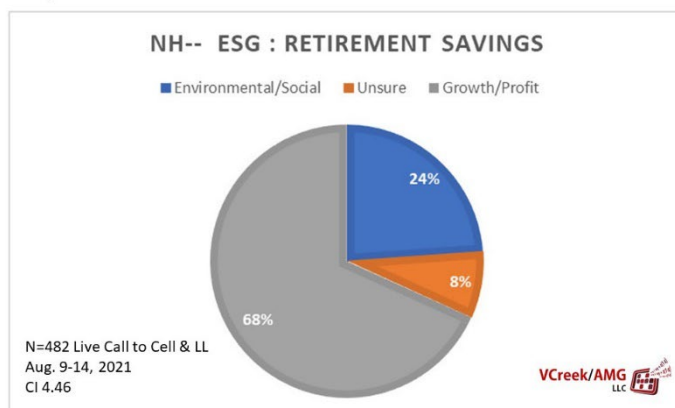


Retirement Savers Reject ESG & Stakeholder Capitalism

FOR IMMEDIATE RELEASE-- In a clear rejection of Wall Street's increasing focus on Social Justice and environmental concerns, 68% of New Hampshire voters say professional managers of pension and 401k style plans should focus on “maximizing long-term growth and profit so retirement savers will have enough money to stop working.” (1)

New Hampshire: Thinking about people's retirement savings, and even your savings, whether in a pension or 401k, should the professional managers of those retirement plans focus on environmental and social justice concerns OR focus maximizing long-term growth and profit so retirement savers will have enough money to stop working?



The poll conducted by VCreek/AMG found only 24% of New Hampshire voters said professional fund managers should “focus on environmental and social justice concerns.”

A proven way for working class and middle-class retirement savers build enough

wealth to stop working-- is reinvestment of dividends over decades. Dividends paid from real profits generated from real revenue—not financially engineered gimmicks—are what builds a broad, diverse portfolio of shares that is less subject to vagaries of the market and serves savers of all age ranges.

Real profits from revenue are not easy to achieve. Creating and launching products and services that solve people's problems effectively, efficiently and profitably is very difficult.

A reason for the popularity of environmental and social justice goals among asset managers and corporate executives is that the performance measures are often hard to quantify. Revenue growth, profits and Alpha are clear measures and often hard to achieve. A second reason is the status signal benefit from talking about prioritizing environmental and social justice goals—key word, Talking, because often it is all just talk.

The Wall Street Journal recently reported, “U.S. authorities are investigating Deutsche Bank AG's asset-management arm, DWS Group, after the firm's former head of sustainability said it overstated how much it used sustainable investing criteria to manage its assets” (2)

In other instances, so-called green investments are very dirty. “Green investing has grown so fast that there is a flood of money chasing a limited number of viable companies that produce renewable energy, electric cars and the like. ... Some money managers are stretching the definition of green in how they deploy investors' funds. ... One way to stretch the definition is to

fund companies that supply products for the green economy, even if they harm the environment to do so,” another Wall Street Journal article reported. (3)

Many asset managers and banks are facing pressure from activist shareholder groups to eliminate carbon from their portfolio (4) and engage in other actions to advance environmental and social justice concerns.

These activist groups are organized and loud, but do they really have the mass—as in shares held—to demand these goals? As the poll found, they are a small group of voters and shareholders.

Asset managers like Black Rock, State Street and even Vanguard make statements about how their social and environmental criteria are good for the long-term sustainability of a company and thus retirement savers. Their strategic conjecture does not have the proven track record of dividends paid from real profits generated from real revenue. In terms of “stakeholder capitalism” employee pay and benefits can increase sustainably from real profits generated from real revenue. The technologies that will reduce carbon usage and generate cleaner energy will be funded by real profits generated from real revenue.

This creates a conflict of fiduciary duty: Prioritize the proven, time tested path of profits and paying dividends, or the whims and wishes of loud organized activists?

Given the very high participation rate in 401k style plans, pension plans, IRAs and non-qualified index funds, and that 68% percent of voters prefer “maximizing long-term growth and profit so retirement savers will have enough money to stop working” the individual working and middle-class savers, if organized, should be able compete effectively against activists in shareholder votes.

They would very likely win a jury trial over fiduciary duty.

1. N=482, Live Calls to Random Sample of NH Likely Voters, Cell & LL, Aug. 9-14, 2021, CI 4.46, Results stratified and weighted by proprietary model score based on consumer behavior. Question Wording: Thinking about people’s retirement savings, and even your savings, whether in a pension or 401k, should the professional managers of those retirement plans focus on environmental and social justice concerns OR focus maximizing long-term growth and profit so retirement savers will have enough money to stop working?
2. <https://www.wsj.com/articles/u-s-authorities-probing-deutsche-banks-dws-over-sustainability-claims-11629923018>
3. https://www.wsj.com/articles/environmental-investing-frenzy-stretches-meaning-of-green-11624554045?mod=itp_wsj&ru=yahoo
4. https://www.wsj.com/articles/big-european-banks-get-prodded-on-climate-promises-11630882861?mod=itp_wsj&ru=yahoo