%	47%
Duke Energy Corp	2020	Independent Board Chair	Board and Management	40%	40%
Enphase Energy Inc	2020	Sustainability Report	Sustainability Reporting	52%	52%
Expeditors Int'l of Washington Inc	2020	Senior Management Diversity	Board and Management	53%	53%
IPG Photonics Corp	2020	Senior Management Diversity	Board and Management	45%	46%
National Healthcare Corp	2020	Report on Board Diversity	Board and Management	59%	59%

Source: Morningstar Proxy-Voting Database, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

#### Exhibit 27 Key Shareholder Resolutions on Multiple Themes, 2021 Proxy Year

Company Name	Proxy Year	Proposal	Theme	Support	Adjusted Support
Dominion Energy Inc	2021	Independent Board Chair	Board and Management	43%	43%
First Community Bankshares Inc	2021	Board Diversity	Board and Management	71%	71%
First Solar Inc	2021	Board Racial and Ethnic Diversity Report	Board and Management	91%	91%
PayCom Software	2021	Diversity in Executive Leadership	Board and Management	94%	94%

Source: Morningstar Proxy-Voting Database, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

#### Exhibit 28 Key Shareholder Resolutions on Multiple Themes, 2022 Proxy Year

Company Name	Proxy Year	Proposal	Theme	Support	Adjusted Support
Ingles Markets Inc	2022	Disclose Progress on Cage Free Eggs	Food Supply Chain Issues	8%	68%
Papa John's International Inc	2022	ESG Disclosure Related to Pork Housing	Food Supply Chain Issues	42%	46%
Tesla Inc	2022	Board Committee on Human Capital Management	Board and Management	34%	49%
Tradeweb Markets Inc	2022	Adopt a Policy on Board Diversity	Board and Management	7%	91%

Source: Morningstar Proxy-Voting Database, Morningstar Sustainalytics ESG Voting Policy Overlay Service. Data as of Jan. 5, 2023.

## Appendix 2: Asset Manager Voting Records on Key Shareholder Resolutions, 2020 to 2022 Proxy Years

### Methodology

This appendix contains summaries, charts, and data on each of the top 20 U.S. asset managers' voting records in the 2020, 2021, and 2022 proxy years. Fund market share data is sourced from Morningstar Direct as of Dec. 31, 2022. We define some important voting metrics in this paper as follows.

*Overall support:* We calculate an asset manager's overall support<sup>7</sup> level for key resolutions at the fund level. Overall support, expressed as a percentage, represents the number of fund votes a manager casts "For" the relevant resolutions, divided by the total number of fund-voting decisions (including "Abstain" votes) that the manager made on those resolutions. For example, if a manager casts 1,000 fund votes on key resolutions, and 310 of those votes are cast "For" the resolutions, then the manager's overall support is 31%.

*Vote coverage:* The number of key resolutions in a period voted on by a manager's funds divided by the total number of key resolutions in that period, expressed as a percentage. For example, if a manager's funds cast votes on 75 out of 90 key resolutions in a year, the manager's vote coverage for key resolutions would be 83%. Calculating vote coverage allows us to distinguish between managers that show similar levels of overall support but handle different volumes of voting decisions.

*Relative overall support:* We calculate the overall support of a manager's sustainable funds relative to the manager's entire fund range to assess whether the voting decisions made in the sustainable funds diverge from that of the firm as a whole. This metric is obtained by dividing the sustainable funds' overall support for key resolutions by the comparable figure for the manager's whole fund range in the same period. For example, if a manager's sustainable funds show an overall support level of 48% for key resolutions and the comparable figure for the whole fund range is 50%, then the manager's sustainable funds' overall support for key resolutions relative to the whole fund range is 0.96. We see it as a prompt for further investigation if this relative support figure is less than 0.9, as it means that sustainable funds' support for key resolutions is meaningfully lower than that of the firm as a whole.

<sup>7</sup> Another method of calculating support (which we have not used in this report but may use in future reports on this topic) is to use the majority-vote basis. It assesses what percentage of a manager's funds have voted "For" a resolution, taking the majority vote as the decision on that resolution. For example, if a manager's 10 funds cast seven votes "For" a resolution, then the majority vote decision is "For" (with a 70% majority). If that manager supported 40 out of 50 key resolutions on this basis, its support on a majority-vote basis would be 80%. This method is useful to compare results for managers that provide fund-level voting information with those that only provide such information at the firm level. For firms that make a lot of split voting decisions, voting results on a majority-vote basis can differ significantly from overall support.

## Vanguard

*Consistently low support for key resolutions even in its sustainable funds.*

▶ U.S. fund market share	27.4% (Rank: 1)
▶ Total net assets, U.S. open-end funds and ETFs	USD 6,237 billion
▶ Morningstar ESG Commitment Level	Low
▶ Overall support for key resolutions, last three proxy years	Low, 36%

Over the last three proxy years, Vanguard's support for key shareholder resolutions has been low at 36% overall, well below the mean of 56% for the top 20 U.S. managers. The firm's support for these proposals peaked at 51% in 2021 after a steep rise from 29% in 2020. Since then, Vanguard's support for key resolutions has trended downward—the firm's support for such resolutions fell to 30% last year. Vanguard's vote coverage for key resolutions is very high. The firm submitted almost 7,500 fund-voting decisions on all but one of the 241 key resolutions in the last three proxy years.

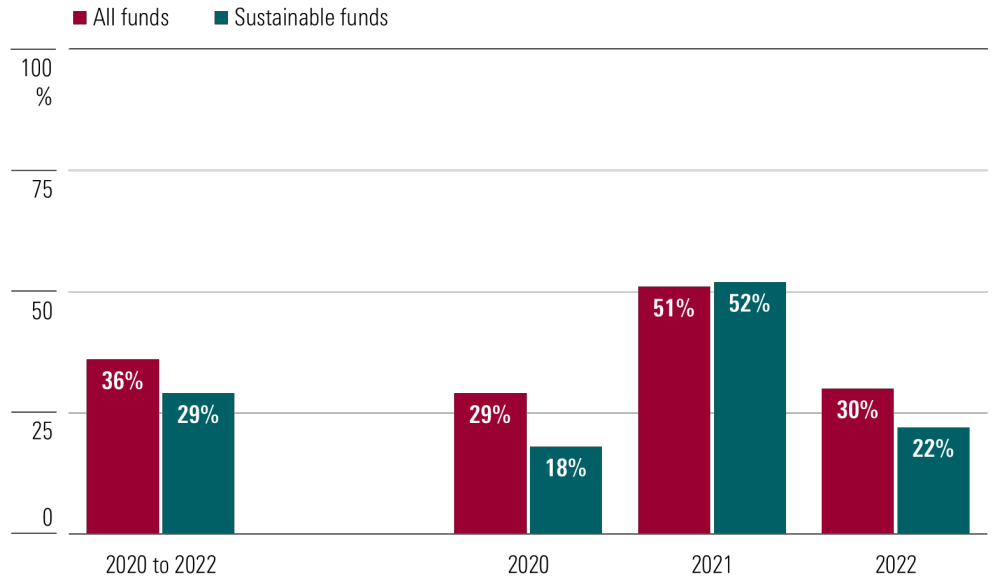
The level of support for key resolutions by Vanguard's sustainable funds has been consistently lower than that of the firm as a whole, both over the last three proxy years in aggregate and in each individual year. Overall support by Vanguard's sustainable funds for key resolutions, at 29%, is around one fifth lower than the firm as a whole over the 2020 to 2022 proxy years. This outcome may come as a surprise to investors in Vanguard's sustainable fund range who could reasonably expect support for key ESG resolutions in the firm's sustainable fund range to exceed or at least match that of the wider firm. Given that the vote coverage of key resolutions for Vanguard's sustainable funds stands at a relatively high 78% over the period, this cannot merely be the effect of a smaller sample of votes. Vanguard explains the trend as follows in its latest stewardship report<sup>8</sup>:

*"We determined that many shareholder proposals [in the 2022 proxy season] focused on social or environmental policy issues that lacked a clear link to material risks to shareholder value at the company in question. We further observed that a larger percentage of shareholder proposals this year were, in our view, overly prescriptive in dictating company strategy or operations. . . The Vanguard internally managed equity funds did not support these proposals."*

As a result, similar to the voting pattern seen for the wider firm, Vanguard's support for key resolutions by its sustainable funds peaked in the 2021 proxy year at 52% overall, falling back to just 22% in 2022. Three Vanguard sustainable funds voted on the key resolutions in the last three proxy years. The summary voting record for the two funds that voted on at least 10 such resolutions—Vanguard ESG U.S. Stock ETF ESGV and Vanguard FTSE Social Index Fund VFTNX—is shown in Exhibit 34. These two funds, both among the five largest passive U.S. sustainable funds, supported around 30% of the key resolutions they voted on over the three-year period. Their support fell to around 20% in 2022 from around 50% in 2021.

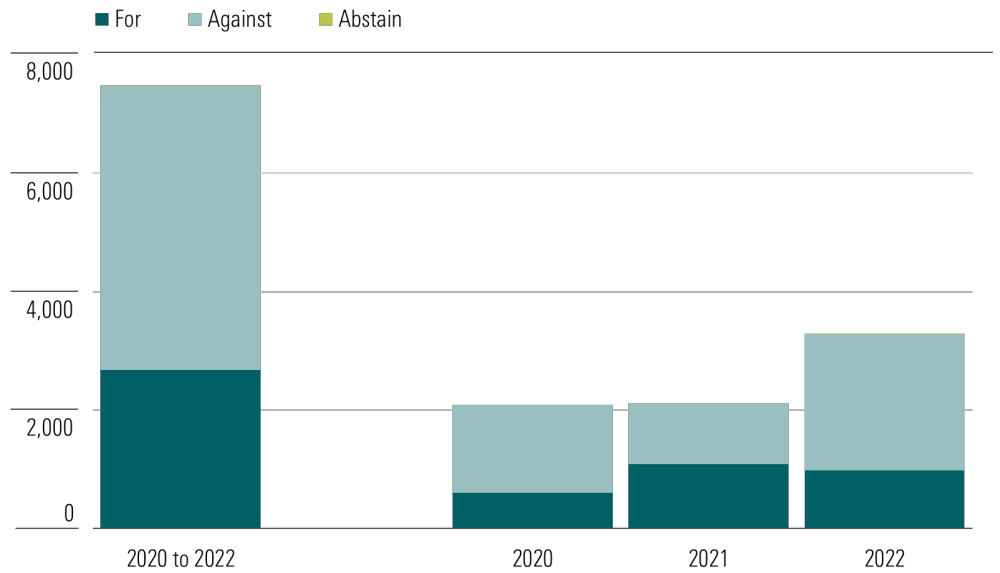
<sup>8</sup> Vanguard 2022 Investment Stewardship Semiannual Report, September 2022, P. 4.

**Exhibit 29** Vanguard: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 30** Vanguard: Fund Votes Cast on Key Resolutions



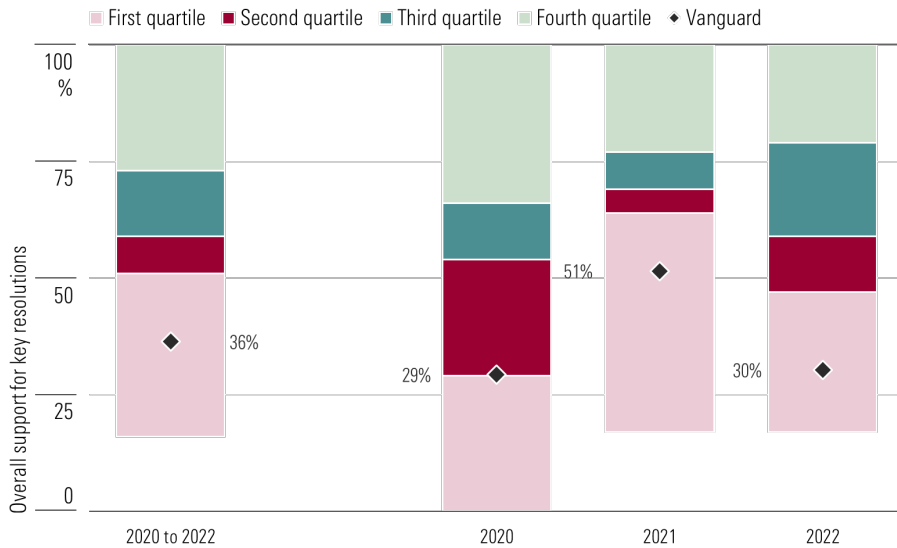
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 31** Vanguard: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	2,673	603	1,088	982
Against	4,809	1,488	1,028	2,293
Abstain	7	0	0	7
<b>Total</b>	<b>7,489</b>	<b>2,091</b>	<b>2,116</b>	<b>3,282</b>
<b>For % (overall support)</b>				
Against %	64%	71%	49%	70%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	102	93	96	96
Number of key resolutions voted	240	67	72	101
<b>Vote coverage for key resolutions %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>99%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 32** Vanguard and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 33** Vanguard: Voting Record on Key Resolutions, Sustainable Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	103	18	49	36
Against	253	80	46	127
Abstain	0	0	0	0
<b>Total</b>	<b>356</b>	<b>98</b>	<b>95</b>	<b>163</b>
<b>For % (overall support)</b>				
For %	29%	18%	52%	22%
Against %	71%	82%	48%	78%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Overall support relative to all funds</b>				
	<b>0.81</b>	<b>0.64</b>	<b>1.00</b>	<b>0.74</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	3	2	2	3
Number of key resolutions voted	187	54	51	82
<b>Vote coverage for key resolutions %</b>	<b>78%</b>	<b>81%</b>	<b>71%</b>	<b>80%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023.

**Exhibit 34** Vanguard: Overall Support and Number of Votes for Key Resolutions, Sustainable Funds

	Ticker	Fund Size, USD million	Fund voting record			
			2020 to 2022	2020	2021	2022
<b>Summary</b>						
Overall support, all funds			36%	29%	51%	30%
Overall support, sustainable funds			29%	18%	52%	22%
Overall support, sustainable funds relative to all funds			0.81	0.64	1.00	0.74
Number of sustainable funds voting on key resolutions			3	2	2	3
<b>Sustainable funds, overall support</b>						
Vanguard ESG U.S. Stock ETF	ESGV	5,598	30%	19%	53%	22%
Vanguard FTSE Social Index Fund	VFTNX	14,269	27%	18%	50%	20%
<b>Sustainable funds, number of key resolution votes</b>						
Vanguard ESG U.S. Stock ETF	ESGV	5,598	186	53	51	82
Vanguard FTSE Social Index Fund	VFTNX	14,269	165	45	44	76

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Only funds that cast more than 10 votes on key resolutions in the last three proxy years are listed above. Voting records for funds not listed are included in the summary data.

### BlackRock (including iShares)

*Moderate support for key resolutions; sustainable funds vote in line with the wider firm.*

▶ U.S. fund market share	11.0% (Rank: 2)
▶ Total net assets, U.S. open-end funds and ETFs	USD 2,506 billion
▶ Morningstar ESG Commitment Level	Basic
▶ Overall support for key resolutions, last three proxy years	Medium, 43%

BlackRock's overall support for key resolutions in the last three proxy years has been moderate at 43% but still some way below the mean of the top 20 U.S. asset managers over the period (56%). As is the case for most of the top 20, BlackRock's support for key resolutions increased sharply in the 2021 proxy year before falling back in 2022. The firm's funds voted "For" such resolutions 68% of the time in 2021, up from only 10% in 2020. This support receded to 48% in 2022. BlackRock voted on 239 out of 241 key resolutions, casting over 10,700 fund votes in the last three proxy years. BlackRock's investment stewardship team offers this explanation<sup>9</sup> for the proportional decline in support:

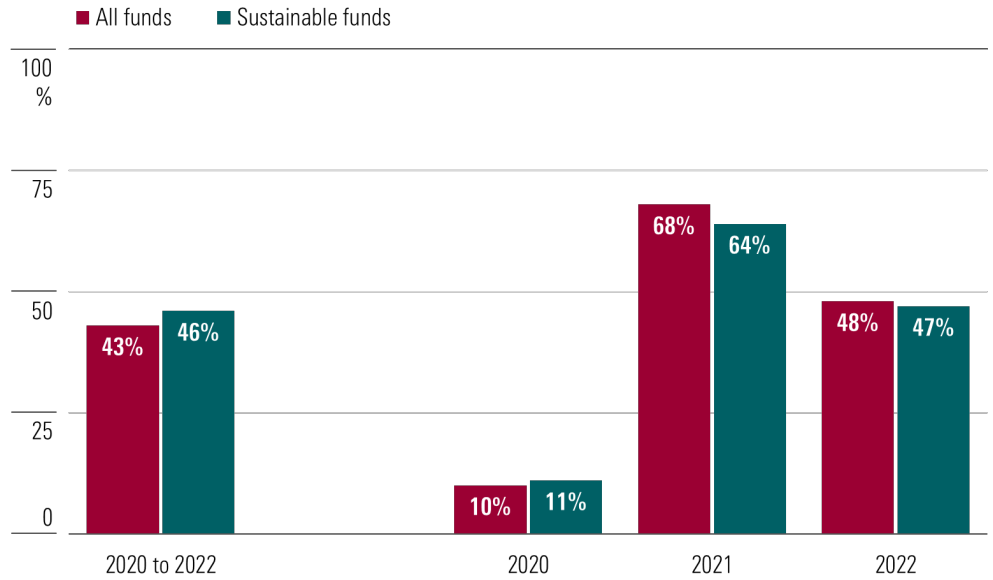
*"In the U.S. we saw a 133% increase in the number of environmental and social (E&S) shareholder proposals, many of them more prescriptive than in prior years... Many climate-related shareholder proposals sought to dictate the pace of companies' energy transition plans despite continued consumer demand, with little regard to company financial performance. Other proposals failed to recognize that companies had largely already met their ask. In our voting on behalf of clients, [BlackRock's Investment Stewardship team] supported 24% of E&S shareholder proposals in the U.S. this year, down from 43% last year, reflecting how these factors made these proposals less supportable in the 2021-22 proxy year."*

The level of support for key resolutions by BlackRock's sustainable funds has largely matched that of its fund range as a whole. Across the 2020 to 2022 proxy years, the overall support for key resolutions by the 21 BlackRock sustainable funds that voted on them stood at 46%, peaking at 64% in 2021, then falling back to 47% in 2022. In the last two proxy years, support for key resolutions by BlackRock's sustainable funds has tracked very slightly lower than for the firm's whole fund range.

Seven of BlackRock's sustainable funds have voted on key resolutions in each of the last three proxy years. Six of these funds made more than 50 voting decisions on key resolutions—their voting record largely displays the same pattern as the firm as a whole. This includes iShares ESG Aware MSCI USA ETF ESGU, the largest passive U.S. sustainable fund with almost USD 20 billion of assets. It supported 54% of the 114 key resolutions it voted on in the last three proxy years, and 45% in 2022 (67 key resolutions). The iShares ESG Aware MSCI USA Small-Cap ETF ESML was the exception to the trend (see Exhibit 40). It only made 19 voting decisions on key resolutions in the last three proxy years but showed a much higher level of overall support (68% over three years, 83% in the 2022 proxy year).

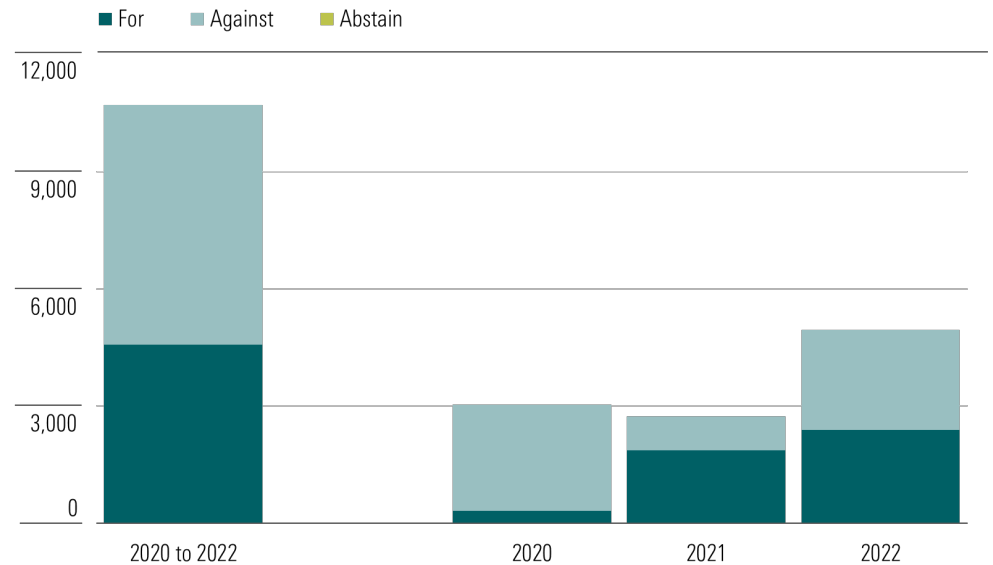
<sup>9</sup> BlackRock Investment Stewardship 2022 Voting Spotlight, P. 5, 6.

**Exhibit 35** BlackRock: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 36** BlackRock: Fund Votes Cast on Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

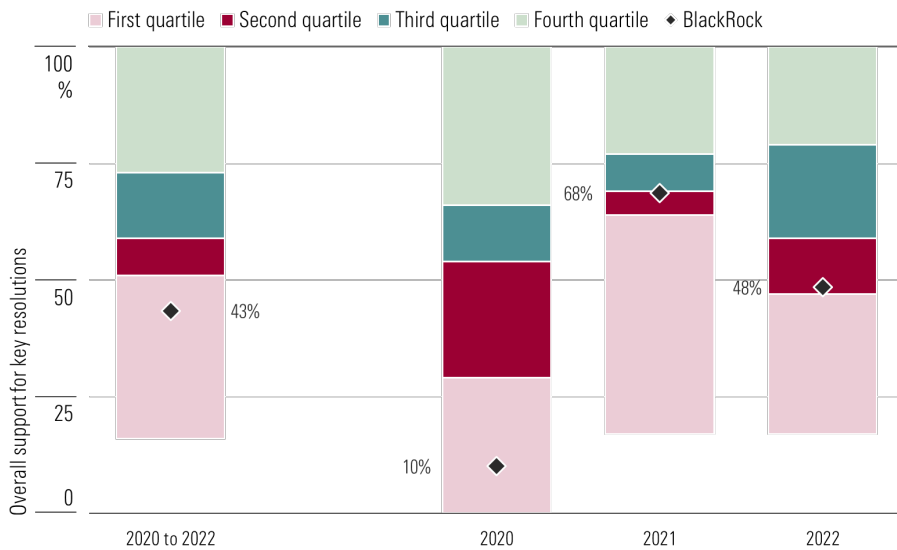


**Exhibit 37** BlackRock: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	4,565	318	1,862	2,385
Against	6,155	2,720	869	2,566
Abstain	0	0	0	0
<b>Total</b>	<b>10,720</b>	<b>3,038</b>	<b>2,731</b>	<b>4,951</b>
<b>For % (overall support)</b>				
Against %	57%	90%	32%	52%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	206	160	161	185
Number of key resolutions voted	239	67	72	100
<b>Vote coverage for key resolutions %</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>	<b>98%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 38** BlackRock and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 39** BlackRock: Voting Record on Key Resolutions, Sustainable Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	483	17	178	288
Against	562	141	100	321
Abstain	0	0	0	0
<b>Total</b>	<b>1,045</b>	<b>158</b>	<b>278</b>	<b>609</b>
<b>For % (overall support)</b>				
Against %	54%	89%	36%	53%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Overall support relative to all funds</b>				
	<b>1.09</b>	<b>1.03</b>	<b>0.94</b>	<b>0.98</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	21	8	16	17
Number of key resolutions voted	216	52	67	97
<b>Vote coverage for key resolutions %</b>	<b>90%</b>	<b>78%</b>	<b>93%</b>	<b>95%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023.

**Exhibit 40.1** BlackRock: Overall Support for Key Resolutions, Sustainable Funds

	Ticker	Fund Size, USD million	Fund voting record			
			2020 to 2022	2020	2021	2022
<b>Summary</b>						
Overall support, all funds			<b>43%</b>	10%	68%	48%
Overall support, sustainable funds			<b>46%</b>	11%	64%	47%
Overall support, sustainable funds relative to all funds			<b>1.09</b>	1.03	0.94	0.98
Number of sustainable funds voting on key resolutions			<b>21</b>	8	16	17
<b>Sustainable funds, overall support</b>						
BlackRock Sustainable Advantage Large Cap Core Fund	BIRIX	653	<b>37%</b>	3%	55%	46%
BlackRock Sustainable U.S. Growth Equity Fund	BSGKX	3	<b>n/a</b>	n/a	n/a	40%
BlackRock U.S. Carbon Transition Readiness ETF	LCTU	1,382	<b>n/a</b>	n/a	38%	49%
iShares ESG Advanced MSCI USA ETF	USXF	616	<b>n/a</b>	n/a	63%	55%
iShares ESG Aware MSCI USA ETF	ESGU	19,934	<b>54%</b>	9%	66%	45%
iShares ESG Aware MSCI USA Small-Cap ETF	ESML	1,365	<b>68%</b>	29%	100%	83%
iShares ESG MSCI USA Leaders ETF	SUSL	2,996	<b>30%</b>	11%	55%	44%
iShares ESG MSCI USA Min Vol Factor ETF	ESMV	6	<b>n/a</b>	n/a	n/a	49%
iShares ESG Screened S&P 500 ETF	XVV	127	<b>n/a</b>	n/a	66%	49%
iShares ESG Screened S&P Mid-Cap ETF	XJH	99	<b>n/a</b>	n/a	100%	75%
iShares MSCI ACWI Low Carbon Target ETF	CRBN	850	<b>44%</b>	13%	64%	47%
iShares MSCI KLD 400 Social ETF	DSI	3,619	<b>42%</b>	16%	59%	46%
iShares MSCI USA ESG Select ETF	SUSA	3,247	<b>44%</b>	0%	58%	44%
iShares Paris-Aligned Climate MSCI USA ETF	PABU	859	<b>n/a</b>	n/a	n/a	44%

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Only funds that cast more than 10 votes on key resolutions in the last three proxy years are listed above. Voting records for funds not listed are included in the summary data. Where a fund's overall support shows as "n/a," no votes have been recorded for that fund on any key resolutions in at least one of the last three proxy years.

**Exhibit 40.2** BlackRock: Number of Votes for Key Resolutions, Sustainable Funds

	Ticker	Fund Size, USD million	2020 to 2022	Fund voting record		
				2020	2021	2022
<b>Sustainable funds, number of key resolution votes</b>						
BlackRock Sustainable Advantage Large Cap Core Fund	BIRIX	653	<b>115</b>	30	29	56
BlackRock Sustainable U.S. Growth Equity Fund	BSGKX	3	<b>15</b>	0	0	15
BlackRock U.S. Carbon Transition Readiness ETF	LCTU	1,382	<b>69</b>	0	8	61
iShares ESG Advanced MSCI USA ETF	USXF	616	<b>36</b>	0	16	20
iShares ESG Aware MSCI USA ETF	ESGU	19,934	<b>114</b>	35	47	67
iShares ESG Aware MSCI USA Small-Cap ETF	ESML	1,365	<b>19</b>	7	6	6
iShares ESG MSCI USA Leaders ETF	SUSL	2,996	<b>114</b>	18	20	41
iShares ESG MSCI USA Min Vol Factor ETF	ESMV	6	<b>45</b>	0	0	45
iShares ESG Screened S&P 500 ETF	XVV	127	<b>119</b>	0	41	78
iShares ESG Screened S&P Mid-Cap ETF	XJH	99	<b>16</b>	0	8	8
iShares MSCI ACWI Low Carbon Target ETF	CRBN	850	<b>162</b>	39	47	76
iShares MSCI KLD 400 Social ETF	DSI	3,619	<b>78</b>	19	22	37
iShares MSCI USA ESG Select ETF	SUSA	3,247	<b>68</b>	8	24	36
iShares Paris-Aligned Climate MSCI USA ETF	PABU	859	<b>48</b>	0	0	48

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Only funds that cast more than 10 votes on key resolutions in the last three proxy years are listed above. Voting records for funds not listed are included in the summary data. Where a fund's overall support shows as "n/a," no votes have been recorded for that fund on any key resolutions in at least one of the last three proxy years.

## Fidelity Investments

*Both conventional and sustainable funds show moderate but declining support for key resolutions.*

▶ U.S. fund market share	9.4% (Rank: 3)
▶ Total net assets, U.S. open-end funds and ETFs	USD 2,136 billion
▶ Morningstar ESG Commitment Level	Low
▶ Overall support for key resolutions, last three proxy years	Medium, 54%

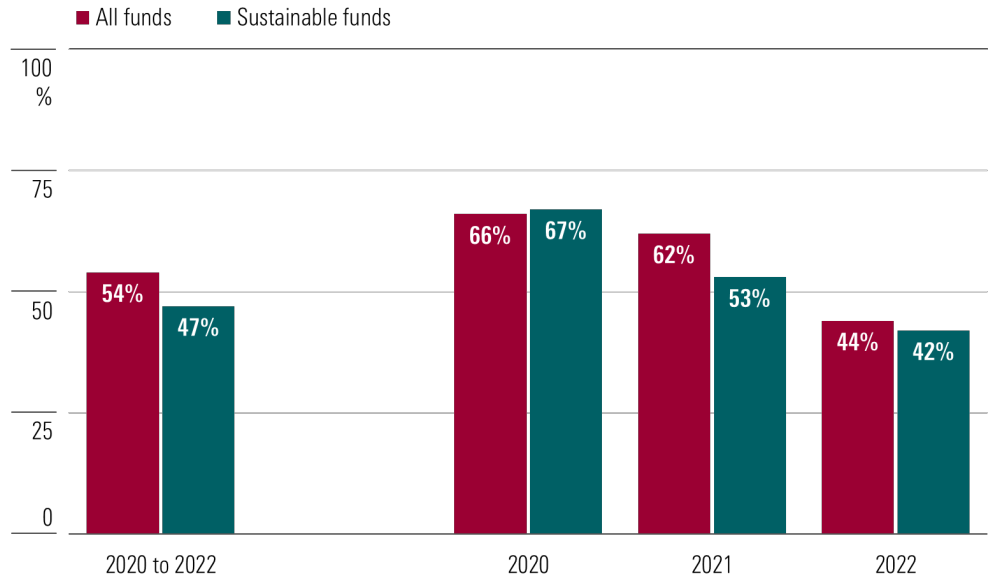
Fidelity has shown a medium level of support for key shareholder resolutions over the 2020 to 2022 proxy years at 54% overall, very close to the mean of 56% for the top 20 U.S. asset managers. However, Fidelity's support for key resolutions has declined each year since the 2020 proxy year, rather than peaking in 2021 as seen for many other firms. The firm showed 66% overall support for key resolutions in 2020, falling slightly to 62% in 2021, with a sharper decline to 44% in 2022. Fidelity is one of only two firms in the top 10 whose support for key resolutions in the 2022 proxy year was lower than in 2020.

Over the last three proxy years, Fidelity cast more fund votes on key resolutions than any other firm in our selection — over 12,000. It also has very high vote coverage over the last three proxy years, voting on 239 of the 241 key resolutions.

We identified votes from nine sustainable funds by Fidelity out of the 266 that voted on key resolutions in total over the last three proxy years. Somewhat surprisingly, overall support for key resolutions by these funds, at 47%, has largely been lower than for the firm as a whole. Over three years, overall support for key resolutions by Fidelity's sustainable funds relative to the whole fund range is 0.87, which indicates a meaningfully lower level of support.

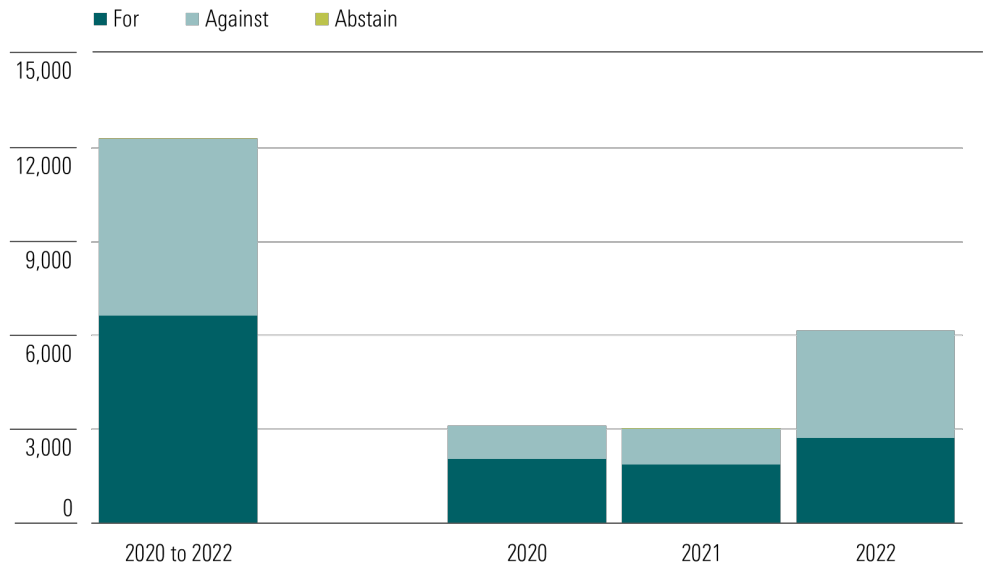
At 42%, the sustainable funds' vote coverage over the last three proxy years is considerably lower than for the firm as a whole, which may account for some of the difference. There is also a wide range of outcomes in different funds' voting decisions (see Exhibit 46). For example, Fidelity U.S. Sustainable Index FITLX and Fidelity Environment and Alternative Energy Fund FSLEX show consistent medium-to-high support for key resolutions over more than one of the last three proxy years.

**Exhibit 41** Fidelity Investments: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 42** Fidelity Investments: Fund Votes Cast on Key Resolutions



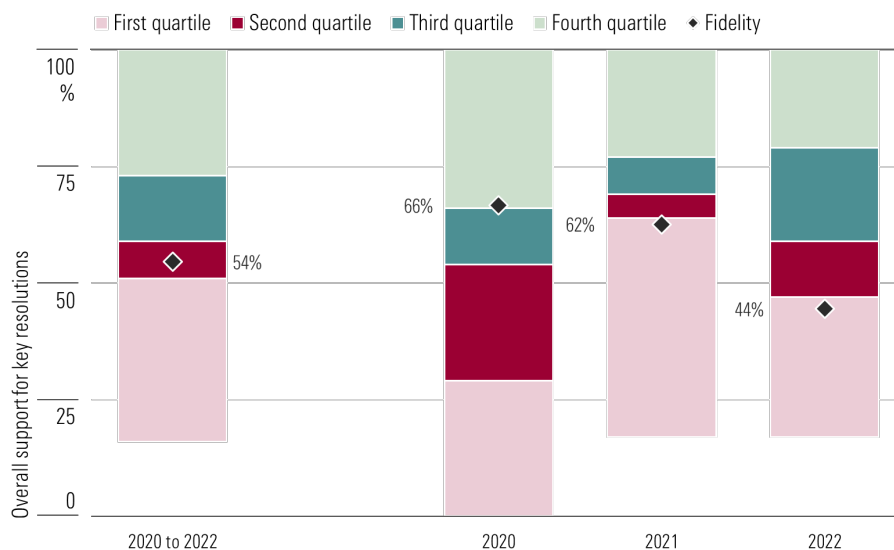
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 43** Fidelity Investments: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	6,647	2,057	1,869	2,721
Against	5,649	1,063	1,148	3,438
Abstain	1	0	1	0
<b>Total</b>	<b>12,297</b>	<b>3,120</b>	<b>3,018</b>	<b>6,159</b>
<b>For % (overall support)</b>				
For %	54%	66%	62%	44%
Against %	46%	34%	38%	56%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	266	221	211	229
Number of key resolutions voted	239	67	72	100
<b>Vote coverage for key resolutions %</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>	<b>98%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 44** Fidelity Investments and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 45** Fidelity Investments: Voting Record on Key Resolutions, Sustainable Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	101	24	10	67
Against	115	12	9	94
Abstain	0	0	0	0
<b>Total</b>	<b>216</b>	<b>36</b>	<b>19</b>	<b>161</b>
<b>For % (overall support)</b>				
For % (overall support)	47%	67%	53%	42%
Against %	53%	33%	47%	58%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Overall support relative to all funds</b>				
Overall support relative to all funds	0.87	1.01	0.85	0.94
Total number of key resolutions	241	67	72	102
Number of voting funds	9	4	3	7
Number of key resolutions voted	102	34	17	51
<b>Vote coverage for key resolutions %</b>	<b>42%</b>	<b>51%</b>	<b>24%</b>	<b>50%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023.

**Exhibit 46** Fidelity: Overall Support and Number of Votes for Key Resolutions, Sustainable Funds

	Ticker	Fund Size, USD million	Fund voting record			
			2020 to 2022	2020	2021	2022
<b>Summary</b>						
Overall support, all funds			54%	66%	62%	44%
Overall support, sustainable funds			47%	67%	53%	42%
Overall support, sustainable funds relative to all funds			0.87	1.01	0.85	0.94
Number of sustainable funds voting on key resolutions			9	4	3	7
<b>Sustainable funds, overall support</b>						
Fidelity Climate Action Fund	FCLZX	20	n/a	n/a	n/a	40%
Fidelity Envir and Alt Energy Fund	FSLEX	462	73%	33%	83%	83%
Fidelity SAI Sustainable US Equity Fund	FIDEX	4	n/a	n/a	n/a	27%
Fidelity Sustainable U.S. Equity ETF	FSST	7	n/a	n/a	n/a	30%
Fidelity US Sustainability Index Fund	FITLX	2,007	n/a	89%	n/a	68%
Fidelity Women's Leadership ETF	FDWM	3	n/a	n/a	n/a	35%
Fidelity Women's Leadership Fund	FWOZX	122	31%	43%	33%	24%
<b>Sustainable funds, number of key resolution votes</b>						
Fidelity Climate Action Fund	FCLZX	20	20	0	0	20
Fidelity Envir and Alt Energy Fund	FSLEX	462	15	3	6	6
Fidelity SAI Sustainable US Equity Fund	FIDEX	4	26	0	0	26
Fidelity Sustainable U.S. Equity ETF	FSST	7	27	0	0	27
Fidelity US Sustainability Index Fund	FITLX	2,007	58	18	0	40
Fidelity Women's Leadership ETF	FDWM	3	17	0	0	17
Fidelity Women's Leadership Fund	FWOZX	122	51	14	12	25

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Only funds that cast more than 10 votes on key resolutions in the last three proxy years are listed above. Voting records for funds not listed are included in the summary data. Where a fund's overall support shows as "n/a," no votes have been recorded for that fund on any key resolutions in at least one of the last three proxy years.

### Capital Group (including American Funds)

*Support for key resolutions held steady in 2022 against a declining industry trend.*

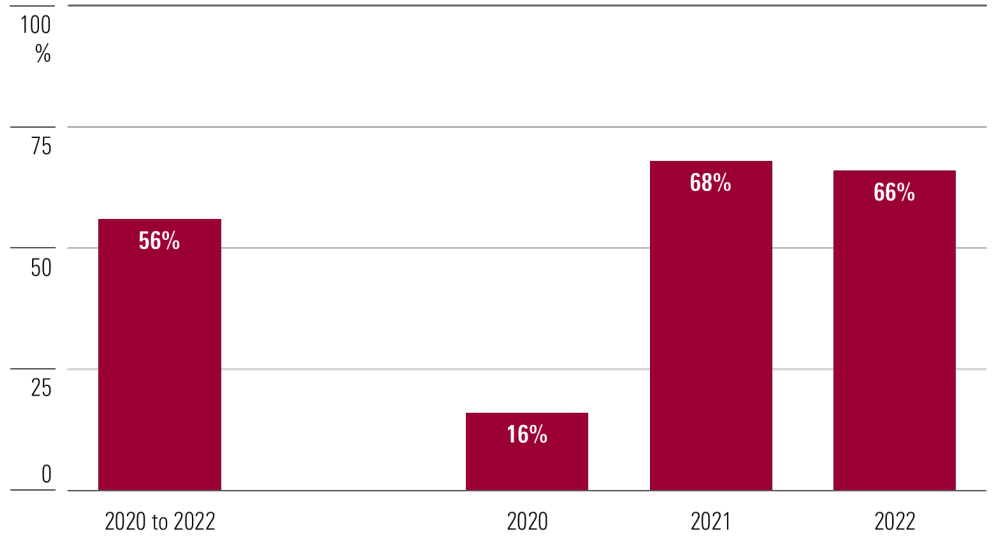
▶ U.S. fund market share	8.3% (Rank: 4)
▶ Total net assets, U.S. open-end funds and ETFs	USD 1,881 billion
▶ Morningstar ESG Commitment Level	Basic
▶ Overall support for key resolutions, last three proxy years	Medium, 56%

Capital Group's overall support for key resolutions stands at 56% over the last three years. Unlike most of the largest U.S. asset managers, the firm's support for key resolutions held relatively steady in the 2022 proxy year at 66%, compared with 68% in 2021. The last two proxy years marked a significant shift in voting policy for Capital Group, which supported a very low 16% of key resolutions in the 2020 proxy year. Capital Group does not have a discrete sustainable fund offering, as the firm focuses on integrating ESG analysis in its firmwide investment process.

Capital Group's fund portfolios are higher conviction, and therefore, they tend to own fewer stocks than the other top five managers. This is reflected in its vote coverage over the period. The firm voted on 171 of the 241 shareholder resolutions in the last three proxy years, which translates into vote coverage of 71% overall.

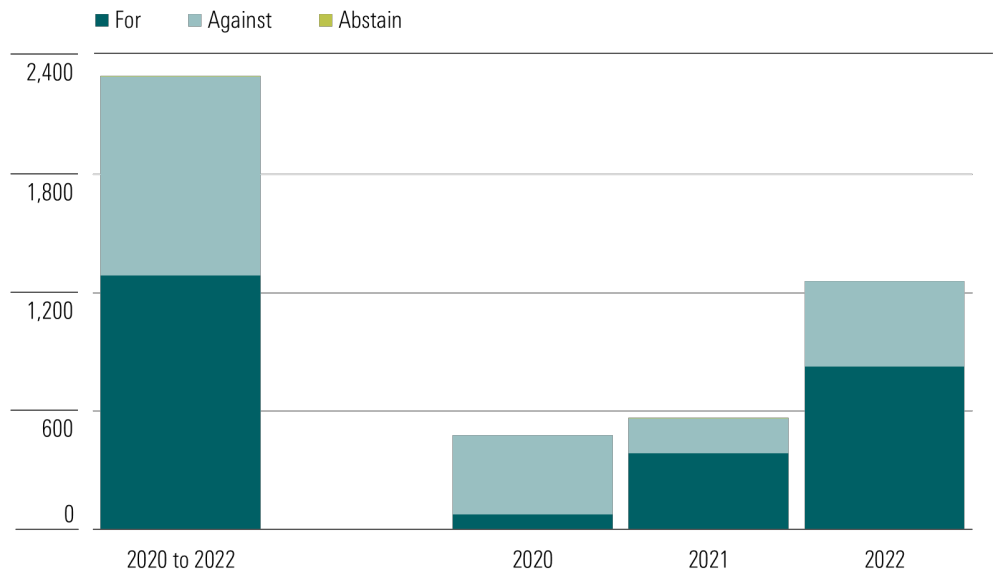


**Exhibit 47** Capital Group: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023. Note: Capital Group does not offer sustainable funds.

**Exhibit 48** Capital Group: Fund Votes Cast on Key Resolutions



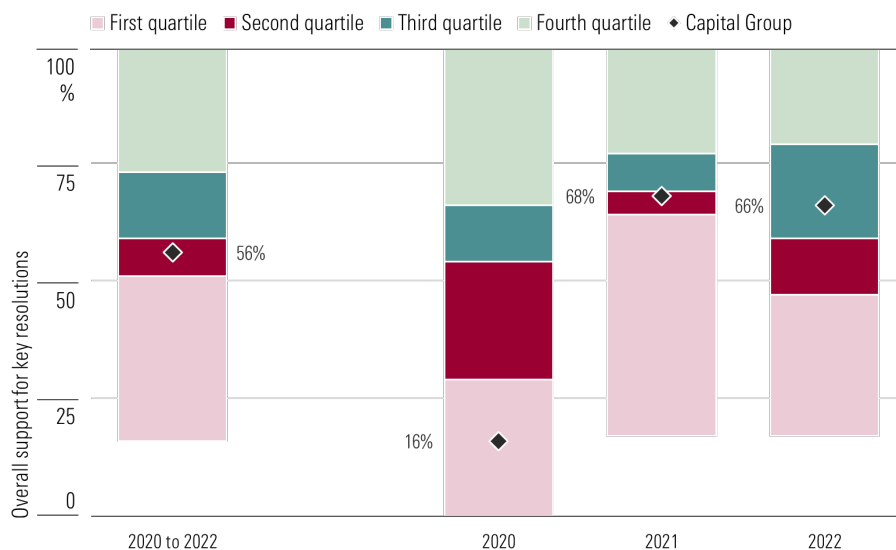
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 49** Capital Group: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	1,287	76	386	825
Against	1,011	401	177	433
Abstain	1	0	1	0
<b>Total</b>	<b>2,299</b>	<b>477</b>	<b>564</b>	<b>1,258</b>
<b>For % (overall support)</b>				
For %	56%	16%	68%	66%
Against %	44%	84%	31%	34%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	35	28	28	31
Number of key resolutions voted	171	40	50	81
<b>Vote coverage for key resolutions %</b>	<b>71%</b>	<b>60%</b>	<b>69%</b>	<b>79%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 50** Capital Group and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

### State Street Global Advisors

*Moderate support for key resolutions; sustainable funds' votes broadly match the wider firm.*

▶ U.S. fund market share	4.3% (Rank: 5)
▶ Total net assets, U.S. open-end funds and ETFs	USD 981 billion
▶ Morningstar ESG Commitment Level	Basic
▶ Overall support for key resolutions, last three proxy years	Medium, 59%

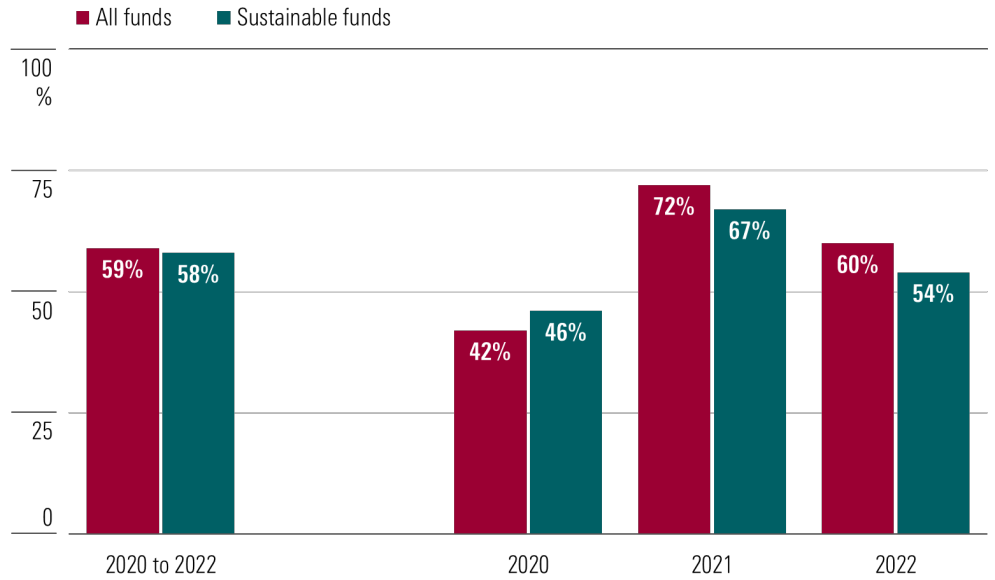
Over the last three proxy years, State Street's support for key shareholder resolutions was 59% overall. Like several other large U.S. managers, the firm's support for key resolutions peaked in 2021, at a high 72%. However, unlike the other Big Three index managers—Vanguard and BlackRock—State Street's support for key resolutions was already at a medium level in the 2020 proxy year, at 42%.

Similar to Vanguard and BlackRock, the firm's vote coverage for key resolutions is very high. It cast voting decisions on 239 of the 241 key resolutions in the last three years. However, the firm casts a much higher proportion of "Abstain" votes than any other top 20 U.S. firm—15% of the firm's votes on key resolutions were to abstain.

State Street's level of support for key resolutions in its sustainable funds largely matches that of the wider firm, standing at 58% over the last three proxy years. However, over the last two years, support by sustainable funds has tracked slightly lower than the firm as a whole.

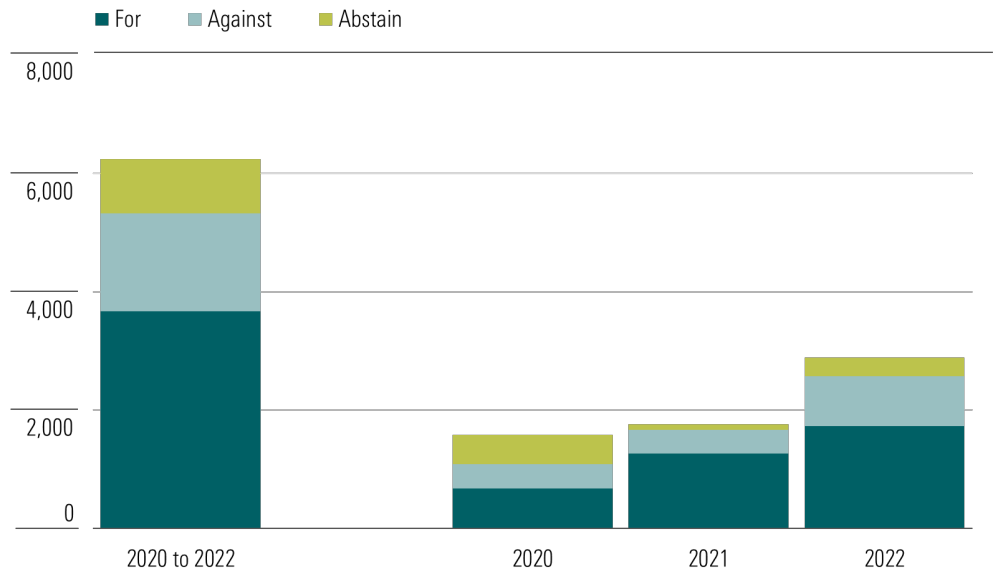
Six sustainable funds from State Street voted on the 241 key resolutions in the last three proxy years, of which three funds cast more than 10 votes on those resolutions: SPDR S&P 500 ESG ETF EFIV, SPDR MSCI ACWI Climate Paris Aligned ETF NZAC, and SPDR MSCI USA Gender Diversity ETF SHE. The voting record of all three funds largely reflects that of the firm as a whole, and all three cast more than 50% of their fund votes on key resolutions in support of them.

**Exhibit 51** State Street: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 52** State Street: Fund Votes Cast on Key Resolutions



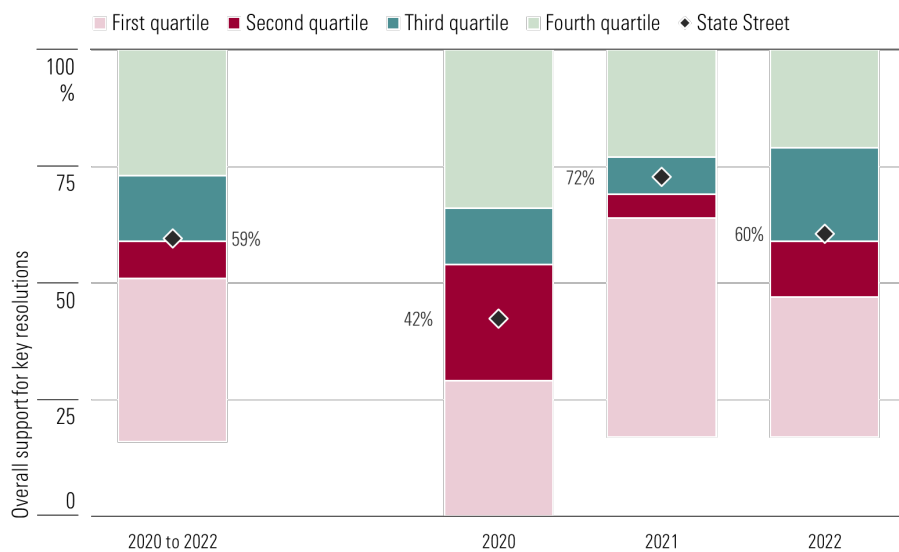
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 53** State Street: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	3,665	670	1,266	1,729
Against	1,657	417	394	846
Abstain	920	498	104	318
<b>Total</b>	<b>6,242</b>	<b>1,585</b>	<b>1,764</b>	<b>2,893</b>
<b>For % (overall support)</b>				
For % (overall support)	59%	42%	72%	60%
Against %	27%	26%	22%	29%
Abstain %	15%	31%	6%	11%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	88	72	67	71
Number of key resolutions voted	239	67	72	100
<b>Vote coverage for key resolutions %</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>	<b>98%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 54** State Street and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 55** State Street: Voting Record on Key Resolutions, Sustainable Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	256	24	100	132
Against	133	13	38	82
Abstain	55	15	11	29
<b>Total</b>	<b>444</b>	<b>52</b>	<b>149</b>	<b>243</b>
<b>For % (overall support)</b>				
For %	58%	46%	67%	54%
Against %	30%	25%	26%	34%
Abstain %	12%	29%	7%	12%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Overall support relative to all funds</b>				
	<b>0.98</b>	<b>1.09</b>	<b>0.94</b>	<b>0.91</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	6	3	4	5
Number of key resolutions voted	200	47	61	92
<b>Vote coverage for key resolutions %</b>	<b>83%</b>	<b>70%</b>	<b>85%</b>	<b>90%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023.

**Exhibit 56** State Street: Overall Support and Number of Votes for Key Resolutions, Sustainable Funds

	Ticker	Fund Size, USD million	Fund voting record			
			2020 to 2022	2020	2021	2022
<b>Summary</b>						
Overall support, all funds			59%	42%	72%	60%
Overall support, sustainable funds			58%	46%	67%	54%
Overall support, sustainable funds relative to all funds			0.98	1.09	0.94	0.91
Number of sustainable funds voting on key resolutions			6	3	4	5
<b>Sustainable funds, overall support</b>						
SPDR MSCI ACWI Climate Paris Aligned ETF	NZAC	228	56%	43%	67%	56%
SPDR MSCI USA Gender Diversity ETF	SHE	207	54%	56%	70%	50%
SPDR S&P 500 ESG ETF	EFIV	652	n/a	n/a	71%	57%
<b>Sustainable funds, number of key resolution votes</b>						
SPDR MSCI ACWI Climate Paris Aligned ETF	NZAC	228	170	42	48	80
SPDR MSCI USA Gender Diversity ETF	SHE	207	35	9	10	16
SPDR S&P 500 ESG ETF	EFIV	652	232	0	87	145

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Only funds that cast more than 10 votes on key resolutions in the last three proxy years are listed above. Voting records for funds not listed are included in the summary data. Where a fund's overall support shows as "n/a," no votes have been recorded for that fund on any key resolutions in at least one of the last three proxy years.

## T. Rowe Price

*Low and declining support for key resolutions compared with its peers.*

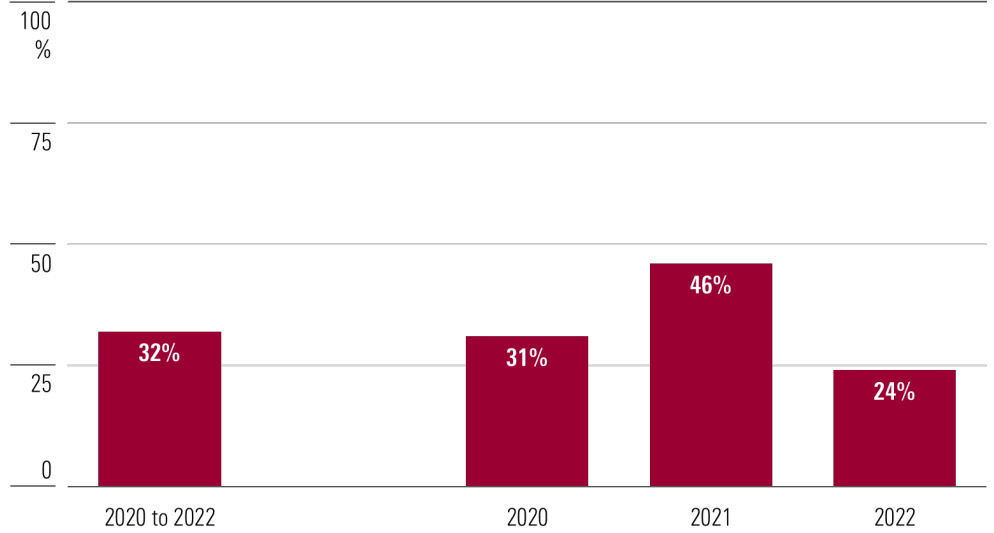
▶ U.S. fund market share	2.7% (Rank: 6)
▶ Total net assets, U.S. open-end funds and ETFs	USD 604 billion
▶ Morningstar ESG Commitment Level	Basic
▶ Overall support for key resolutions, last three proxy years	Low, 32%

T. Rowe Price's support for key shareholder resolutions been low at 32% overall in the last three proxy years. Like many of the firms in this study, T. Rowe Price's support for key resolutions increased in the 2021 proxy year before falling back in 2022.

However, unlike most of the top 10 firms, T. Rowe Price's support for key resolutions has never exceeded 50% in the last three years. Furthermore, T. Rowe Price is one of only two firms in the top 10 whose support for key resolutions in the 2022 proxy year was lower than in 2020. T. Rowe Price's vote coverage for key resolutions is very high at 99% over three years. The firm cast over 3,300 fund votes on 239 of the 241 key resolutions in that period.

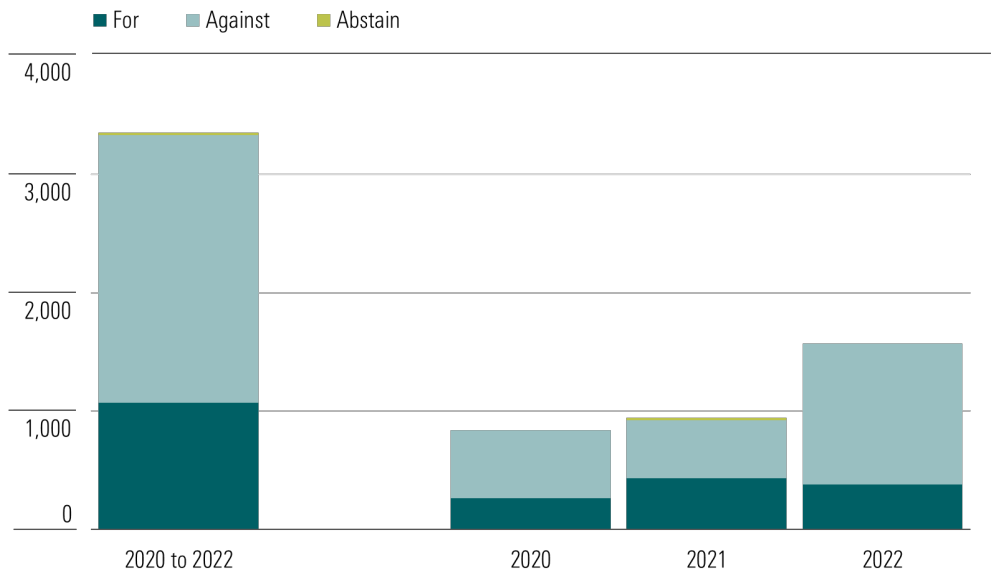
Only one of T. Rowe Price's sustainable funds voted on any key resolutions. The firm's Global Impact Equity Fund cast four fund votes on key resolutions in the 2022 proxy year. As this is a very small sample, we have not analyzed this sustainable fund data.

**Exhibit 57** T. Rowe Price: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023. Note: Sustainable fund voting data is excluded because of a low number of fund votes.

**Exhibit 58** T. Rowe Price: Fund Votes Cast on Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

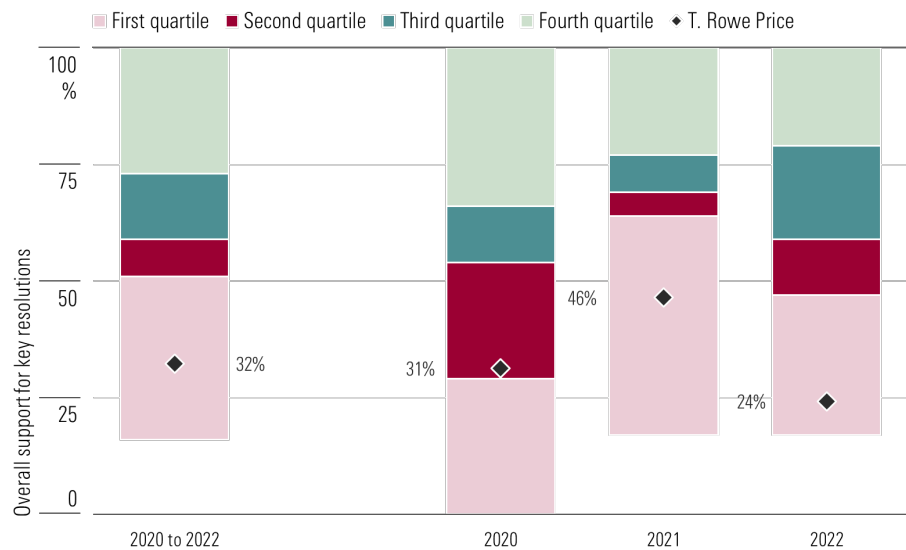


**Exhibit 59** T. Rowe Price: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	1,072	264	432	376
Against	2,261	576	492	1,193
Abstain	19	0	19	0
<b>Total</b>	<b>3,352</b>	<b>840</b>	<b>943</b>	<b>1,569</b>
<b>For % (overall support)</b>				
For % (overall support)	32%	31%	46%	24%
Against %	67%	69%	52%	76%
Abstain %	1%	0%	2%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	63	53	56	60
Number of key resolutions voted	239	67	72	100
<b>Vote coverage for key resolutions %</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>	<b>98%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 60** T. Rowe Price and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

## Invesco

*Highest support for key resolutions among the top 10 managers.*

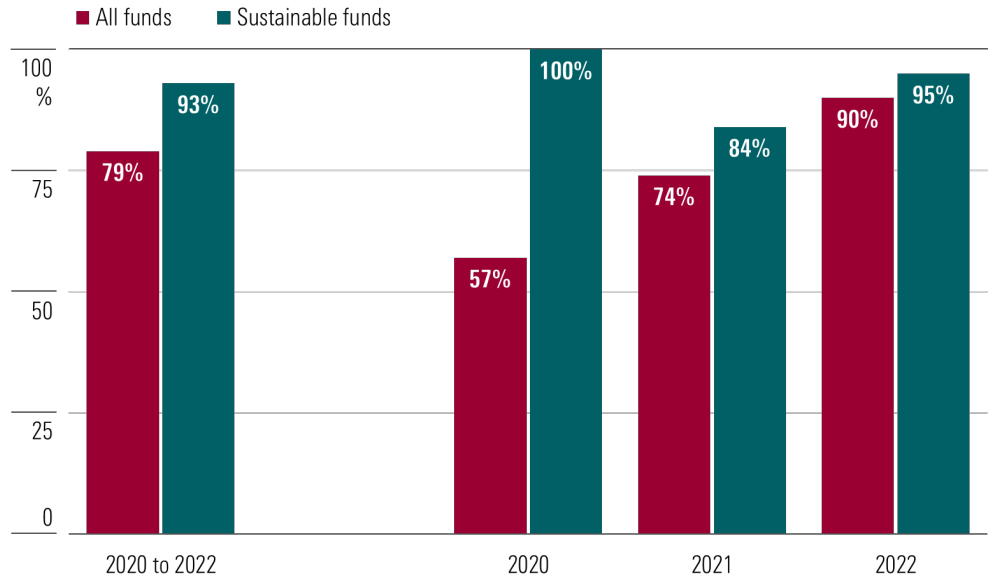
▶ U.S. fund market share	2.5% (Rank: 7)
▶ Total net assets, U.S. open-end funds and ETFs	USD 572 billion
▶ Morningstar ESG Commitment Level	Basic
▶ Overall support for key resolutions, last three proxy years	High, 79%

Invesco's voting record stands out among the top 10 U.S. asset managers for its strong support of key shareholder resolutions in the last three proxy years.

Across those three years, Invesco's support for key shareholder resolutions has been high at 79% overall, having increased in each of the last three years, unlike most other firms in this study. In the 2022 proxy year, Invesco cast 90% of its fund votes on key resolutions in support, rising from 74% in 2021 and 57% in 2020. Like most other firms in the top 10, Invesco's vote coverage for key resolutions is very high at 96%—the firm voted on 231 of the 241 key resolutions. The firm cast almost 6,000 fund votes on key resolutions in the last three proxy years.

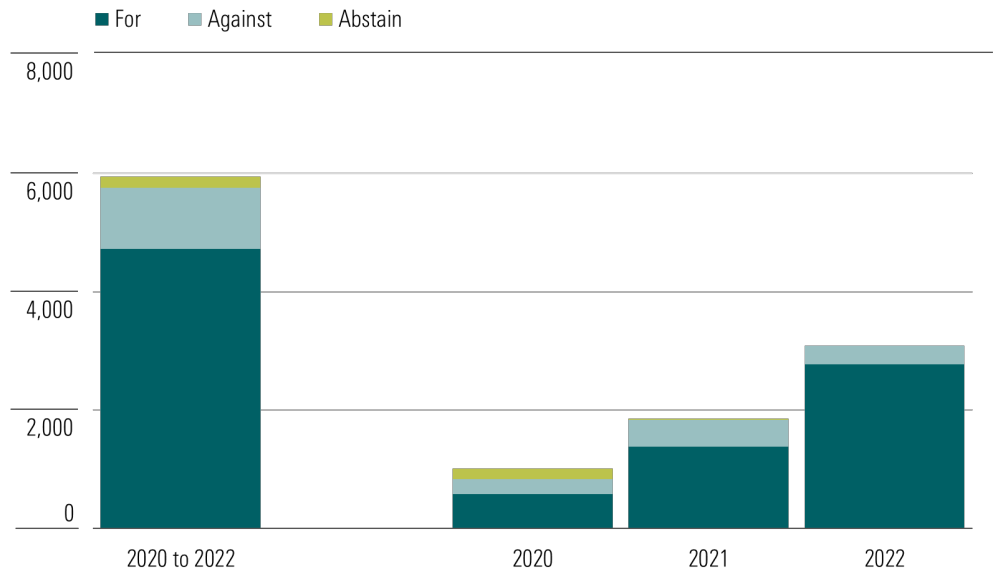
Invesco's sustainable funds' level of support for key resolutions has consistently exceeded that of its fund range as a whole and has been consistently above 80%. In the 2020 proxy year, Invesco's sustainable funds supported 100% of the key resolutions it voted on. However, it should be noted that this represents just seven voting decisions by one fund: Invesco MSCI World SRI Index *VSQYX*. The number of sustainable funds and voting decisions increased in the 2021 and 2022 proxy years, with their support for key resolutions in each year standing at 84% and 95%, respectively. In the 2022 proxy year, four funds cast at least 25 fund votes on key resolutions—all four showed at least 87% support for the key resolutions they voted on.

**Exhibit 61** Invesco: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 62** Invesco: Fund Votes Cast on Key Resolutions



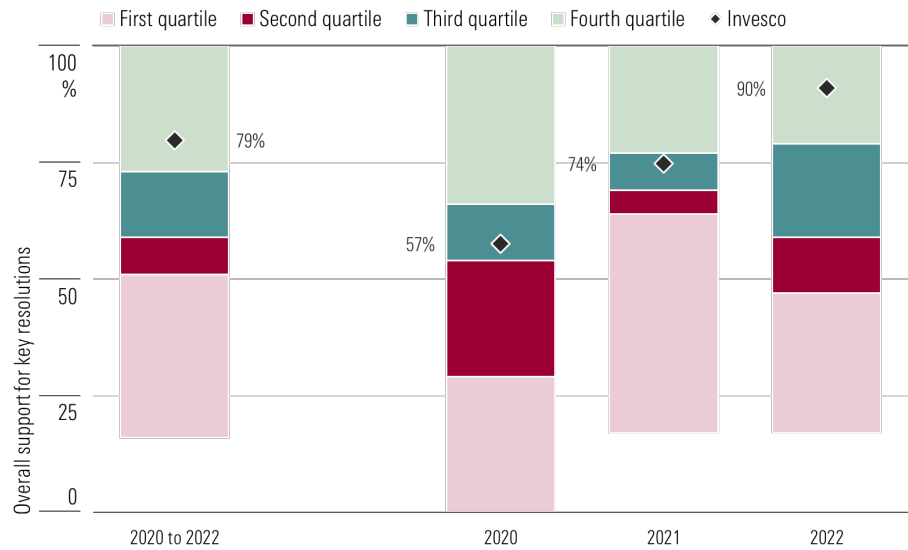
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 63** Invesco: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	4,726	575	1,378	2,773
Against	1,036	259	459	318
Abstain	187	174	13	0
<b>Total</b>	<b>5,949</b>	<b>1,008</b>	<b>1,850</b>	<b>3,091</b>
<b>For % (overall support)</b>				
For %	79%	57%	74%	90%
Against %	17%	26%	25%	10%
Abstain %	3%	17%	1%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	184	124	154	158
Number of key resolutions voted	231	57	72	102
<b>Vote coverage for key resolutions %</b>	<b>96%</b>	<b>85%</b>	<b>100%</b>	<b>100%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 64** Invesco and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 65** Invesco: Voting Record on Key Resolutions, Sustainable Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	150	7	27	116
Against	7	0	1	6
Abstain	4	0	4	0
<b>Total</b>	<b>161</b>	<b>7</b>	<b>32</b>	<b>122</b>
<b>For % (overall support)</b>				
For %	93%	100%	84%	95%
Against %	4%	0%	3%	5%
Abstain %	2%	0%	13%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Overall support relative to all funds</b>				
	<b>1.17</b>	<b>1.75</b>	<b>1.13</b>	<b>1.06</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	12	1	7	10
Number of key resolutions voted	95	7	23	65
<b>Vote coverage for key resolutions %</b>	<b>39%</b>	<b>10%</b>	<b>32%</b>	<b>64%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023.

**Exhibit 66** Invesco: Overall Support and Number of Votes for Key Resolutions, Sustainable Funds

	Ticker	Fund Size, USD million	Fund voting record			
			2020 to 2022	2020	2021	2022
<b>Summary</b>						
Overall support, all funds			79%	57%	74%	90%
Overall support, sustainable funds			93%	100%	84%	95%
Overall support, sustainable funds relative to all funds			1.17	1.75	1.13	1.06
Number of sustainable funds voting on key resolutions			12	1	7	10
<b>Sustainable funds, overall support</b>						
Invesco ESG NASDAQ 100 ETF	QQMG	10	n/a	n/a	n/a	97%
Invesco ESG S&P 500 Equal Weight ETF	RSPE	5	n/a	n/a	n/a	87%
Invesco MSCI World SRI Index Fund	VSQYX	10	95%	100%	83%	100%
Invesco US Large Cap Core ESG ETF	IVLC	6	n/a	n/a	89%	100%
<b>Sustainable funds, number of key resolution votes</b>						
Invesco ESG NASDAQ 100 ETF	QQMG	10	33	0	0	33
Invesco ESG S&P 500 Equal Weight ETF	RSPE	5	31	0	0	31
Invesco MSCI World SRI Index Fund	VSQYX	10	40	7	12	21
Invesco US Large Cap Core ESG ETF	IVLC	6	34	0	9	25

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Only funds that cast more than 10 votes on key resolutions in the last three proxy years are listed above. Voting records for funds not listed are included in the summary data. Where a fund's overall support shows as "n/a," no votes have been recorded for that fund on any key resolutions in at least one of the last three proxy years.

### JPMorgan Asset Management

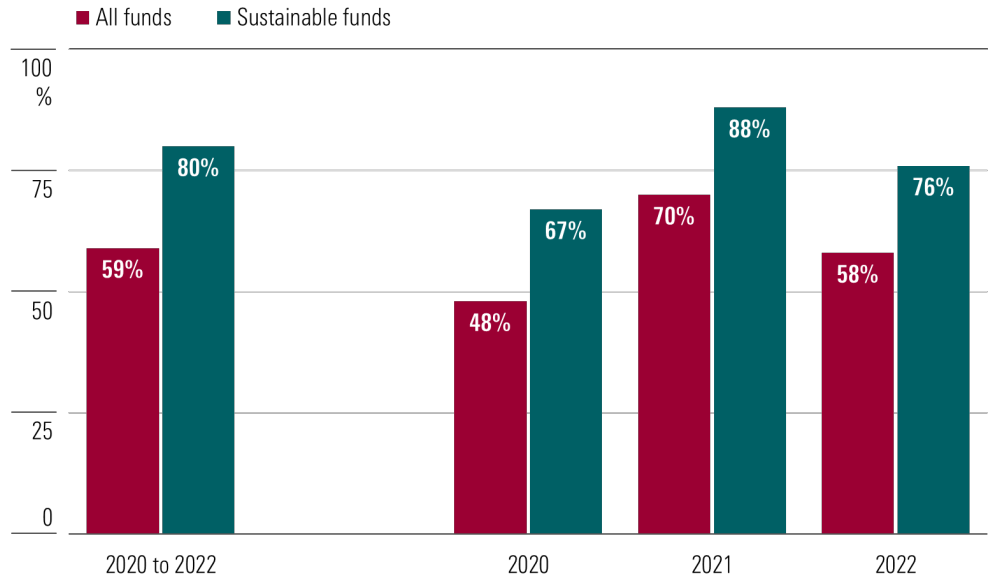
*Moderate support for key resolutions very closely matches that of the top 20 managers.*

▶ U.S. fund market share	2.0% (Rank: 8)
▶ Total net assets, U.S. open-end funds and ETFs	USD 459 billion
▶ Morningstar ESG Commitment Level	Basic
▶ Overall support for key resolutions, last three proxy years	Medium, 59%

Over the last three proxy years, support by JPMorgan Asset Management for key shareholder resolutions has closely matched that of the top 20 U.S. managers overall. The firm's overall support for key resolutions is 59% over the period, matching the median level for the top 20. JPMorgan's support for key resolutions rose from 48% in the 2020 proxy year to 70% in 2021. The firm's support receded to 58% in 2022, again matching the median in that year. JPMorgan's vote coverage is very high, close to 100% in each year.

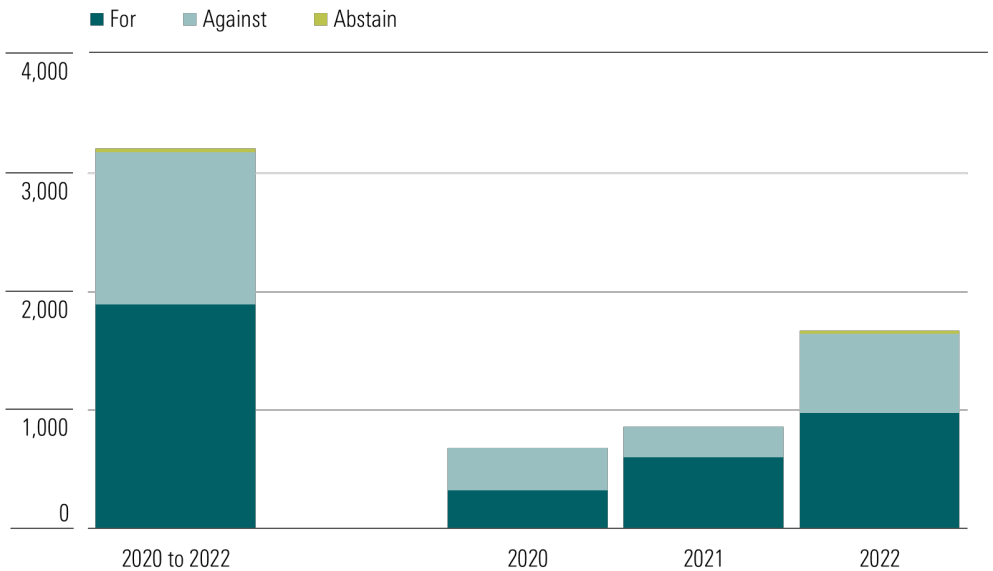
Only three sustainable funds from JPMorgan voted on key resolutions during the period, none of which voted on key resolutions in all three years. However, on the whole, the firm's sustainable funds showed a higher level of support for key resolutions compared with the fund range overall. The two funds that voted on more than 10 of the 241 key resolutions—JPMorgan Carbon Transition U.S. Equity ETF JCTR and JPMorgan U.S. Sustainable Leaders JIISX—did so in the 2021 and 2022 proxy years. In those two years, their overall support for key resolutions was consistently high, never falling below 75%.

**Exhibit 67** JPMorgan: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023. Note: Data for sustainable funds in the 2020 proxy year for JPMorgan is based on fewer than 10 voting decisions.

**Exhibit 68** JPMorgan: Fund Votes Cast on Key Resolutions



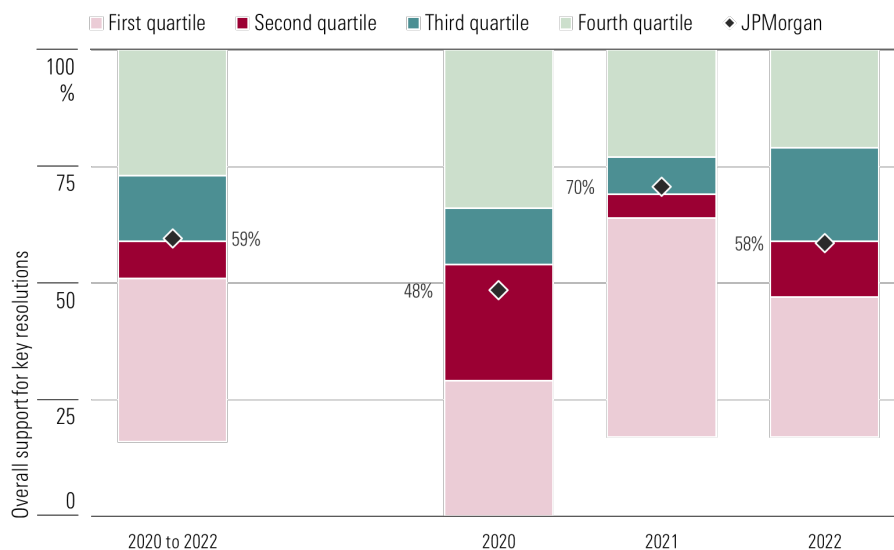
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 69** JPMorgan: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	1,895	322	599	974
Against	1,286	355	261	670
Abstain	29	0	0	29
<b>Total</b>	<b>3,210</b>	<b>677</b>	<b>860</b>	<b>1,673</b>
<b>For % (overall support)</b>				
For %	59%	48%	70%	58%
Against %	40%	52%	30%	40%
Abstain %	1%	0%	0%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	54	44	49	50
Number of key resolutions voted	239	66	71	102
<b>Vote coverage for key resolutions %</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>100%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 70** JPMorgan and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.



**Exhibit 71** JPMorgan: Voting Record on Key Resolutions, Sustainable Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	103	2	38	63
Against	24	1	5	18
Abstain	2	0	0	2
<b>Total</b>	<b>129</b>	<b>3</b>	<b>43</b>	<b>83</b>
<b>For % (overall support)</b>				
For %	80%	67%	88%	76%
Against %	19%	33%	12%	22%
Abstain %	2%	0%	0%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Overall support relative to all funds</b>				
	<b>1.35</b>	<b>1.40</b>	<b>1.27</b>	<b>1.30</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	3	1	3	2
Number of key resolutions voted	110	3	41	66
<b>Vote coverage for key resolutions %</b>	<b>46%</b>	<b>4%</b>	<b>57%</b>	<b>65%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023.

**Exhibit 72** JPMorgan: Overall Support and Number of Votes for Key Resolutions, Sustainable Funds

	Ticker	Fund Size, USD million	Fund voting record			
			2020 to 2022	2020	2021	2022
<b>Summary</b>						
Overall support, all funds			59%	48%	70%	58%
Overall support, sustainable funds			80%	67%	88%	76%
Overall support, sustainable funds relative to all funds			1.35	1.40	1.27	1.30
Number of sustainable funds voting on key resolutions			3	1	3	2
<b>Sustainable funds, overall support</b>						
JPMorgan Carbon Transition U.S. Equity ETF	JCTR	22	n/a	n/a	87%	76%
JPMorgan U.S. Sustainable Leaders Fund	JISX	175	n/a	n/a	100%	76%
<b>Sustainable funds, number of key resolution votes</b>						
JPMorgan Carbon Transition U.S. Equity ETF	JCTR	22	104	0	38	66
JPMorgan U.S. Sustainable Leaders Fund	JISX	175	20	0	3	17

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Only funds that cast more than 10 votes on key resolutions in the last three proxy years are listed above. Voting records for funds not listed are included in the summary data. Where a fund's overall support shows as "n/a," no votes have been recorded for that fund on any key resolutions in at least one of the last three proxy years.

## Dimensional Fund Advisors

*Consistently low support for key resolutions with stronger support from sustainable funds.*

▶ U.S. fund market share	1.9% (Rank: 9)
▶ Total net assets, U.S. open-end funds and ETFs	USD 433 billion
▶ Morningstar ESG Commitment Level	Low
▶ Overall support for key resolutions, last three proxy years	Very low, 16%

Dimensional Fund Advisors' overall support for key resolutions is the lowest among the U.S. top 20 asset managers at just 16% over the last three proxy years. The firm's overall support level has been highly consistent over those years—the spike in support in the 2021 proxy year seen at most of the asset managers in this study is absent for Dimensional.

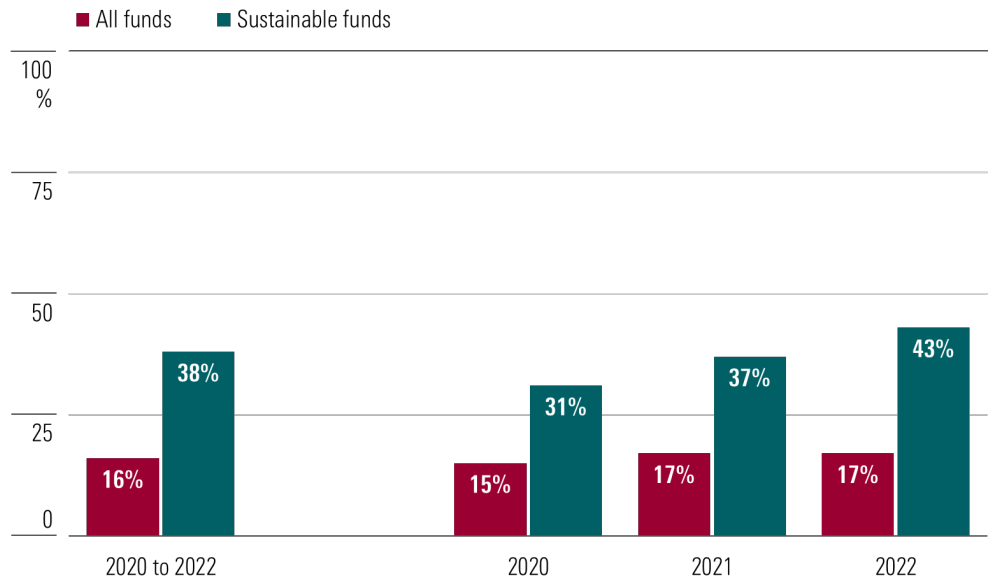
Like most of the top 10, Dimensional's vote coverage is very high over the period, never falling below 97% in any one year. The firm voted on 235 of the 241 key resolutions, casting over 2,000 fund votes on these proposals.

Dimensional's sustainable funds voted on 176 of the 241 key resolutions in the last three proxy years, so their vote coverage is 73%. Among the firms in this study, only the Big Three index firms have higher vote coverage for sustainable funds.

The firm's sustainable funds appear to have taken a very different approach to voting on key resolutions compared with the wider firm. Most of Dimensional's sustainable fund votes over the three-year period were cast by DFA U.S. Sustainability Core 1 DFSIX, one of the 10 largest actively managed U.S. sustainable funds, with USD 5 billion of assets. The sustainable funds' overall support for key resolutions is low-to-medium overall, averaging 38% over the three years and peaking at 43% in 2022. However, this is still double the support level of the firm as a whole.

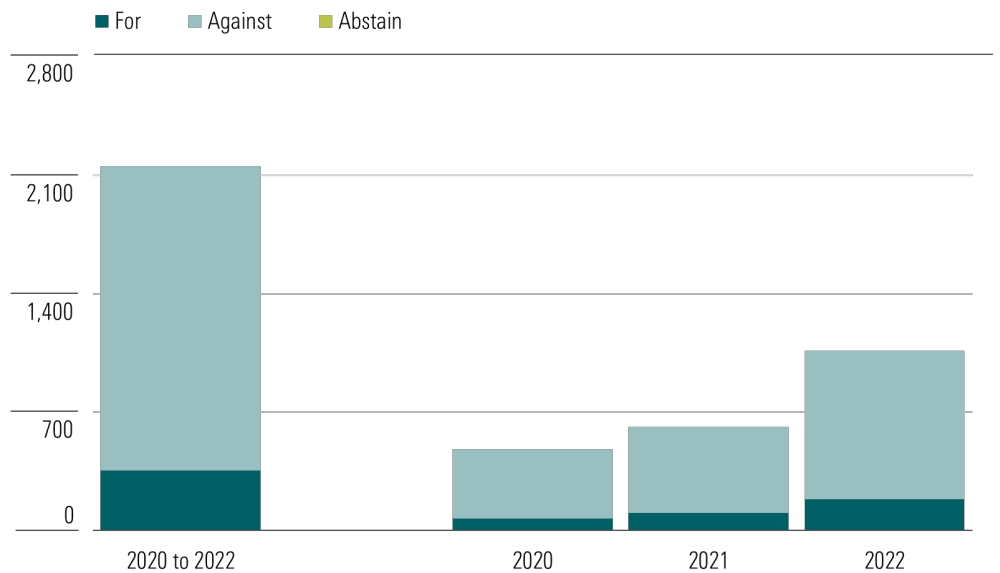
In 2022, there were 24 key resolutions opposed by the majority of Dimensional's funds that the firm's sustainable funds supported. These resolutions cover a variety of topics; most address climate change, other environmental topics, and workplace equity themes. Ten out of the 24 resolutions were filed at just four large technology companies: Alphabet, Amazon, Meta, and Microsoft.

**Exhibit 73** Dimensional: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 74** Dimensional: Fund Votes Cast on Key Resolutions



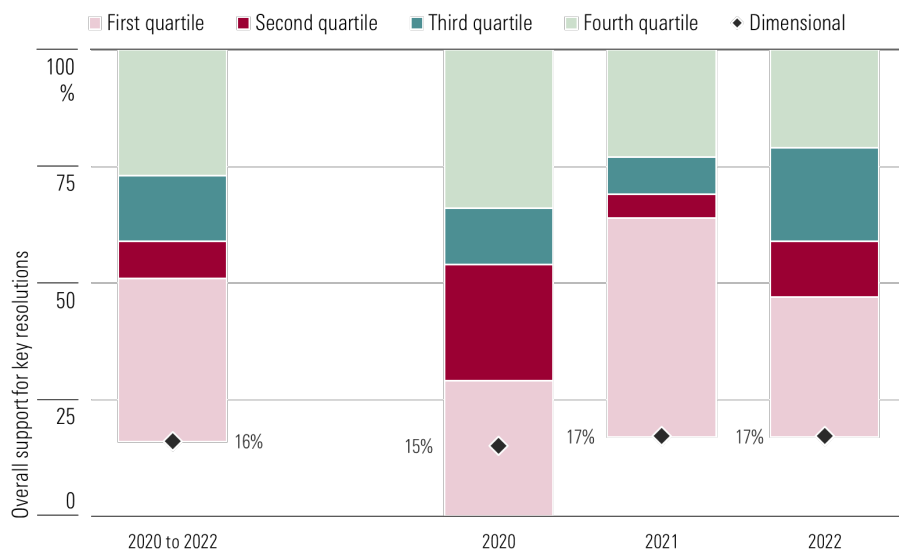
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 75** Dimensional: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	355	70	103	182
Against	1,801	410	510	881
Abstain	0	0	0	0
<b>Total</b>	<b>2,156</b>	<b>480</b>	<b>613</b>	<b>1,063</b>
<b>For % (overall support)</b>				
For %	16%	15%	17%	17%
Against %	84%	85%	83%	83%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	31	23	20	24
Number of key resolutions voted	235	65	71	99
<b>Vote coverage for key resolutions %</b>	<b>98%</b>	<b>97%</b>	<b>99%</b>	<b>97%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 76** Dimensional and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 77** Dimensional: Voting Record on Key Resolutions, Sustainable Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	70	13	20	37
Against	112	29	34	49
Abstain	0	0	0	0
<b>Total</b>	<b>182</b>	<b>42</b>	<b>54</b>	<b>86</b>
<b>For % (overall support)</b>				
For %	38%	31%	37%	43%
Against %	62%	69%	63%	57%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Overall support relative to all funds</b>				
	<b>2.34</b>	<b>2.12</b>	<b>2.20</b>	<b>2.51</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	2	1	2	2
Number of key resolutions voted	176	42	51	83
<b>Vote coverage for key resolutions %</b>	<b>73%</b>	<b>63%</b>	<b>71%</b>	<b>81%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023.

**Exhibit 78** Dimensional: Overall Support and Number of Votes for Key Resolutions, Sustainable Funds

	Ticker	Fund Size, USD million	Fund voting record			
			2020 to 2022	2020	2021	2022
<b>Summary</b>						
Overall support, all funds			16%	15%	17%	17%
Overall support, sustainable funds			38%	31%	37%	43%
Overall support, sustainable funds relative to all funds			2.34	2.12	2.20	2.51
Number of sustainable funds voting on key resolutions			2	1	2	2
<b>Sustainable funds, overall support</b>						
DFA U.S. Sustainability Core 1 Portfolio	DFSIX	5,011	30%	19%	53%	22%
<b>Sustainable funds, number of key resolution votes</b>						
DFA U.S. Sustainability Core 1 Portfolio	DFSIX	5,011	186	53	51	82

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Only funds that cast more than 10 votes on key resolutions in the last three proxy years are listed above. Voting records for funds not listed are included in the summary data.

### Franklin Templeton Investments

*High and increasing support for key resolutions bucks the industry trend.*

▶ U.S. fund market share	1.8% (Rank: 10)
▶ Total net assets, U.S. open-end funds and ETFs	USD 403 billion
▶ Morningstar ESG Commitment Level	Low
▶ Overall support for key resolutions, last three proxy years	High, 73%

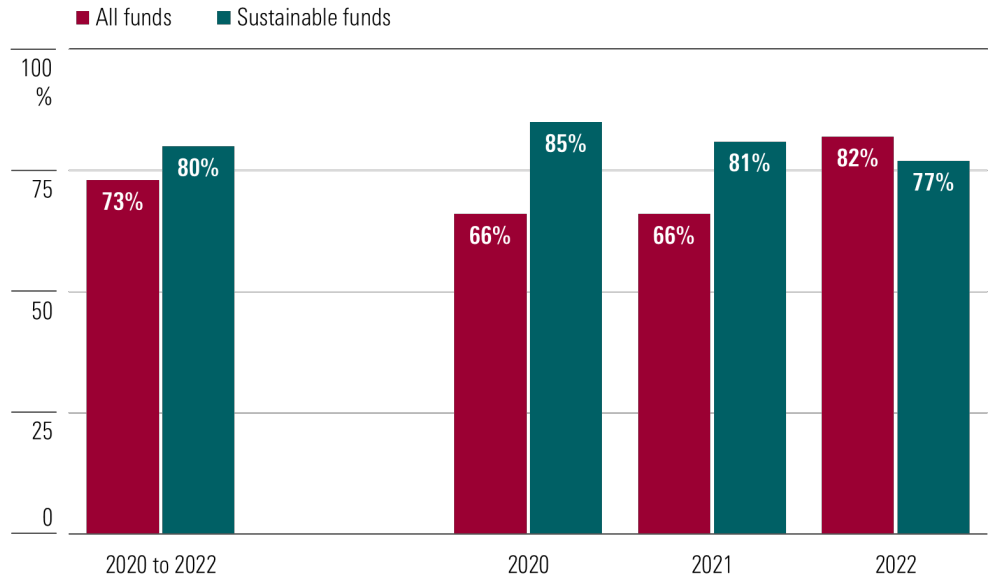
Franklin Templeton's overall support for key shareholder resolutions was high at 73% over the last three proxy years. Although the firm's ESG Commitment Level is Low, its approach to sustainability matters is developing, and this shows in its recent proxy-voting record.

Unlike many other firms, Franklin Templeton's overall support for key resolutions maintained the same level in the 2020 and 2021 proxy years, at 66%, and it rose to 82% in 2022. Franklin Templeton's vote coverage for key resolutions is very high at 95% across the three-year period, with a minimum of 92% in 2021. The firm cast over 2,500 fund votes on 229 key resolutions in the last three proxy years.

Over three years, Franklin Templeton's sustainable funds' level of support for key resolutions (80%) has been slightly above that of its fund range as a whole. The firm's sustainable funds voted on 91 of the 241 key resolutions, with overall support levels above 80% in the 2020 and 2021 proxy years, dipping slightly below this level in 2022.

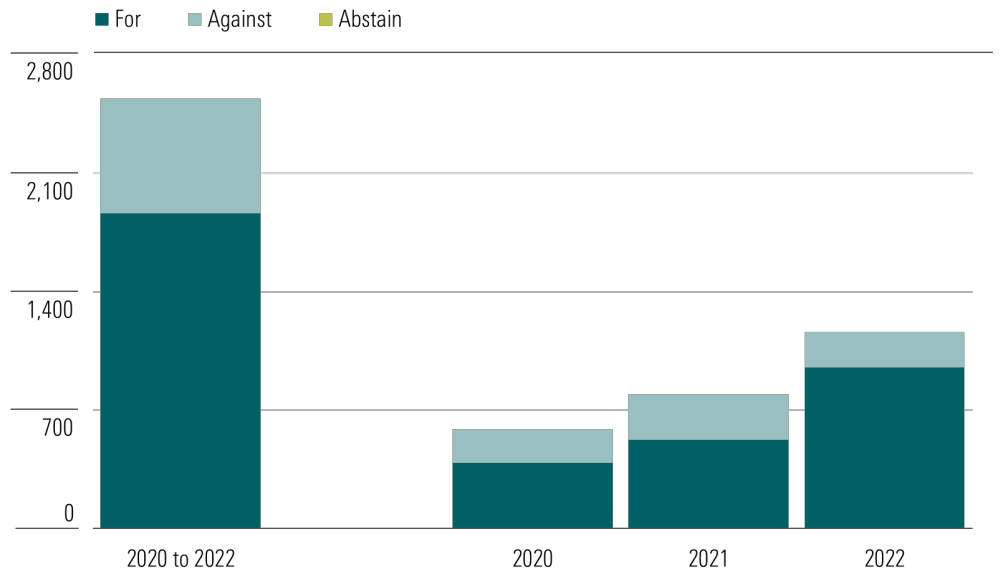
The sustainable funds' overall support relative to the firm fell slightly below 1.0 for the first time in three years in 2022 (at 0.94). Nearly 60% of the 167 fund votes cast by Franklin Templeton's sustainable funds in the last three proxy years were cast in 2022. In our opinion, the increase in the number of resolutions seen as prescriptive by asset managers in that year is likely to have been a factor in the decline in percentage support.

**Exhibit 79** Franklin Templeton: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 80** Franklin Templeton: Fund Votes Cast on Key Resolutions



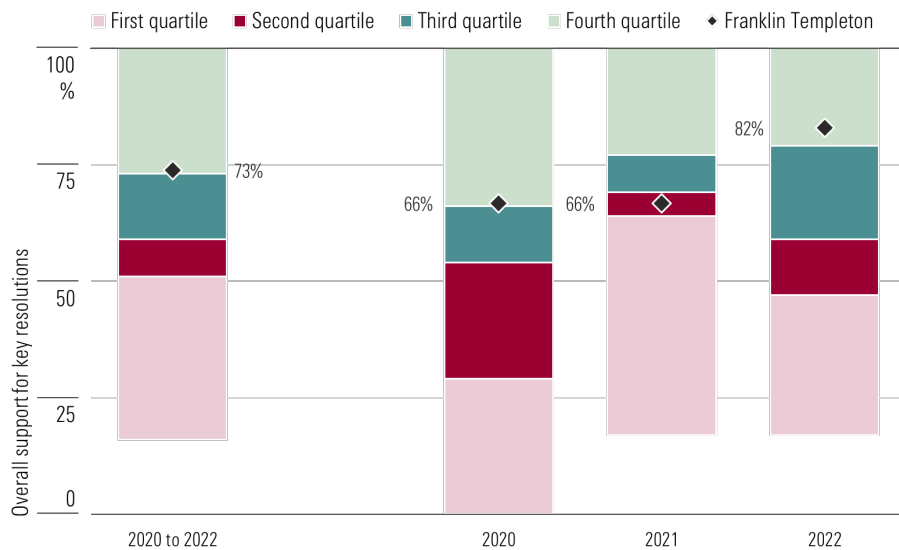
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 81** Franklin Templeton: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	1,863	386	525	952
Against	682	202	270	210
Abstain	0	0	0	0
<b>Total</b>	<b>2,545</b>	<b>588</b>	<b>795</b>	<b>1,162</b>
<b>For % (overall support)</b>				
For %	73%	66%	66%	82%
Against %	27%	34%	34%	18%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	87	63	81	67
Number of key resolutions voted	229	66	66	97
<b>Vote coverage for key resolutions %</b>	<b>95%</b>	<b>99%</b>	<b>92%</b>	<b>95%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 82** Franklin Templeton and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.



**Exhibit 83** Franklin Templeton: Voting Record on Key Resolutions, Sustainable Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	133	33	25	75
Against	34	6	6	22
Abstain	0	0	0	0
<b>Total</b>	<b>167</b>	<b>39</b>	<b>31</b>	<b>97</b>
<b>For % (overall support)</b>				
For %	80%	85%	81%	77%
Against %	20%	15%	19%	23%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Overall support relative to all funds</b>				
	<b>1.09</b>	<b>1.29</b>	<b>1.22</b>	<b>0.94</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	5	4	5	5
Number of key resolutions voted	91	16	22	53
<b>Vote coverage for key resolutions %</b>	<b>38%</b>	<b>24%</b>	<b>31%</b>	<b>52%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023.

**Exhibit 84** Franklin Templeton: Overall Support and Number of Votes for Key Resolutions, Sustainable Funds

	Ticker	Fund Size, USD million	Fund voting record			
			2020 to 2022	2020	2021	2022
<b>Summary</b>						
Overall support, all funds			73%	66%	66%	82%
Overall support, sustainable funds			80%	85%	81%	77%
Overall support, sustainable funds relative to all funds			1.09	1.29	1.22	0.94
Number of sustainable funds voting on key resolutions			5	4	5	5
<b>Sustainable funds, overall support</b>						
ClearBridge All Cap Growth ESG ETF	CACG	126	67%	60%	50%	77%
ClearBridge Dividend Strategy ESG ETF	YLDE	30	77%	100%	100%	65%
ClearBridge Focus Value ESG ETF	CFCV	3	n/a	n/a	90%	72%
ClearBridge Large Cap Growth ESG ETF	LRGE	158	90%	100%	86%	83%
ClearBridge Sustainability Leaders Fund	LCISX	146	95%	100%	100%	93%
<b>Sustainable funds, number of key resolution votes</b>						
ClearBridge All Cap Growth ESG ETF	CACG	126	45	15	8	22
ClearBridge Dividend Strategy ESG ETF	YLDE	30	26	5	4	17
ClearBridge Focus Value ESG ETF	CFCV	3	35	0	10	25
ClearBridge Large Cap Growth ESG ETF	LRGE	158	39	14	7	18
ClearBridge Sustainability Leaders Fund	LCISX	146	22	5	2	15

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Only funds that cast more than 10 votes on key resolutions in the last three proxy years are listed above. Voting records for funds not listed are included in the summary data. Where a fund's overall support shows as "n/a," no votes have been recorded for that fund on any key resolutions in at least one of the last three proxy years.

### Schwab Asset Management

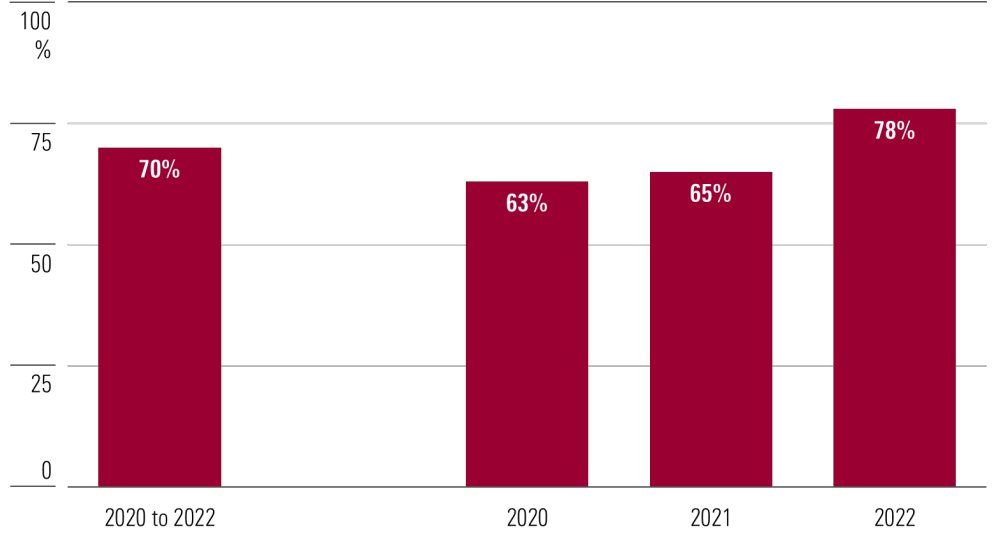
*Rising support for key resolutions reflects a developing approach to active ownership.*

▶ U.S. fund market share	1.7% (Rank: 11)
▶ Total net assets, U.S. open-end funds and ETFs	USD 391 billion
▶ Morningstar ESG Commitment Level	Low
▶ Overall support for key resolutions, last three proxy years	High, 70%

Our analysis for Schwab Asset Management's ESG Commitment Level assessment notes that the firm "does not push an ESG agenda and relies on ESG-motivated clients to take the initiative" but also that "its attempt at active ownership has improved." This shows in its recent proxy-voting record on key resolutions. Schwab's overall support for key shareholder resolutions has been high at 70% in the last three proxy years and has increased in both 2021 and 2022 unlike most of the top 20 firms.

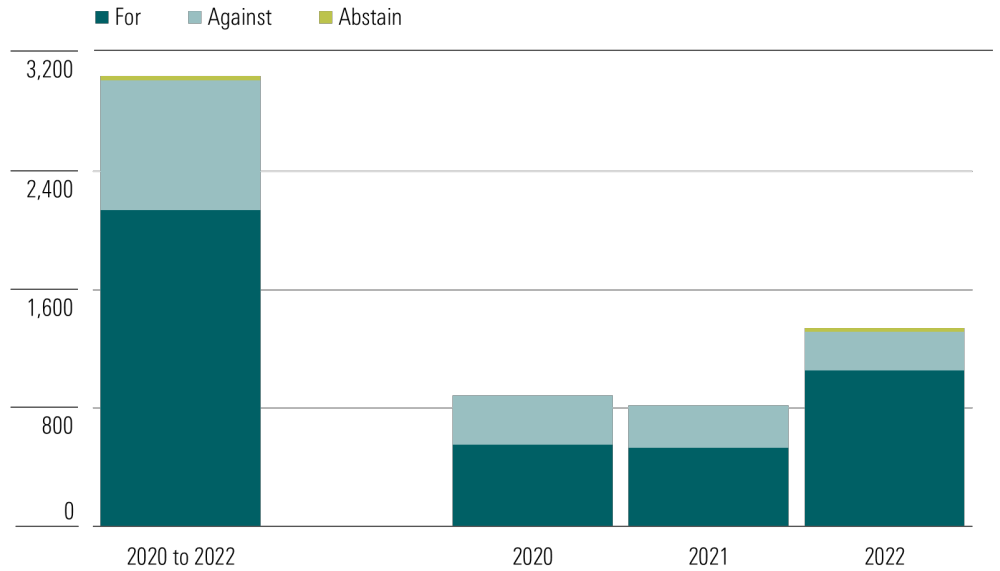
The firm's support for these proposals peaked at 78% in 2022 after holding relatively steady at 63% to 65% in the previous two years. Schwab's vote coverage over the period is very high—it took voting decisions on 239 out of the 241 key resolutions in the last three proxy years. Only one of Schwab's sustainable funds voted on any key resolutions, so further analysis is not possible. Our records show the Schwab Ariel ESG ETF SAEF cast only one fund vote on a key resolution in the 2022 proxy year.

**Exhibit 85** Schwab: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023. Note: Sustainable fund voting data is excluded because of a low number of fund votes.

**Exhibit 86** Schwab: Fund Votes Cast on Key Resolutions



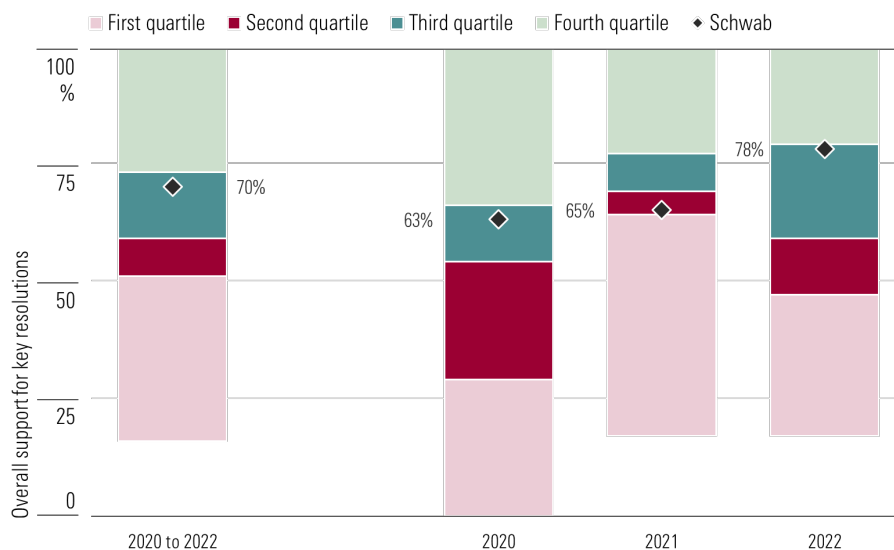
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 87** Schwab: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	2,140	554	532	1,054
Against	879	330	287	262
Abstain	27	0	0	27
<b>Total</b>	<b>3,046</b>	<b>884</b>	<b>819</b>	<b>1,343</b>
<b>For % (overall support)</b>				
For %	70%	63%	65%	78%
Against %	29%	37%	35%	20%
Abstain %	1%	0%	0%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	35	32	29	28
Number of key resolutions voted	239	66	71	102
<b>Vote coverage for key resolutions %</b>	<b>99%</b>	<b>99%</b>	<b>99%</b>	<b>100%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 88** Schwab and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

## Pimco

*Very strong support for key resolutions amid limited voting activity.*

▶ U.S. fund market share	1.5% (Rank: 12)
▶ Total net assets, U.S. open-end funds and ETFs	USD 338 billion
▶ Morningstar ESG Commitment Level	Basic
▶ Overall support for key resolutions, last three proxy years	Very High, 100%

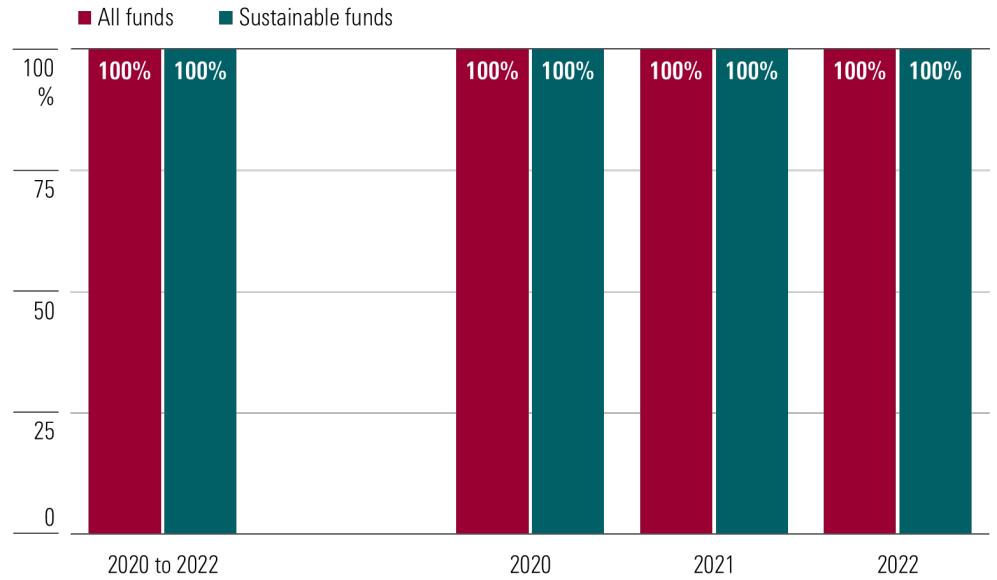
Pimco is a name synonymous with fixed-income fund management. However, the firm's limited activity in proxy voting on equities shows very high support for key resolutions on sustainability themes. Pimco's proxy-voting policy<sup>10</sup> suggests a high level of reliance on proxy-voting advisors in its voting decisions, which may be an important factor here.

Pimco's vote coverage is quite high at 82%, although some way behind the bigger names in equity fund management whose vote coverage is much nearer to 100%. Pimco took voting decisions on 197 out of the 241 key resolutions in the last three proxy years. That being said, the firm's voting activity is very limited, having cast only 380 fund votes on key resolutions over that period. (For comparison, the average for the top 20 U.S. managers is over 3,700 votes.)

Having noted its limited voting profile, it can still be said that Pimco's record of supporting all 241 key resolutions across all of its portfolios in the last three proxy years is remarkable. The sole Pimco sustainable fund in our analysis — Pimco RAFI ESG U.S. ETF RAFE — cast 75 votes supporting key resolutions in the last three proxy years and 35 in 2022.

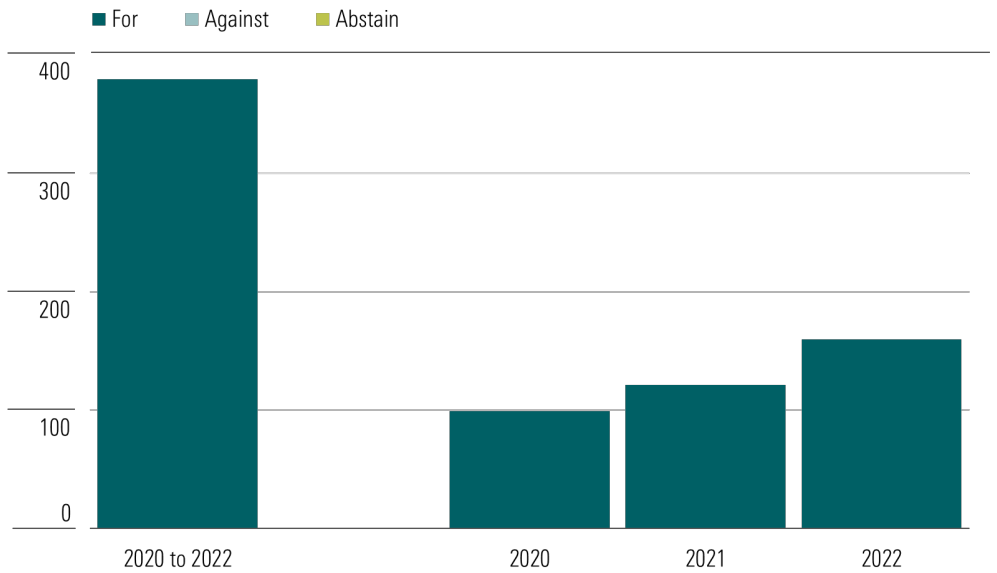
<sup>10</sup> [https://www.pimco.com/en-us/investments/mutual-funds/realpath-2040-fund/~/\\_/link.aspx?\\_id=59C4D930C460471E808056AA79078691&\\_z=z](https://www.pimco.com/en-us/investments/mutual-funds/realpath-2040-fund/~/_/link.aspx?_id=59C4D930C460471E808056AA79078691&_z=z)

**Exhibit 89** Pimco: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 90** Pimco: Fund Votes Cast on Key Resolutions



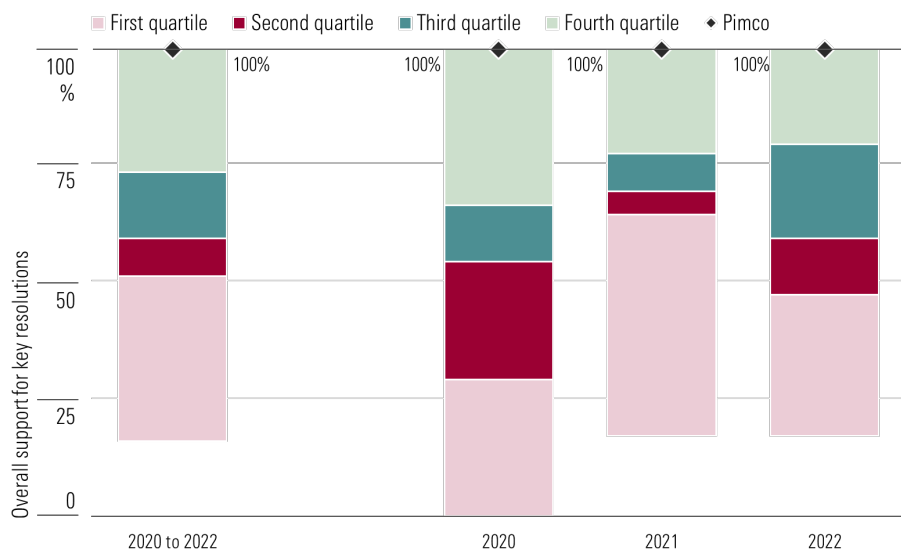
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 91** Pimco: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	380	99	121	160
Against	0	0	0	0
Abstain	0	0	0	0
<b>Total</b>	<b>380</b>	<b>99</b>	<b>121</b>	<b>160</b>
<b>For % (overall support)</b>				
For %	100%	100%	100%	100%
Against %	0%	0%	0%	0%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	10	6	5	9
Number of key resolutions voted	197	51	63	83
<b>Vote coverage for key resolutions %</b>	<b>82%</b>	<b>76%</b>	<b>88%</b>	<b>81%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 92** Pimco and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 93** Pimco: Voting Record on Key Resolutions, Sustainable Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	75	17	23	35
Against	0	0	0	0
Abstain	0	0	0	0
<b>Total</b>	<b>75</b>	<b>17</b>	<b>23</b>	<b>35</b>
<b>For % (overall support)</b>				
For %	100%	100%	100%	100%
Against %	0%	0%	0%	0%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Overall support relative to all funds</b>				
	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	1	1	1	1
Number of key resolutions voted	75	17	23	35
<b>Vote coverage for key resolutions %</b>	<b>31%</b>	<b>25%</b>	<b>32%</b>	<b>34%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023.

**Exhibit 94** Pimco: Overall Support and Number of Votes for Key Resolutions, Sustainable Funds

	Ticker	Fund Size, USD million	Fund voting record			
			2020 to 2022	2020	2021	2022
<b>Summary</b>						
Overall support, all funds			<b>100%</b>	100%	100%	100%
Overall support, sustainable funds			<b>100%</b>	100%	100%	100%
Overall support, sustainable funds relative to all funds			<b>1.00</b>	1.00	1.00	1.00
Number of sustainable funds voting on key resolutions			<b>1</b>	1	1	1
<b>Sustainable funds, overall support</b>						
PIMCO RAFI ESG U.S. ETF	RAFE	29	<b>100%</b>	100%	100%	100%
<b>Sustainable funds, number of key resolution votes</b>						
PIMCO RAFI ESG U.S. ETF	RAFE	29	<b>75</b>	17	23	35

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Only funds that cast more than 10 votes on key resolutions in the last three proxy years are listed above. Voting records for funds not listed are included in the summary data.



### **MFS Investment Management**

*Consistently high support for key resolutions over the last three years.*

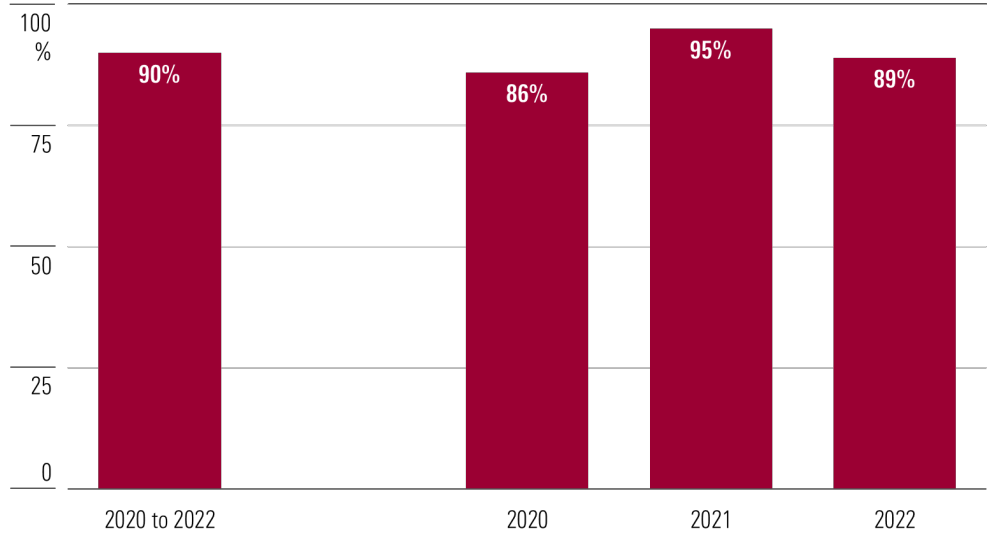
▶ U.S. fund market share	1.3% (Rank: 13)
▶ Total net assets, U.S. open-end funds and ETFs	USD 299 billion
▶ Morningstar ESG Commitment Level	Basic
▶ Overall support for key resolutions, last three proxy years	Very High, 90%

With 90% overall support for key resolutions in the last three proxy years, MFS Investment Management is one of only two managers in the top 20 whose overall support over the period is very high. The firm's funds cast close to 2,000 votes on key resolutions in the period, half of which were in the 2022 proxy year. MFS' vote coverage is somewhat lower than most other firms in the top 20 at 71%—51 MFS funds voted on 171 out of 241 key resolutions.

Like many of the top 20 managers, MFS' overall support for key resolutions peaked in 2021, at 95%. However, the firm's overall support was never lower than 86% in any of the last three years. MFS' funds cast 89% of their fund votes in support of key resolutions in 2022.

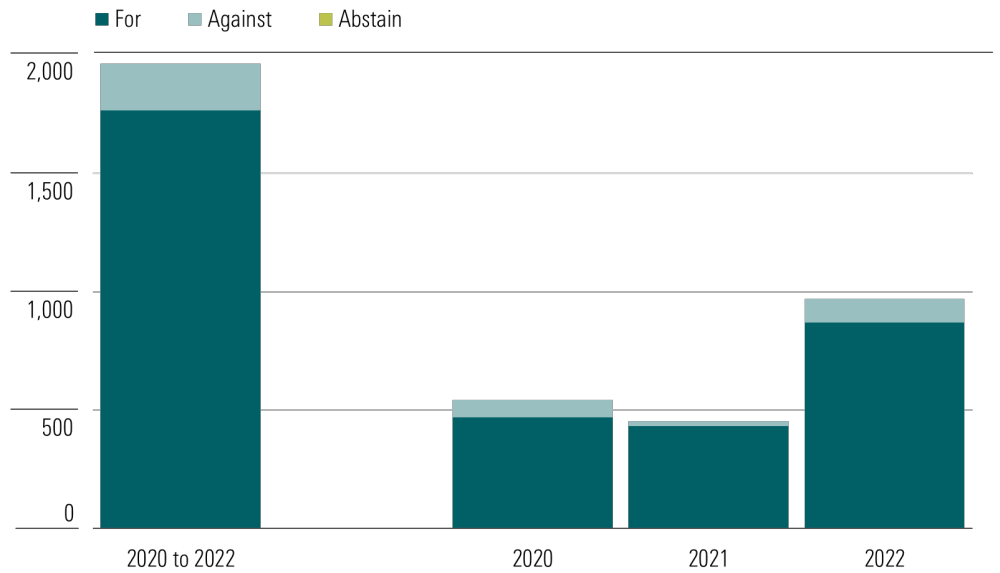
MFS' voting record for sustainable funds cannot be analyzed. The firm has no sustainable funds that voted on key resolutions in the last three years.

**Exhibit 95** MFS: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023. Note: Sustainable fund voting data is excluded because MFS has no sustainable funds that voted on key resolutions in the last three years.

**Exhibit 96** MFS: Fund Votes Cast on Key Resolutions



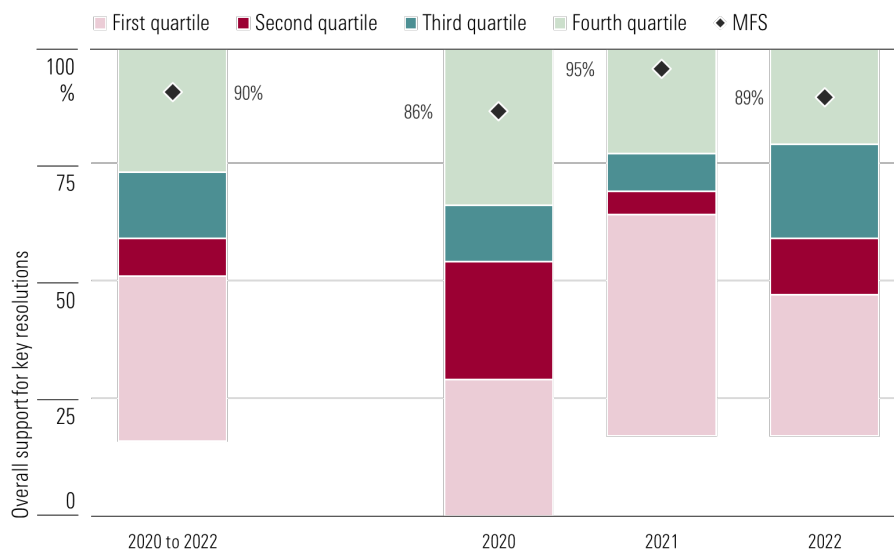
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 97** MFS: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	1,768	468	431	869
Against	198	74	22	102
Abstain	0	0	0	0
<b>Total</b>	<b>1,966</b>	<b>542</b>	<b>453</b>	<b>971</b>
<b>For % (overall support)</b>				
For %	90%	86%	95%	89%
Against %	10%	14%	5%	11%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	51	48	38	44
Number of key resolutions voted	171	49	47	75
<b>Vote coverage for key resolutions %</b>	<b>71%</b>	<b>73%</b>	<b>65%</b>	<b>74%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 98** MFS and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

### **TIAA/Nuveen**

*A varying level of overall support for key resolutions, but consistently above the average.*

▶ U.S. fund market share	1.2% (Rank: 14)
▶ Total net assets, U.S. open-end funds and ETFs	USD 262 billion
▶ Morningstar ESG Commitment Level	Advanced
▶ Overall support for key resolutions, last three proxy years	High, 73%

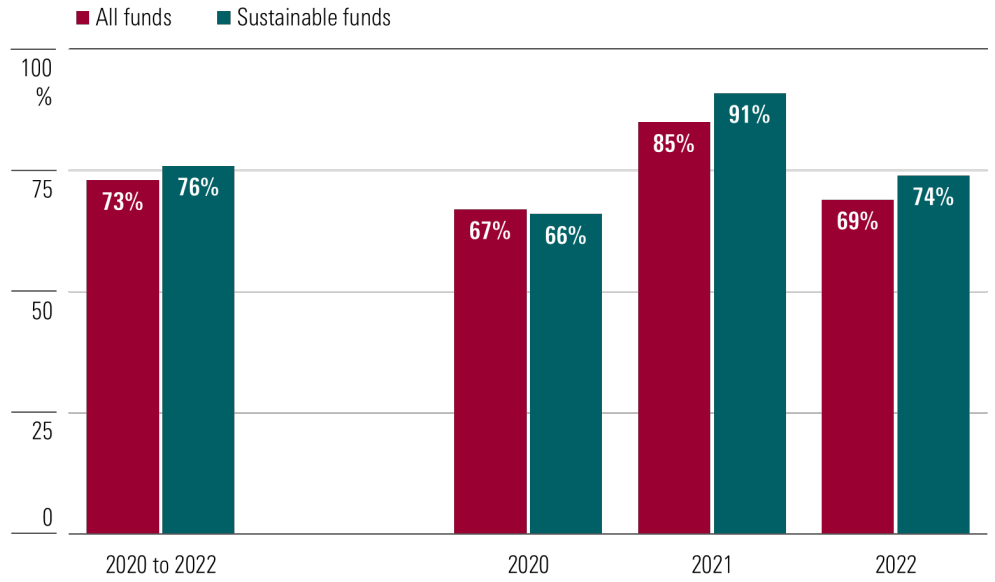
TIAA/Nuveen's overall level of support for key resolutions in the last three proxy years has been variable but consistently above the average for the top 20 U.S. managers.

The firm's overall support for key resolutions over those three years stands at 73%, which places it in the top quartile. There was an increase in overall support to 85% in 2021 from 67% in 2020. However, the overall support level has since fallen back to 69% in 2022. Altogether, 102 TIAA/Nuveen funds cast over 3,000 fund votes on 239 out of 241 key resolutions in the last three proxy years (99% vote coverage).

Among TIAA/Nuveen's sustainable funds, overall support for key resolutions was marginally ahead of the firm's wider fund range in each of the three years. Over the whole period, the sustainable funds' overall support for key resolutions stood at a high 76%, peaking at 91% in the 2021 proxy year before falling back to 74% in 2022.

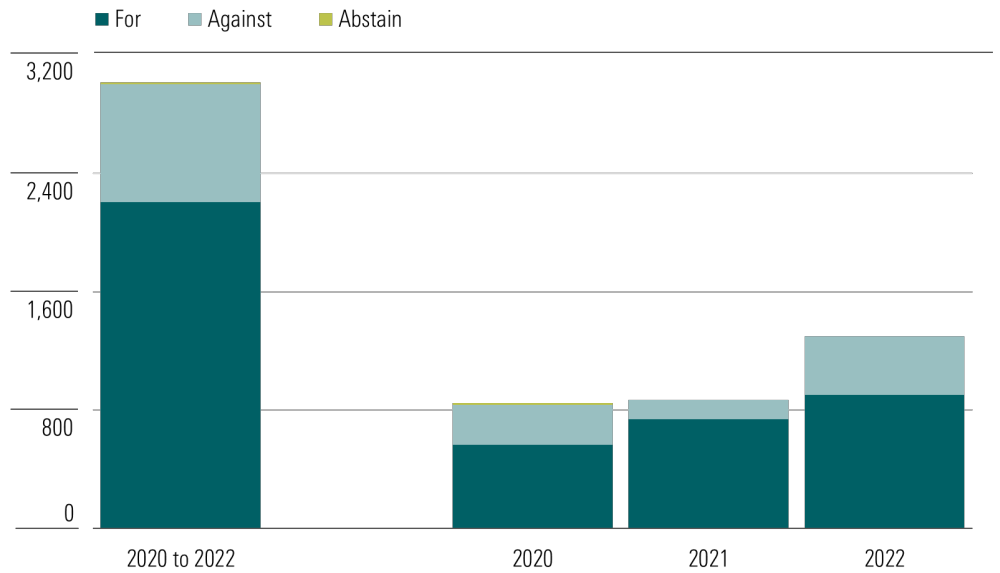
Ten funds by TIAA/Nuveen voted on key resolutions over the three-year period, including TIAA-CREF Social Choice Equity TISCX, one of the 10 largest U.S. sustainable funds with over USD 6 billion of assets. Six of the seven funds that voted on more than 10 key resolutions in the last three proxy years showed a fall in overall support in 2022 compared with 2021. Nuveen Winslow Large-Cap Growth ESG NVLIX was the exception, maintaining 100% support for key resolutions in both the 2021 and 2022 proxy years despite casting more than 3 times as many key votes in 2022 versus 2021.

**Exhibit 99** TIAA/Nuveen: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 100** TIAA/Nuveen: Fund Votes Cast on Key Resolutions



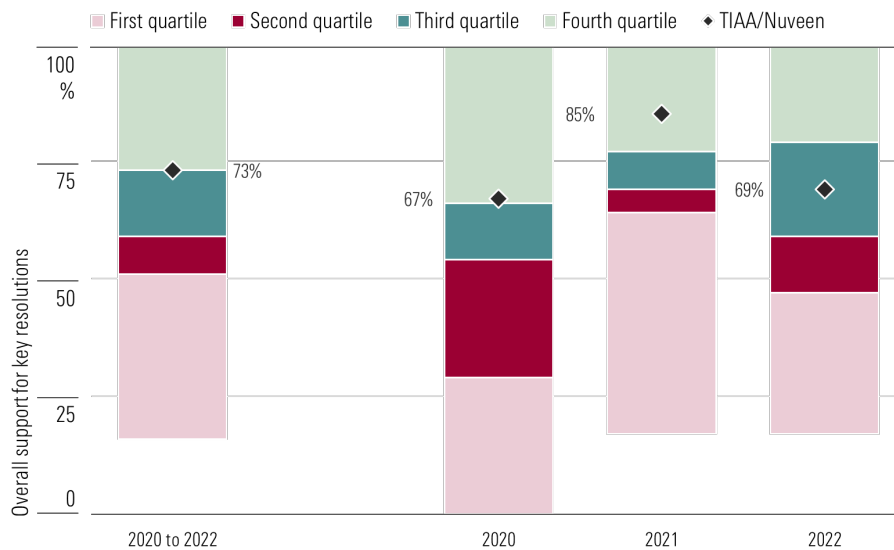
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 101** TIAA/Nuveen: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	2,206	566	739	901
Against	798	269	130	399
Abstain	11	11	0	0
<b>Total</b>	<b>3,015</b>	<b>846</b>	<b>869</b>	<b>1,300</b>
<b>For % (overall support)</b>				
For %	73%	67%	85%	69%
Against %	26%	32%	15%	31%
Abstain %	0%	1%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	102	93	96	96
Number of key resolutions voted	239	67	72	100
<b>Vote coverage for key resolutions %</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>	<b>98%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 102** TIAA/Nuveen and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 103** TIAA/Nuveen: Voting Record on Key Resolutions, Sustainable Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	266	61	82	123
Against	83	31	8	44
Abstain	0	0	0	0
<b>Total</b>	<b>349</b>	<b>92</b>	<b>90</b>	<b>167</b>
<b>For % (overall support)</b>				
For % (overall support)	76%	66%	91%	74%
Against %	24%	34%	9%	26%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Overall support relative to all funds</b>				
Overall support relative to all funds	1.04	0.99	1.07	1.06
Total number of key resolutions	241	67	72	102
Number of voting funds	10	9	9	8
Number of key resolutions voted	121	34	37	50
<b>Vote coverage for key resolutions %</b>	<b>50%</b>	<b>51%</b>	<b>51%</b>	<b>49%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023.

**Exhibit 104** TIAA/Nuveen: Overall Support and Number of Votes for Key Resolutions, Sustainable Funds

	Ticker	Fund Size, USD million	Fund voting record			
			2020 to 2022	2020	2021	2022
<b>Summary</b>						
Overall support, all funds			73%	67%	85%	69%
Overall support, sustainable funds			76%	66%	91%	74%
Overall support, sustainable funds relative to all funds			1.04	0.99	1.07	1.06
Number of sustainable funds voting on key resolutions			10	9	9	8
<b>Sustainable funds, overall support</b>						
Nuveen ESG Dividend ETF	NUDV	10	n/a	n/a	n/a	55%
Nuveen ESG Large-Cap ETF	NULC	25	69%	45%	93%	67%
Nuveen ESG Large-Cap Growth ETF	NULG	835	66%	50%	100%	69%
Nuveen ESG Large-Cap Value ETF	NULV	1,625	77%	86%	92%	58%
Nuveen Winslow Large-Cap Growth ESG Fund	NVLIX	622	98%	92%	100%	100%
TIAA-CREF Social Choice Equity Fund	TISCX	6,090	71%	60%	91%	65%
TIAA-CREF Social Choice Low Carbon Equity Fund	TNWCX	1,110	71%	61%	88%	68%
<b>Sustainable funds, number of key resolution votes</b>						
Nuveen ESG Dividend ETF	NUDV	10	11	0	0	11
Nuveen ESG Large-Cap ETF	NULC	25	52	11	14	27
Nuveen ESG Large-Cap Growth ETF	NULG	835	29	10	3	16
Nuveen ESG Large-Cap Value ETF	NULV	1,625	31	7	12	12
Nuveen Winslow Large-Cap Growth ESG Fund	NVLIX	622	65	12	12	41
TIAA-CREF Social Choice Equity Fund	TISCX	6,090	79	25	23	31
TIAA-CREF Social Choice Low Carbon Equity Fund	TNWCX	1,110	62	18	16	28

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Only funds that cast more than 10 votes on key resolutions in the last three proxy years are listed above. Voting records for funds not listed are included in the summary data. Where a fund's overall support shows as "n/a," no votes have been recorded for that fund on any key resolutions in at least one of the last three proxy years.

## Dodge & Cox

*Focus on valuation over sustainability translates into low support for key resolutions.*

▶ U.S. fund market share	0.9% (Rank: 15)
▶ Total net assets, U.S. open-end funds and ETFs	USD 213 billion
▶ Morningstar ESG Commitment Level	Low
▶ Overall support for key resolutions, last three proxy years	Low, 22%

The Low ESG Commitment Level assigned to Dodge & Cox emphasizes its focus on valuation over all other issues. Its proxy-voting policy<sup>11</sup> sums it up this way:

*"Dodge & Cox will vote proxies in its absolute discretion after taking into consideration the best interests of its clients (i.e., the common interest that all clients share in seeing the value of a common investment increase over time. Clients may have differing political or social interests, but their best economic interest is generally uniform.)"*

This stance is reflected in its proxy-voting record—Dodge & Cox is the only firm to support precisely zero key resolutions in any of the last three proxy years (which it did in 2020). That said, the firm has since found some of the key resolution proposals acceptable. Its overall support for key resolutions increased to 37% in the 2021 proxy year but receded to 21% in 2022—both represent a low level of support.

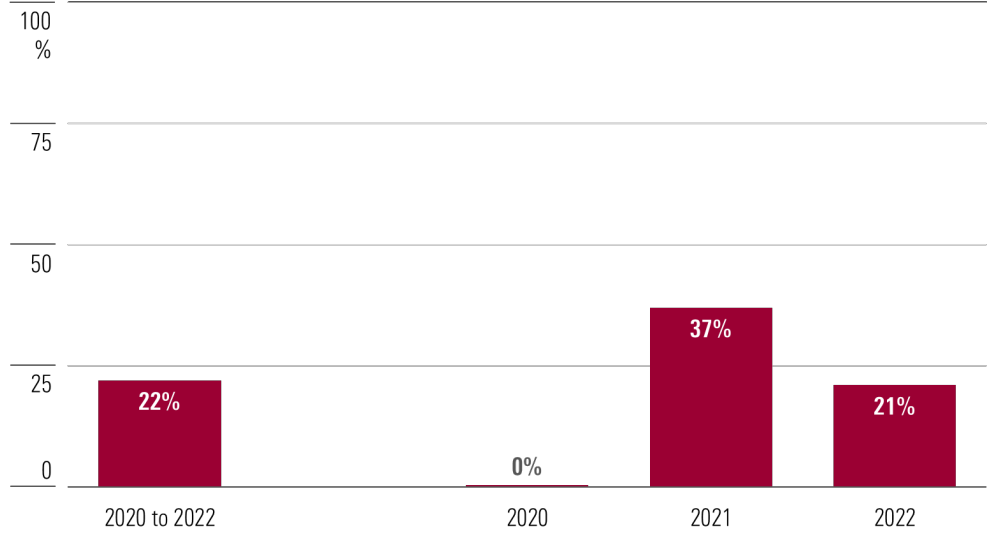
Because of the firm's high-conviction investment approach, it has cast the smallest number of votes among the top 20 U.S. managers on key resolutions—fewer than 120 fund votes over the last three proxy years. Over the period, the firm's vote coverage for key resolutions is 19% (46 out of 241 resolutions).

Dodge & Cox has no sustainable funds in its range.

<sup>11</sup> Dodge & Cox Proxy Voting Policy, February 2022

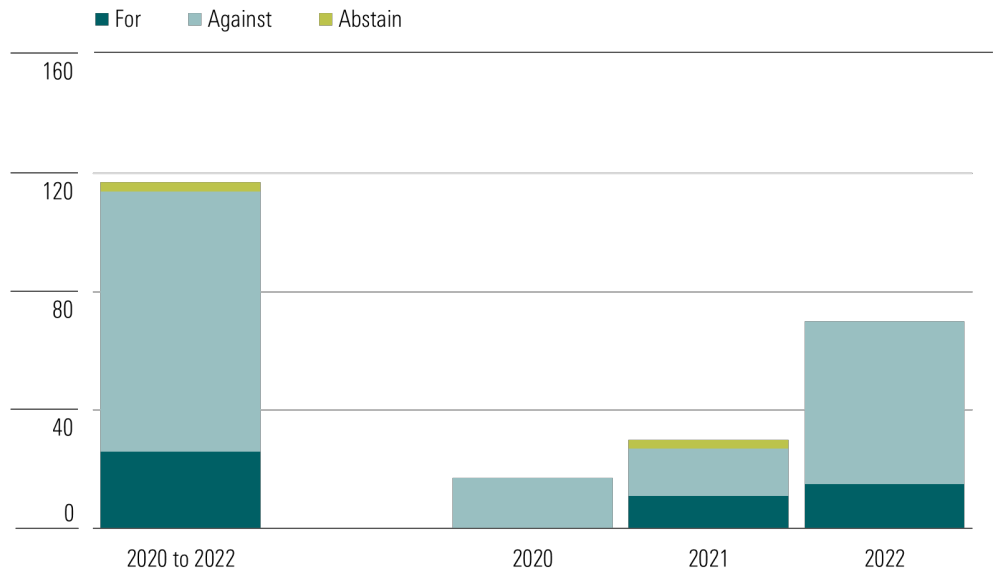


**Exhibit 105** Dodge & Cox: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023. Note: Sustainable fund voting data is excluded because Dodge & Cox has no sustainable funds that voted on key resolutions in the last three years.

**Exhibit 106** Dodge & Cox: Fund Votes Cast on Key Resolutions



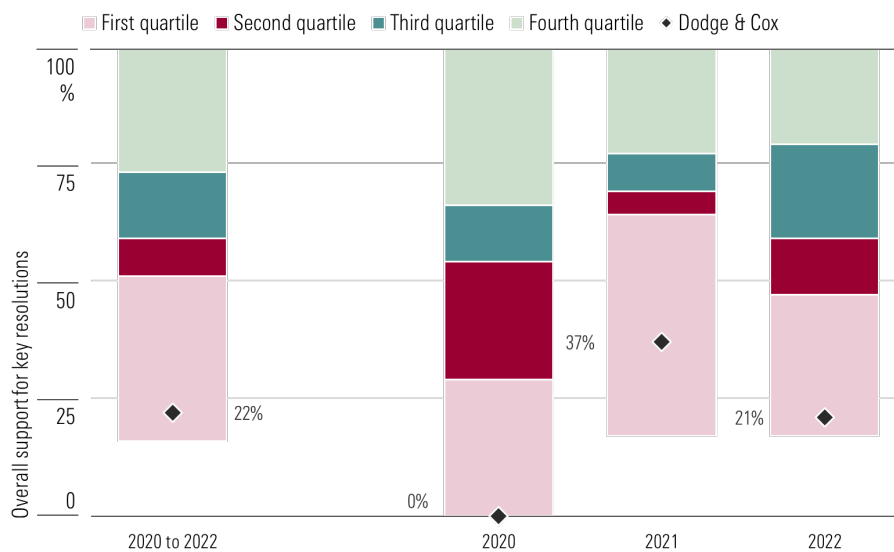
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 107** Dodge & Cox: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	26	0	11	15
Against	88	17	16	55
Abstain	3	0	3	0
<b>Total</b>	<b>117</b>	<b>17</b>	<b>30</b>	<b>70</b>
<b>For % (overall support)</b>				
For % (overall support)	22%	0%	37%	21%
Against %	75%	100%	53%	79%
Abstain %	3%	0%	10%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	4	4	4	3
Number of key resolutions voted	46	7	12	27
<b>Vote coverage for key resolutions %</b>	<b>19%</b>	<b>10%</b>	<b>17%</b>	<b>26%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 108** Dodge & Cox and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Jackson National**

*Consistently middle-of-the-road support for key resolutions.*

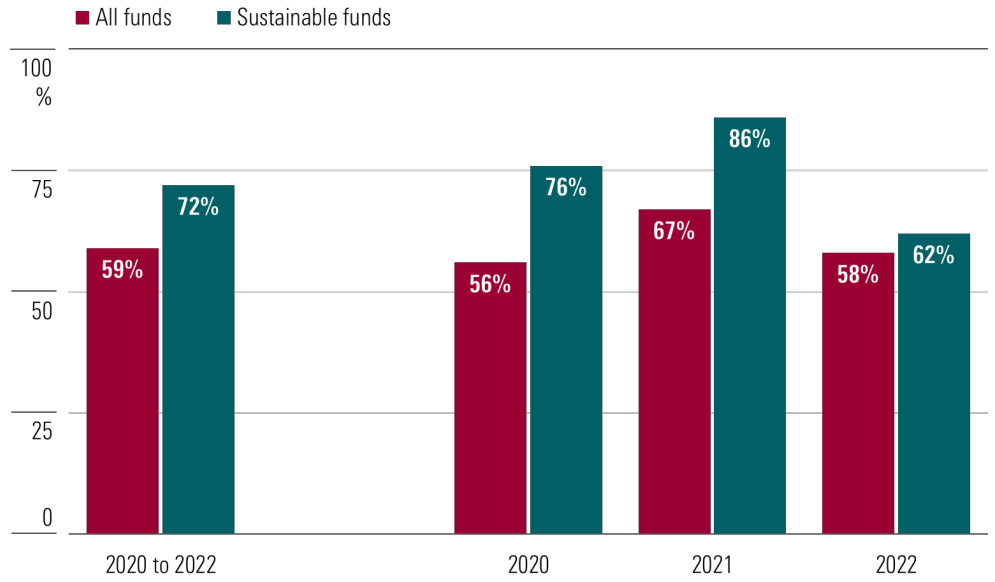
▶ U.S. fund market share	0.8% (Rank: 16)
▶ Total net assets, U.S. open-end funds and ETFs	USD 182 billion
▶ Morningstar ESG Commitment Level	Not assessed
▶ Overall support for key resolutions, last three proxy years	Medium, 59%

Jackson National's support for key resolutions has been consistently close to the median of the top 20 U.S. managers over each of the last three proxy years. For the three-year period in aggregate, the firm's overall support for the 241 resolutions stood at 59%, matching the top 20 median.

The firm's overall support peaked at 67% in 2021 and fell back to 58% in 2022, which is similar to the 56% overall support it showed in 2020. Jackson National cast over 3,000 fund votes on key resolutions over the last three proxy years with high vote coverage of 99%, having voted on 239 out of 241 key resolutions in the last three years.

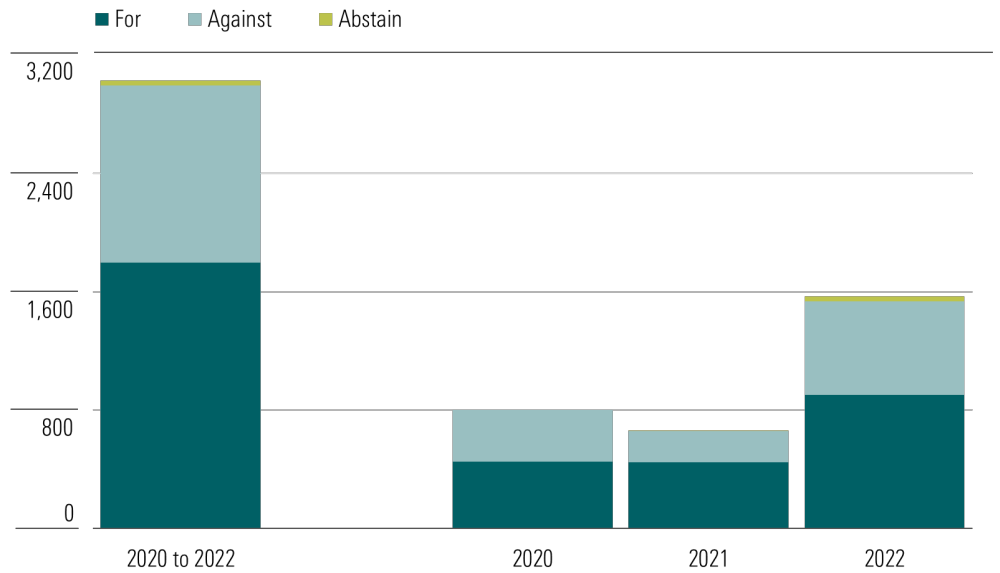
Jackson National's sustainable fund voting record represents the 81 votes cast by just one fund, JNL/Morningstar U.S. Sustainability Index. The fund's overall support for key resolutions has been consistently above that of the firm as a whole, averaging 72% across the last three proxy years.

**Exhibit 109** Jackson National: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 110** Jackson National: Fund Votes Cast on Key Resolutions



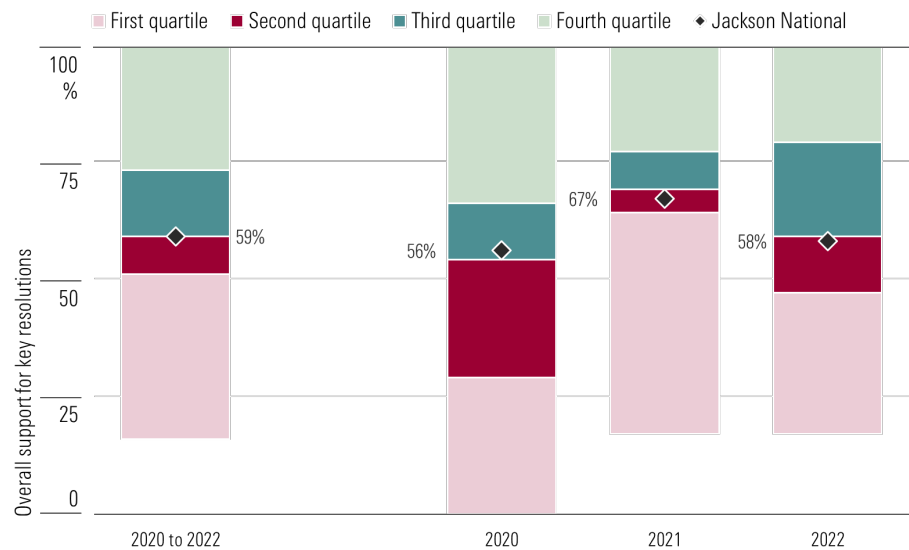
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 111** Jackson National: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	1,797	449	445	903
Against	1,200	354	213	633
Abstain	34	0	2	32
<b>Total</b>	<b>3,031</b>	<b>803</b>	<b>660</b>	<b>1,568</b>
<b>For % (overall support)</b>				
For %	59%	56%	67%	58%
Against %	40%	44%	32%	40%
Abstain %	1%	0%	0%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	68	54	48	61
Number of key resolutions voted	239	67	70	102
<b>Vote coverage for key resolutions %</b>	<b>99%</b>	<b>100%</b>	<b>97%</b>	<b>100%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 112** Jackson National and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 113** Jackson National: Voting Record on Key Resolutions, Sustainable Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	58	13	19	26
Against	22	4	3	15
Abstain	1	0	0	1
<b>Total</b>	<b>81</b>	<b>17</b>	<b>22</b>	<b>42</b>
<b>For % (overall support)</b>				
For %	72%	76%	86%	62%
Against %	27%	24%	14%	36%
Abstain %	1%	0%	0%	2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Overall support relative to all funds</b>				
	<b>1.21</b>	<b>1.37</b>	<b>1.28</b>	<b>1.07</b>
Total number of key resolutions	72%	76%	86%	62%
Number of voting funds	27%	24%	14%	36%
Number of key resolutions voted	1%	0%	0%	2%
<b>Vote coverage for key resolutions %</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023.

**Exhibit 114** Jackson National: Overall Support and Number of Votes for Key Resolutions, Sustainable Funds

	Ticker	Fund Size, USD million	Fund voting record			
			2020 to 2022	2020	2021	2022
<b>Summary</b>						
Overall support, all funds			59%	56%	67%	58%
Overall support, sustainable funds			72%	76%	86%	62%
Overall support, sustainable funds relative to all funds			1.21	1.37	1.28	1.07
Number of sustainable funds voting on key resolutions			1	1	1	1
<b>Sustainable funds, overall support</b>						
JNL/Morningstar U.S. Sustainability Index Fund	n/a	239	72%	76%	86%	62%
<b>Sustainable funds, number of key resolution votes</b>						
JNL/Morningstar U.S. Sustainability Index Fund	n/a	239	81	17	22	42

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Only funds that cast more than 10 votes on key resolutions in the last three proxy years are listed above. Voting records for funds not listed are included in the summary data.

### **Columbia Threadneedle**

*Consistently high support for key shareholder resolutions.*

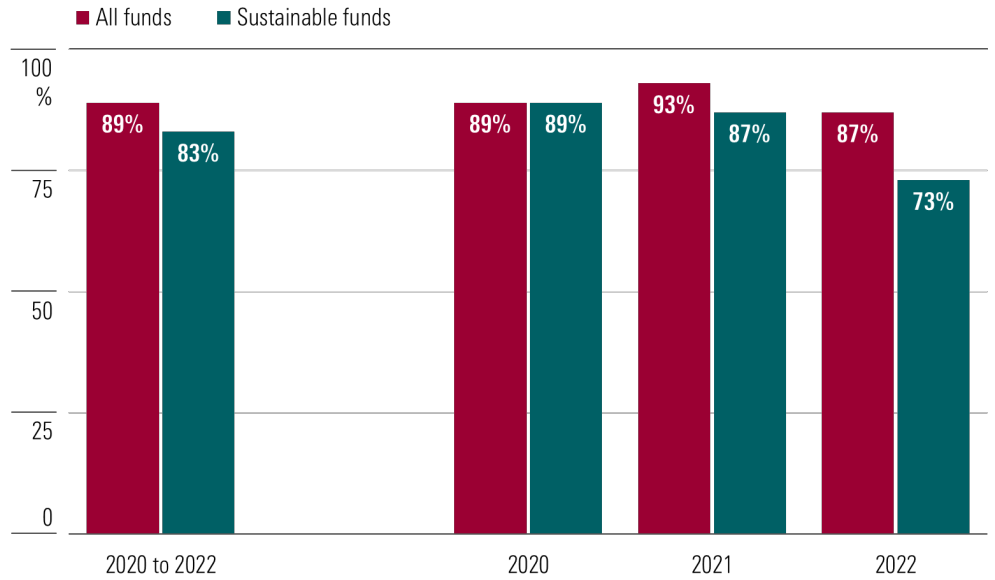
▶ U.S. fund market share	0.8% (Rank: 17)
▶ Total net assets, U.S. open-end funds and ETFs	USD 175 billion
▶ Morningstar ESG Commitment Level	Basic
▶ Overall support for key resolutions, last three proxy years	High, 89%

At 89%, Columbia Threadneedle's overall support for key resolutions has been particularly high over the last three proxy years. It has ranked inside the top quartile of the top 20 U.S. asset managers for key resolution support in each of the three years.

The firm supported 87% of the 102 key resolutions in the 2022 proxy year, a shade lower than the 93% it supported the previous year and the 89% it supported in 2020. Columbia Threadneedle cast close to 2,800 fund votes on 234 key resolutions across the three proxy years, which represents 97% vote coverage.

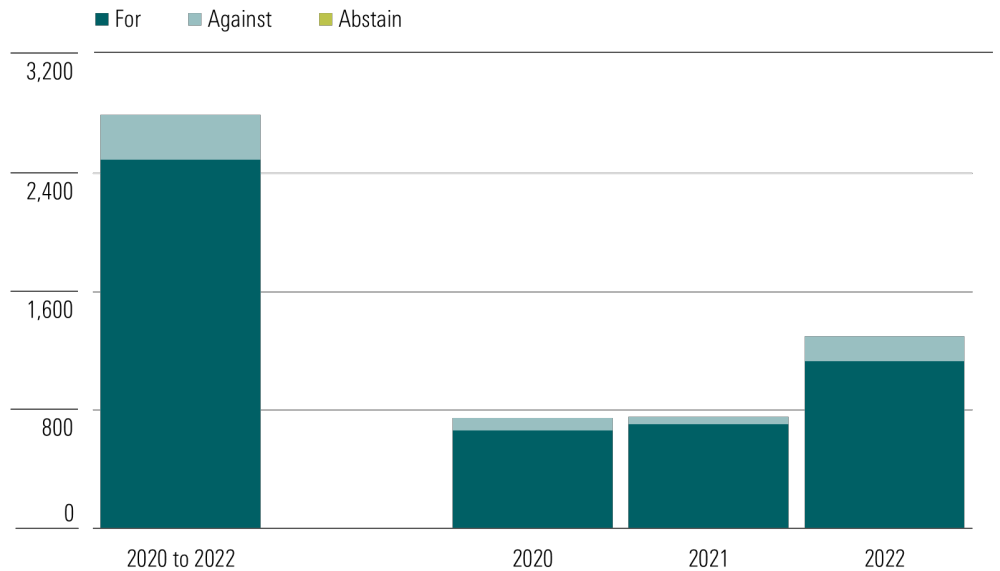
Only one Columbia Threadneedle sustainable fund voted on key resolutions in the last three proxy years: Columbia U.S. ESG Equity Income ETF ESGS. As it is a relatively small fund with only USD 43 million of assets and it only cast 35 votes over the period (equal to 15% vote coverage), it is difficult to draw solid conclusions on the voting record of this fund relative to the wider firm. That being said, the fund's support for key resolutions has been slightly behind that of the firm as a whole, with the gap widening somewhat in 2022.

**Exhibit 115** Columbia Threadneedle: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 116** Columbia Threadneedle: Fund Votes Cast on Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

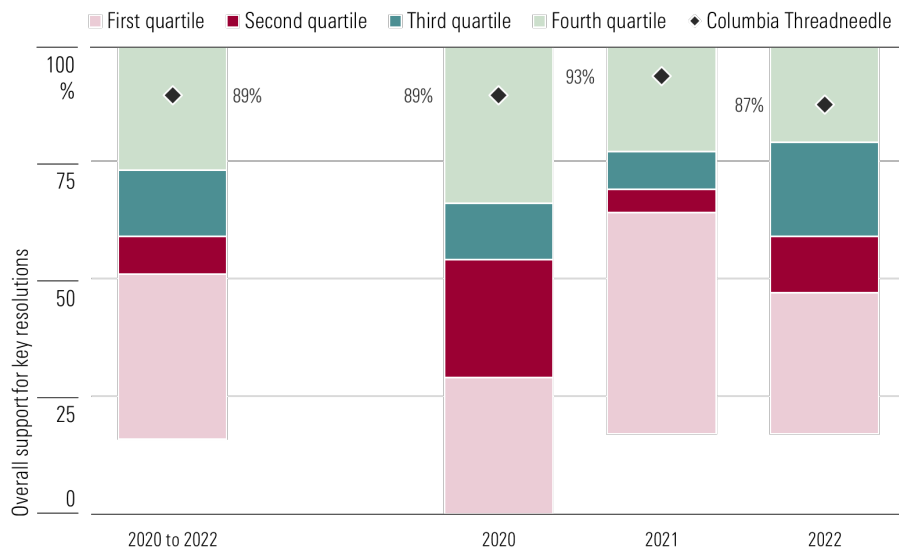


**Exhibit 117** Columbia Threadneedle: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	2,495	662	704	1,129
Against	302	83	50	169
Abstain	0	0	0	0
<b>Total</b>	<b>2,797</b>	<b>745</b>	<b>754</b>	<b>1,298</b>
<b>For % (overall support)</b>				
For % (overall support)	89%	89%	93%	87%
Against %	11%	11%	7%	13%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	78	72	60	57
Number of key resolutions voted	234	66	71	97
<b>Vote coverage for key resolutions %</b>	<b>97%</b>	<b>99%</b>	<b>99%</b>	<b>95%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 118** Columbia Threadneedle and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 119** Columbia Threadneedle: Voting Record on Key Resolutions, Sustainable Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	29	8	13	8
Against	6	1	2	3
Abstain	0	0	0	0
<b>Total</b>	<b>35</b>	<b>9</b>	<b>15</b>	<b>11</b>
<b>For % (overall support)</b>				
For %	83%	89%	87%	73%
Against %	17%	11%	13%	27%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Overall support relative to all funds</b>				
	<b>0.93</b>	<b>1.00</b>	<b>0.93</b>	<b>0.84</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	1	1	1	1
Number of key resolutions voted	35	9	15	11
<b>Vote coverage for key resolutions %</b>	<b>15%</b>	<b>13%</b>	<b>21%</b>	<b>11%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023.

**Exhibit 120** Columbia Threadneedle: Overall Support and Number of Votes for Key Resolutions, Sustainable Funds

	Ticker	Fund Size, USD million	Fund voting record			
			2020 to 2022	2020	2021	2022
<b>Summary</b>						
Overall support, all funds			89%	89%	93%	87%
Overall support, sustainable funds			83%	89%	87%	73%
Overall support, sustainable funds relative to all funds			0.93	1.00	0.93	0.84
Number of sustainable funds voting on key resolutions			1	1	1	1
<b>Sustainable funds, overall support</b>						
Columbia U.S. ESG Equity Income ETF	ESGS	43	83%	89%	87%	73%
<b>Sustainable funds, number of key resolution votes</b>						
Columbia U.S. ESG Equity Income ETF	ESGS	43	35	9	15	11

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Only funds that cast more than 10 votes on key resolutions in the last three proxy years are listed above. Voting records for funds not listed are included in the summary data.

**Janus Henderson**

*Medium support for key resolutions, with some year-to-year variability and a small number of votes.*

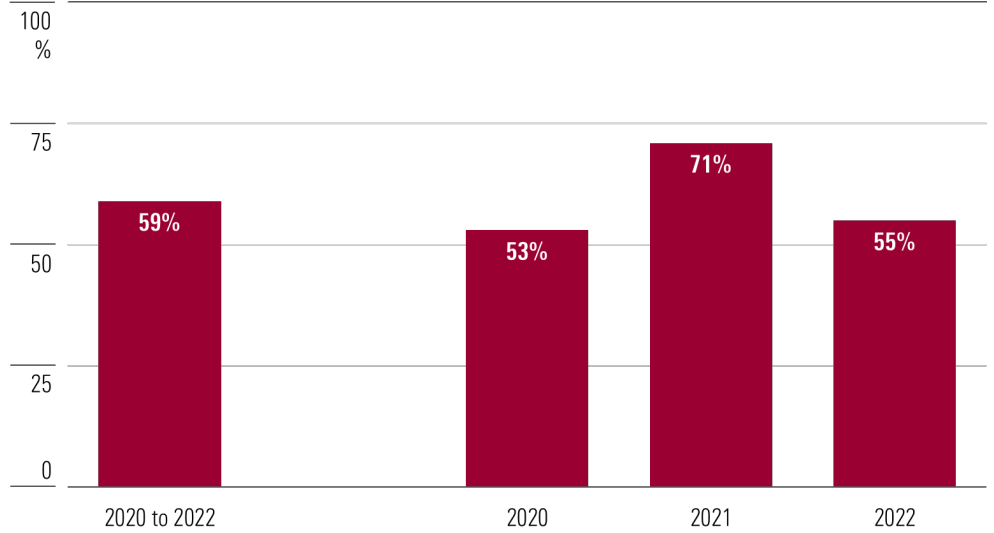
▶ U.S. fund market share	0.6% (Rank: 18)
▶ Total net assets, U.S. open-end funds and ETFs	USD 144 billion
▶ Morningstar ESG Commitment Level	Low
▶ Overall support for key resolutions, last three proxy years	Medium, 59%

Janus Henderson's overall support for key resolutions over the last three proxy years matches the median for the top 20 U.S. managers, at 59%. Overall support by the firm peaked at 71% in the 2021 proxy year, having risen from 53% in 2020 before falling back to 55% in 2022.

The firm's voting footprint was quite small over those three years. Well known for its fixed-income expertise, Janus Henderson had relatively low vote coverage over the three-year period, at 70%. The firm also cast fewer than 1,000 votes in total.

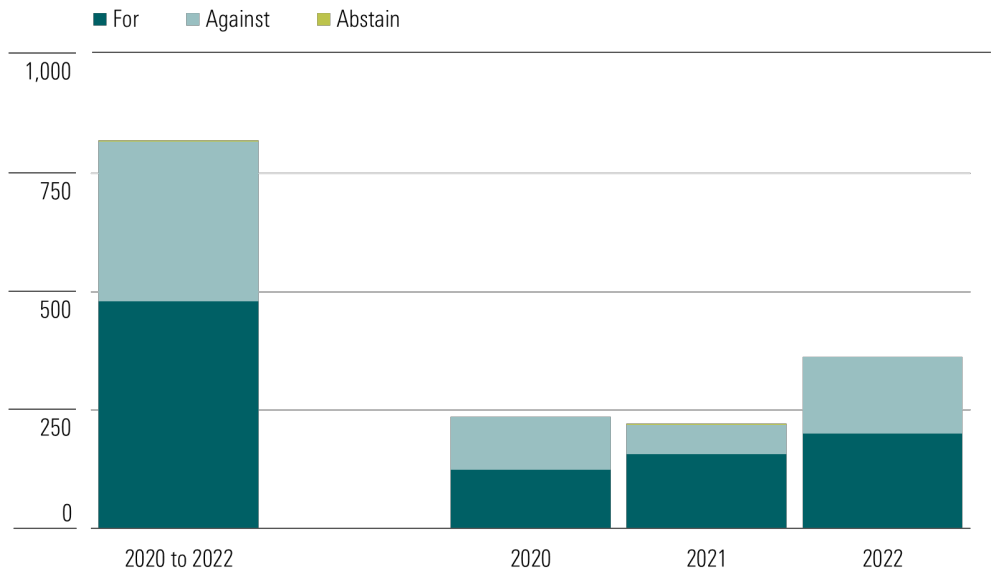
We have not analyzed the key resolution voting record of Janus Henderson's sustainable funds because of a low number of votes. Three of the firm's sustainable funds voted on key resolutions across the three proxy years, of which only one—the relatively small Janus Henderson Global Sustainable Equity JEUIX—cast more than 10 votes overall.

**Exhibit 121** Janus Henderson: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023. Note: Sustainable fund voting data is excluded because of a low number of fund votes.

**Exhibit 122** Janus Henderson: Fund Votes Cast on Key Resolutions



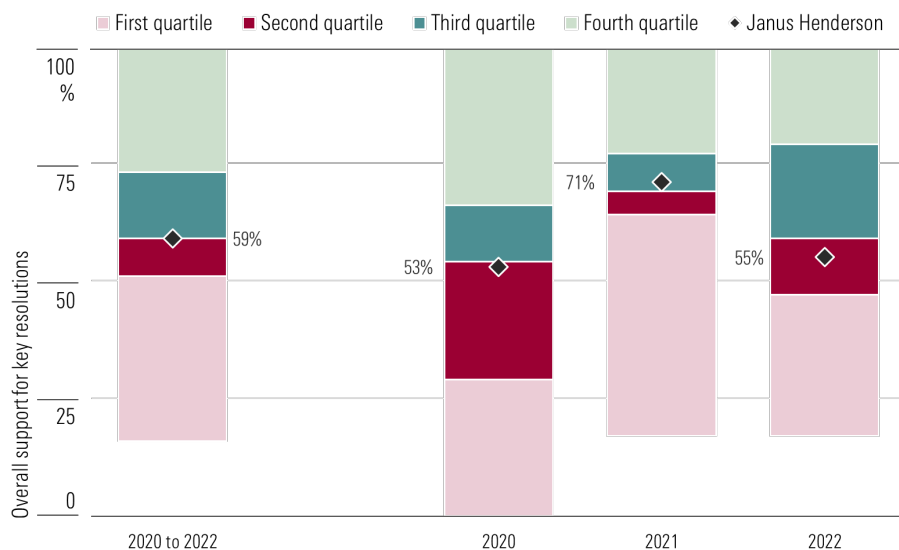
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 123** Janus Henderson: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	480	124	156	200
Against	337	112	62	163
Abstain	3	0	3	0
<b>Total</b>	<b>820</b>	<b>236</b>	<b>221</b>	<b>363</b>
<b>For % (overall support)</b>				
For % (overall support)	59%	53%	71%	55%
Against %	41%	47%	28%	45%
Abstain %	0%	0%	1%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	30	25	26	28
Number of key resolutions voted	169	55	48	66
<b>Vote coverage for key resolutions %</b>	<b>70%</b>	<b>82%</b>	<b>67%</b>	<b>65%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 124** Janus Henderson and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Lord Abbett**

*Variable support for key resolutions over the last three years.*

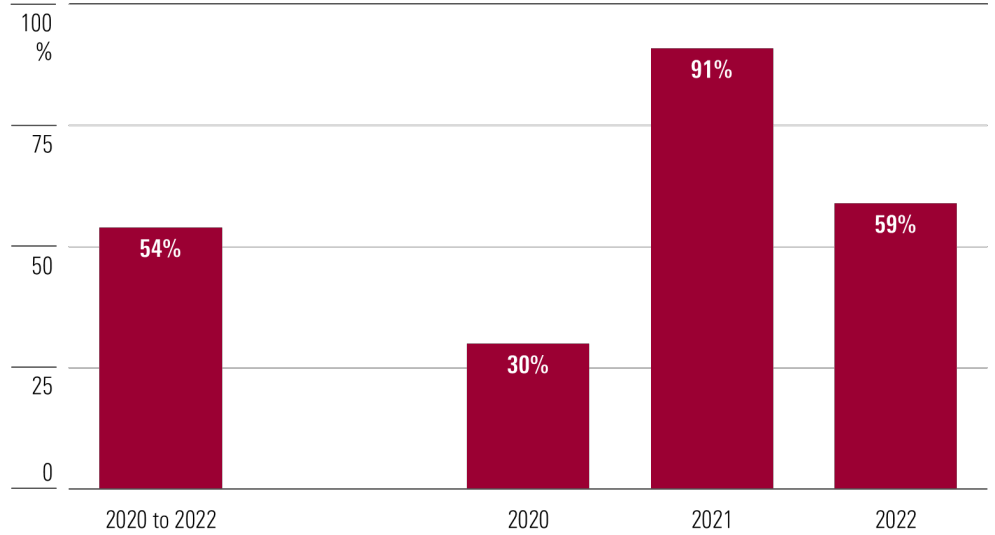
▶ U.S. fund market share	0.6% (Rank: 19)
▶ Total net assets, U.S. open-end funds and ETFs	USD 142 billion
▶ Morningstar ESG Commitment Level	Not assessed
▶ Overall support for key resolutions, last three proxy years	Medium, 54%

Lord Abbett's overall support for key resolutions during the 2020 to 2022 proxy years stood at 54%, close to the average for the top 20 U.S. asset managers. However, this number masks considerable volatility in the firm's support for key resolutions in each year. The firm's mean overall support for key resolutions starts out low in the 2020 proxy year at 30%. It then climbs to 91% in the 2021 proxy year before receding to match the median of 59% in 2022.

The firm cast only a small number of fund votes on key resolutions across those three years—fewer than 500 in total, with a low of 97 in the 2021 proxy year. Additionally, its vote coverage of key resolutions, at 46% over three years, is the second lowest among the top 20 U.S. managers. These factors may help explain the year-to-year variation in support.

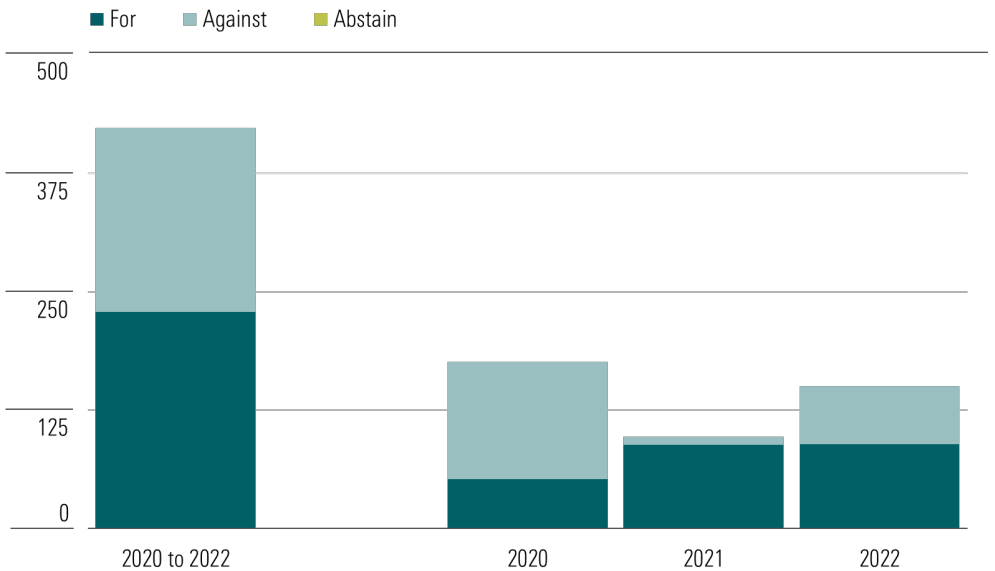
Lord Abbett has no sustainable equity funds, so it has no sustainable fund voting record to examine.

**Exhibit 125** Lord Abbett: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023. Note: Sustainable fund voting data is excluded because Lord Abbett has no sustainable funds that voted on key resolutions in the last three years.

**Exhibit 126** Lord Abbett: Fund Votes Cast on Key Resolutions



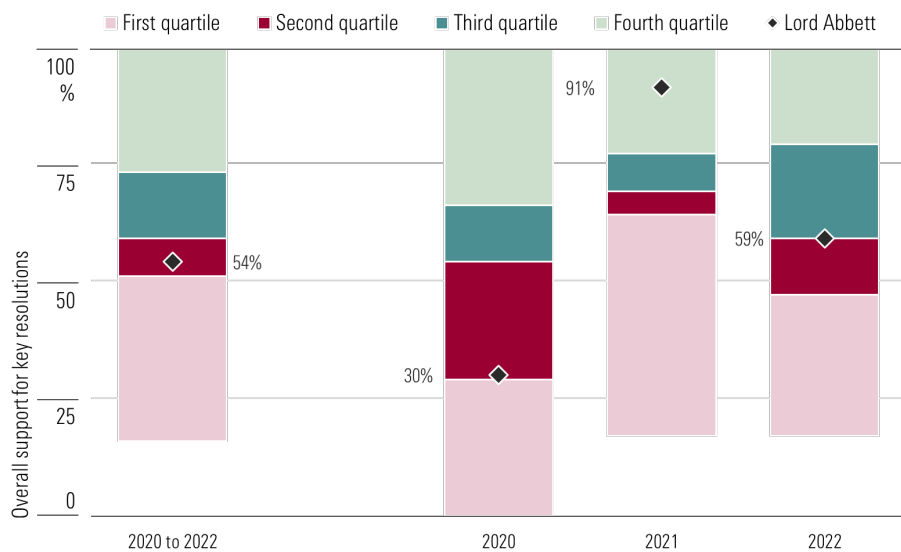
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 127** Lord Abbett: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	229	52	88	89
Against	194	124	9	61
Abstain	0	0	0	0
<b>Total</b>	<b>423</b>	<b>176</b>	<b>97</b>	<b>150</b>
<b>For % (overall support)</b>				
For % (overall support)	54%	30%	91%	59%
Against %	46%	70%	9%	41%
Abstain %	0%	0%	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	22	20	19	14
Number of key resolutions voted	110	39	30	41
<b>Vote coverage for key resolutions %</b>	<b>46%</b>	<b>58%</b>	<b>42%</b>	<b>40%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 128** Lord Abbett and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.



## Goldman Sachs

*Stable, moderate support for key resolutions over the last three years.*

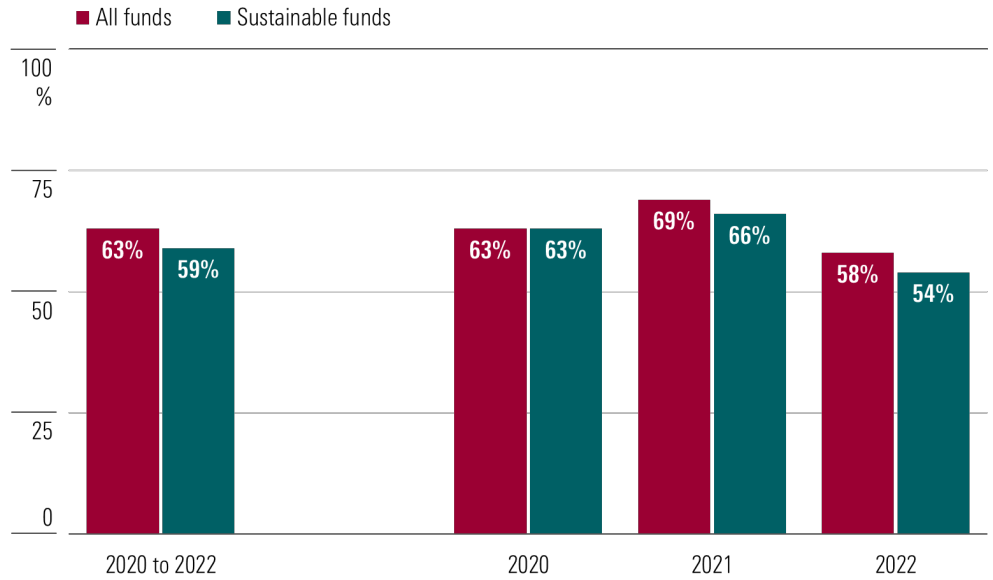
▶ U.S. fund market share	0.6% (Rank: 20)
▶ Total net assets, U.S. open-end funds and ETFs	USD 133 billion
▶ Morningstar ESG Commitment Level	Basic
▶ Overall support for key resolutions, last three proxy years	Medium, 63%

Goldman Sachs' Asset Management's overall support for key resolutions has tracked within a relatively narrow range over the last three proxy years. The firm's three-year average is 63%, which matches its level in the 2020 proxy year. In 2021, Goldman's overall support rose to 69% before falling back to 58% in 2022. Having voted on 231 key resolutions, the firm's vote coverage is high at 96%. Fifty-two Goldman funds cast over 2,400 votes on those resolutions over the last three proxy years.

Overall support for key resolutions by Goldman's sustainable funds has tracked slightly behind that of the wider firm over the last three proxy years, at 59%. Overall support by the sustainable funds stood at 63% in the 2020 proxy year, 66% in 2021 and 54% in 2022. This means the gap between the support level for sustainable funds and that of the firm as a whole has widened from zero in the 2020 proxy year to 4 percentage points in 2022.

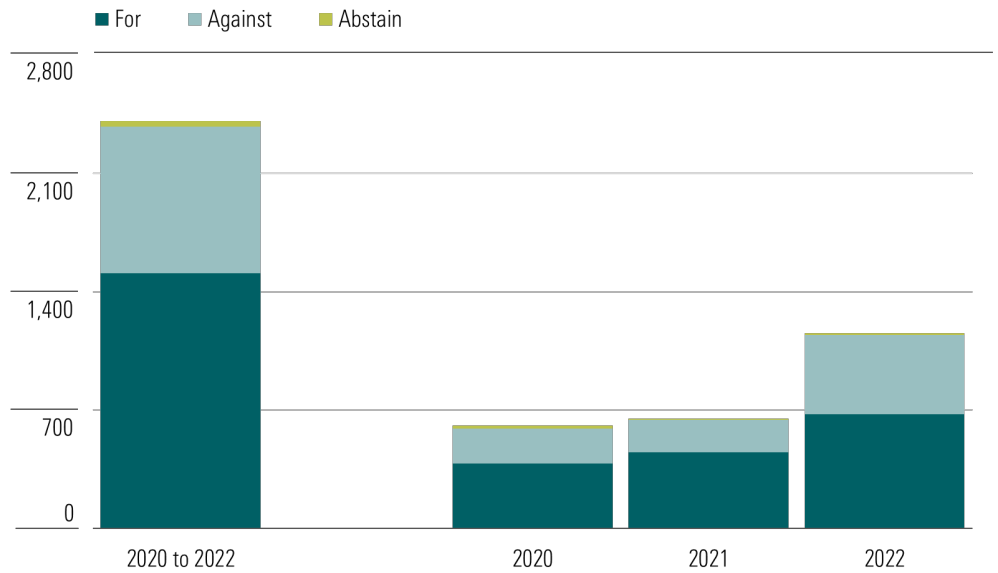
Five sustainable funds from Goldman voted on key resolutions in the last three proxy years. Two of those funds did so in every year. Goldman Sachs JUST U.S. Large Cap Equity ETF JUST showed 58% overall support for key resolutions over three years, while Goldman Sachs U.S. Equity ESG GINGX showed 61% overall support.

**Exhibit 129** Goldman Sachs: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 130** Goldman Sachs: Fund Votes Cast on Key Resolutions



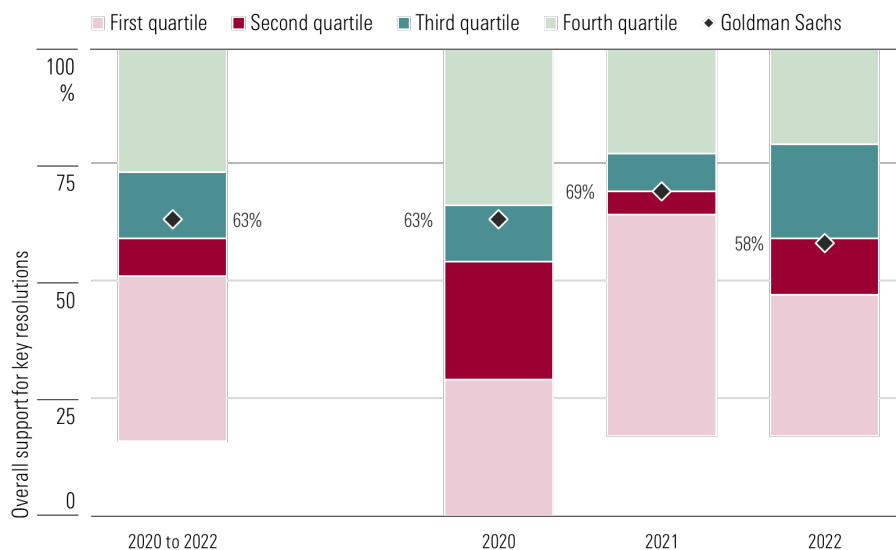
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 131** Goldman Sachs: Voting Record on Key Resolutions, All Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	1,508	384	450	674
Against	869	206	193	470
Abstain	35	18	7	10
<b>Total</b>	<b>2,412</b>	<b>608</b>	<b>650</b>	<b>1,154</b>
<b>For % (overall support)</b>				
For % (overall support)	63%	63%	69%	58%
Against %	36%	34%	30%	41%
Abstain %	1%	3%	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Total number of key resolutions	241	67	72	102
Number of voting funds	52	34	39	46
Number of key resolutions voted	231	63	71	97
<b>Vote coverage for key resolutions %</b>	<b>96%</b>	<b>94%</b>	<b>99%</b>	<b>95%</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 132** Goldman Sachs and Other Top 20 U.S. Asset Managers: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 133** Goldman Sachs: Voting Record on Key Resolutions, Sustainable Funds

	2020 to 2022	2020	2021	2022
<b>Individual fund voting decisions</b>				
For	153	32	41	80
Against	106	19	20	67
Abstain	1	0	1	0
<b>Total</b>	<b>260</b>	<b>51</b>	<b>62</b>	<b>147</b>
<b>For % (overall support)</b>				
For % (overall support)	59%	63%	66%	54%
Against %	41%	37%	32%	46%
Abstain %	0%	0%	2%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Overall support relative to all funds</b>				
Overall support relative to all funds	0.94	0.99	0.96	0.93
Total number of key resolutions	241	67	72	102
Number of voting funds	5	2	3	4
Number of key resolutions voted	169	36	52	81
<b>Vote coverage for key resolutions %</b>	<b>70%</b>	<b>54%</b>	<b>72%</b>	<b>79%</b>

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023.

**Exhibit 134** Goldman Sachs: Overall Support and Number of Votes for Key Resolutions, Sustainable Funds

	Ticker	Fund Size, USD million	Fund voting record			
			2020 to 2022	2020	2021	2022
<b>Summary</b>						
Overall support, all funds			63%	63%	69%	58%
Overall support, sustainable funds			59%	63%	66%	54%
Overall support, sustainable funds relative to all funds			0.94	0.99	0.96	0.93
Number of sustainable funds voting on key resolutions			5	2	3	4
<b>Sustainable funds, overall support</b>						
Goldman Sachs ActiveBeta Paris-Aligned U.S. Large Cap Equity ETF	GPAL	8	n/a	n/a	n/a	62%
Goldman Sachs JUST U.S. Large Cap Equity ETF	JUST	273	58%	56%	66%	52%
Goldman Sachs U.S. Equity ESG Fund	GINGX	22	61%	76%	71%	45%
<b>Sustainable funds, number of key resolution votes</b>						
Goldman Sachs ActiveBeta Paris-Aligned U.S. Large Cap Equity ETF	GPAL	8	60	0	0	60
Goldman Sachs JUST U.S. Large Cap Equity ETF	JUST	273	153	34	53	66
Goldman Sachs U.S. Equity ESG Fund	GINGX	22	44	17	7	20

Source: Morningstar Proxy-Voting Database, Morningstar Direct. Data as of Jan. 5, 2023. Note: Only funds that cast more than 10 votes on key resolutions in the last three proxy years are listed above. Voting records for funds not listed are included in the summary data. Where a fund's overall support shows as "n/a," no votes have been recorded for that fund on any key resolutions in at least one of the last three proxy years.

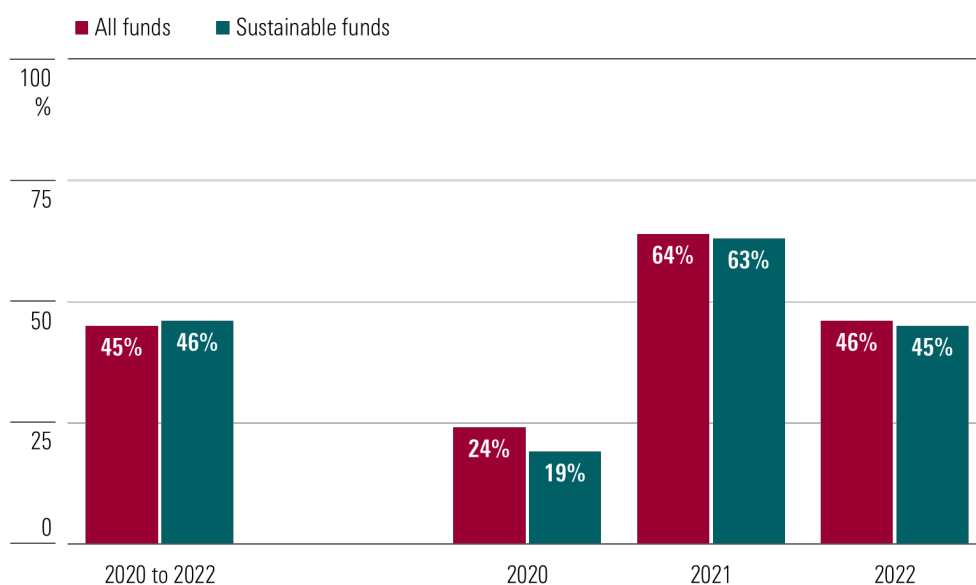
### Aggregated Data for Top 20 U.S. Asset Managers

The charts and tables that follow show aggregated fund vote data for the Big Three index asset managers (Vanguard, BlackRock, and State Street) and the top 20 U.S. asset managers by fund assets (combined, and split between the top 10, and firms 11–20).

#### Big Three Index Asset Managers

*Analysis of aggregated fund vote data for Vanguard, BlackRock, and State Street.*

**Exhibit 135** Big Three Index Asset Managers, Aggregated: Overall Support for Key Resolutions



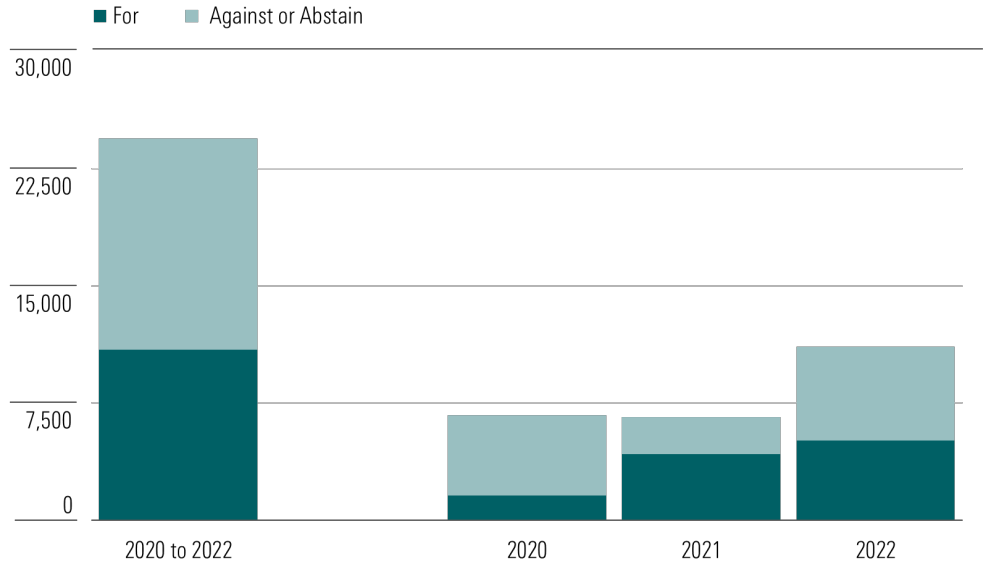
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 136** Big Three Index Asset Managers, Aggregated: Voting Record on Key Resolutions

	2020 to 2022	2020	2021	2022
<b>All funds</b>				
Number of voting funds	396	326	324	352
Number of fund votes	24,451	6,714	6,611	11,126
Number of fund votes "For"	10,903	1,591	4,216	5,096
<b>Overall support, all funds</b>	<b>45%</b>	<b>24%</b>	<b>64%</b>	<b>46%</b>
<b>Sustainable funds</b>				
Number of voting funds	30	14	22	25
Number of fund votes	1,845	308	522	1,015
Number of fund votes "For"	842	59	327	456
<b>Overall support, sustainable funds</b>	<b>46%</b>	<b>19%</b>	<b>63%</b>	<b>45%</b>
<b>Overall support, sustainable funds relative to all funds</b>	<b>1.02</b>	<b>0.81</b>	<b>0.98</b>	<b>0.98</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 137** Big Three Index Asset Managers, Aggregated: Fund Votes Cast on Key Resolutions

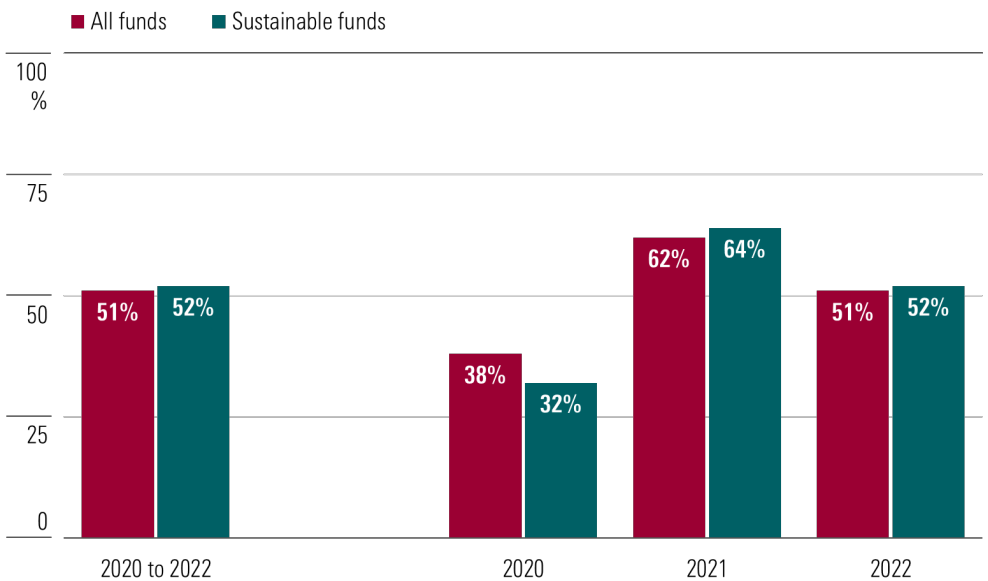


Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Top 10 U.S. Asset Managers**

*Analysis of aggregated fund vote data for the Big Three index asset managers, plus Fidelity Investments, Capital Group, T. Rowe Price, Invesco, JPMorgan, Dimensional, and Franklin Templeton.*

**Exhibit 138** Top 10 U.S. Asset Managers, Aggregated: Overall Support for Key Resolutions



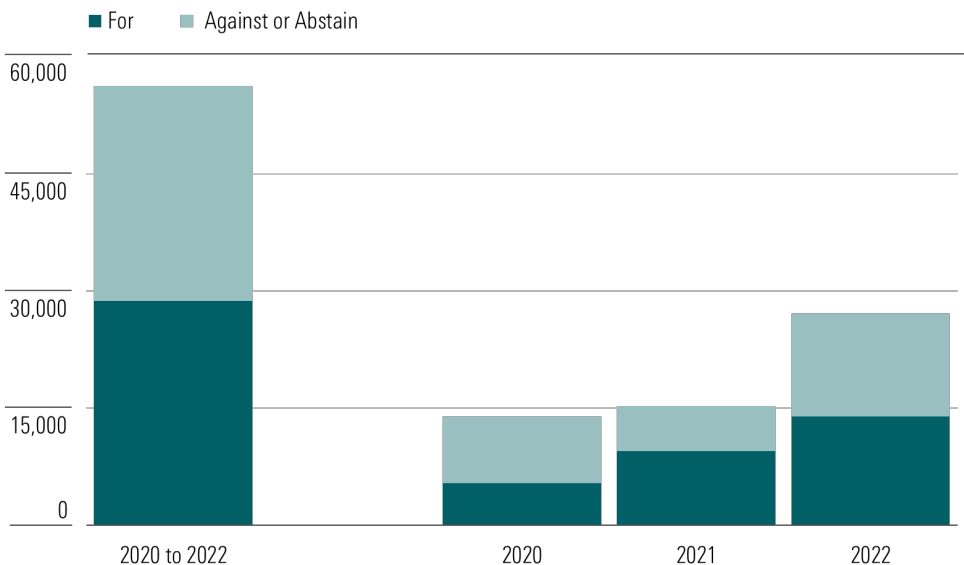
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 139** Top 10 U.S. Asset Managers, Aggregated: Voting Record on Key Resolutions

	2020 to 2022	2020	2021	2022
<b>All funds</b>				
Number of voting funds	1,116	882	923	971
Number of fund votes	56,259	13,904	15,254	27,101
Number of fund votes "For"	28,748	5,341	9,508	13,899
<b>Overall support, all funds</b>	<b>51%</b>	<b>38%</b>	<b>62%</b>	<b>51%</b>
<b>Sustainable funds</b>				
Number of voting funds	62	25	42	52
Number of fund votes	2,706	435	701	1,570
Number of fund votes "For"	1,403	138	447	818
<b>Overall support, sustainable funds</b>	<b>52%</b>	<b>32%</b>	<b>64%</b>	<b>52%</b>
<b>Overall support, sustainable funds relative to all funds</b>	<b>1.01</b>	<b>0.83</b>	<b>1.02</b>	<b>1.02</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 140** Top 10 U.S. Asset Managers, Aggregated: Fund Votes Cast on Key Resolutions

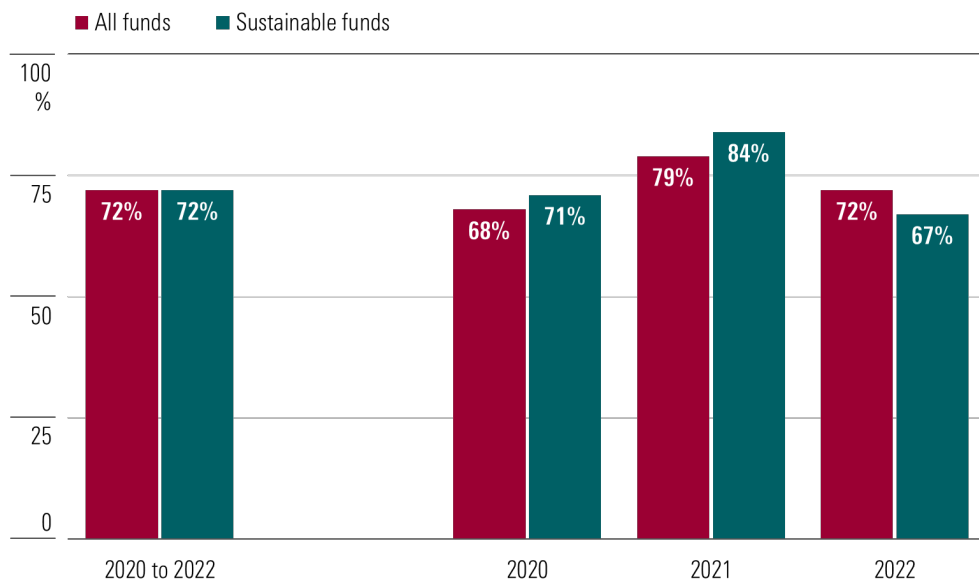


Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

### U.S. Asset Managers, Market Share Rank 11–20

Analysis of aggregated fund vote data for Schwab, Pimco, MFS, TIAA/Nuveen, Dodge & Cox, Jackson National, Columbia Threadneedle, Janus Henderson, Lord Abbett, and Goldman Sachs.

**Exhibit 141** U.S. Asset Managers, Market Share Rank 11–20, Aggregated: Overall Support for Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

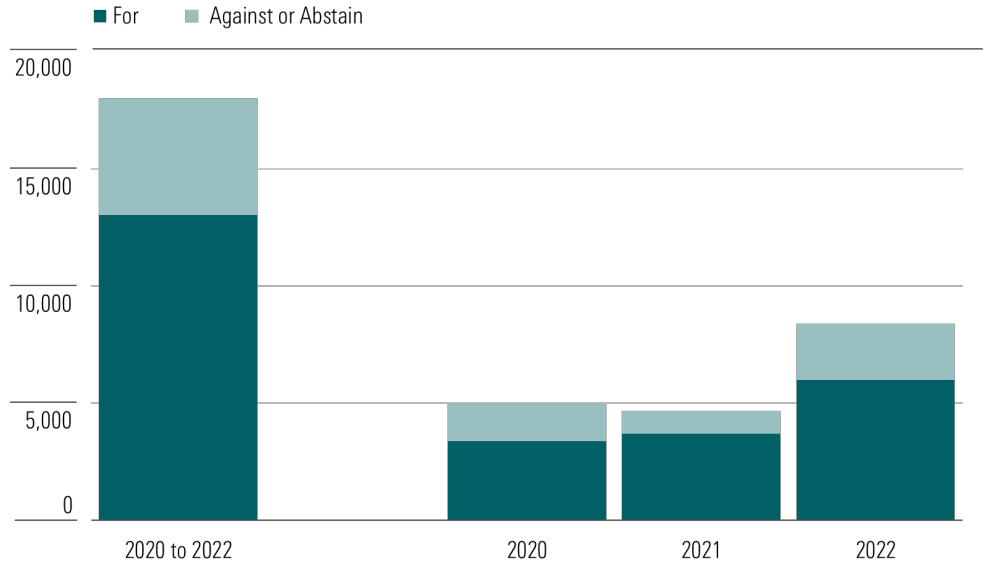
**Exhibit 142** U.S. Asset Managers, Market Share Rank 11–20, Aggregated: Voting Record on Key Resolutions

	2020 to 2022	2020	2021	2022
<b>All funds</b>				
Number of voting funds	404	340	315	338
Number of fund votes	18,007	4,956	4,674	8,377
Number of fund votes "For"	13,029	3,358	3,677	5,994
<b>Overall support, all funds</b>	<b>72%</b>	<b>68%</b>	<b>79%</b>	<b>72%</b>
<b>Sustainable funds</b>				
Number of voting funds	22	15	17	19
Number of fund votes	827	188	215	424
Number of fund votes "For"	596	133	180	283
<b>Overall support, sustainable funds</b>	<b>72%</b>	<b>71%</b>	<b>84%</b>	<b>67%</b>
<b>Overall support, sustainable funds relative to all funds</b>	<b>1.00</b>	<b>1.04</b>	<b>1.06</b>	<b>0.93</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.



**Exhibit 143** U.S. Asset Managers, Market Share Rank 11–20, Aggregated: Fund Votes Cast on Key Resolutions

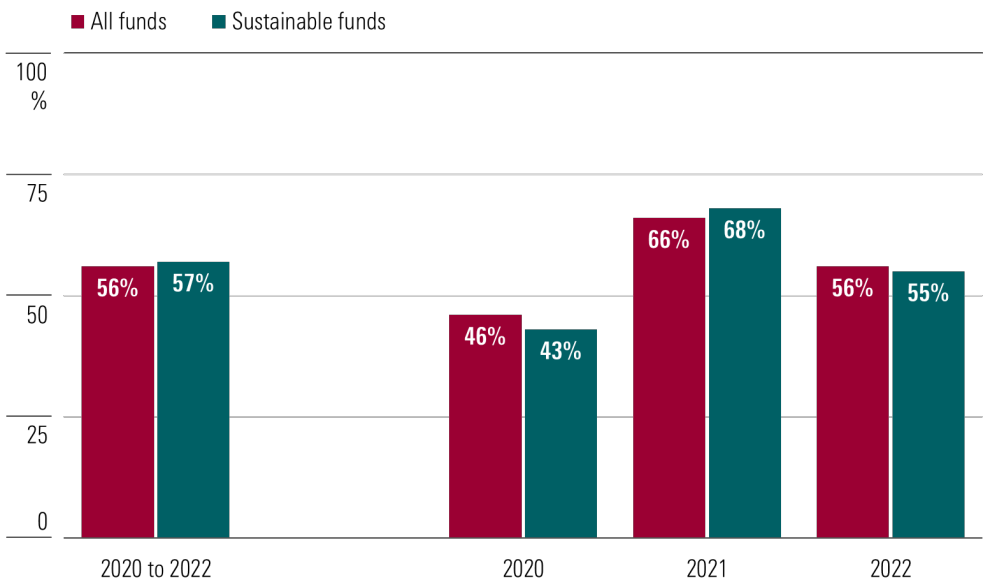


Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Top 20 U.S. Asset Managers**

*Analysis of aggregated fund vote data for the top 20 U.S. asset managers by fund assets.*

**Exhibit 144** Top 20 U.S. Asset Managers, Aggregated: Overall Support for Key Resolutions



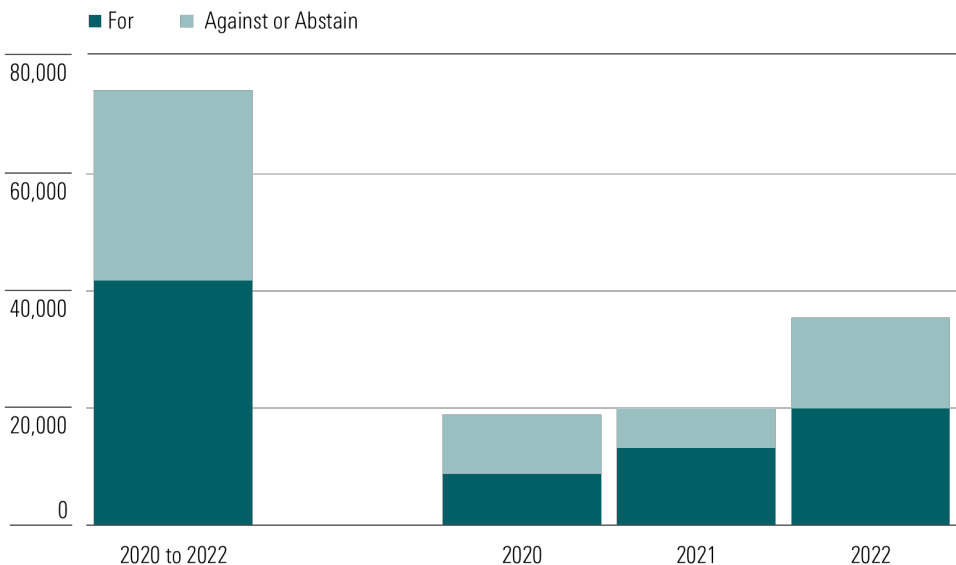
Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 145** Top 20 U.S. Asset Managers, Aggregated: Voting Record on Key Resolutions

	2020 to 2022	2020	2021	2022
<b>All funds</b>				
Number of voting funds	1,520	1,222	1,238	1,309
Number of fund votes	74,266	18,860	19,928	35,478
Number of fund votes "For"	41,777	8,699	13,185	19,893
<b>Overall support, all funds</b>	<b>56%</b>	<b>46%</b>	<b>66%</b>	<b>56%</b>
<b>Sustainable funds</b>				
Number of voting funds	84	40	59	71
Number of fund votes	3,533	623	916	1,994
Number of fund votes "For"	1,999	271	627	1,101
<b>Overall support, sustainable funds</b>	<b>57%</b>	<b>43%</b>	<b>68%</b>	<b>55%</b>
<b>Overall support, sustainable funds relative to all funds</b>	<b>1.01</b>	<b>0.94</b>	<b>1.03</b>	<b>0.98</b>

Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

**Exhibit 146** Top 20 U.S. Asset Managers, Aggregated: Fund Votes Cast on Key Resolutions



Source: Morningstar Proxy-Voting Database. Data as of Jan. 5, 2023.

## Corrections and Clarifications

### **Correction**

An earlier version of this report contained an error on [Page 36](#) regarding the voting record of the Fidelity Advisor Women's Leadership Fund *FWOZX*. Because of a data error, we incorrectly indicated that the fund failed to support three proposals on pay equity and sexual harassment at Microsoft and Disney in the 2022 proxy year — the fund did support these resolutions.

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