



THE END IS NIGH

Mutual Funds Are Using Your Money to Push ESG

We're all social justice warriors now.

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The mutual fund industry has gone “woke.” It’s not just the asset managers who screen socially “unacceptable” companies in industries involving, say, guns, fossil fuels, tobacco, or gambling. Those have been around for decades.

No, there’s something else amiss. And if you’re investing your hard-earned money, you might be part of the problem.



You see, when you invest in a mutual fund, you're placing your money with an investment company that buys the shares of numerous corporations. The investment company is the owner of the corporations — it is the shareholder — and you are not. The investment company votes the corporate proxies. You do not.

You may not know it, but these investment companies are, in many cases, focusing your money on political causes with which you disagree. For instance, if you disagree with any of the three prongs of ESG — environmental, social, or governance — you may be surprised to learn that your mutual fund supports them.

And powerful investment companies are strong-arming corporate boards of directors to embrace ESG.

Through the guise of “stewardship,” these investment companies consider it their fiduciary responsibility to “engage” corporations in “risk management.” Only risk doesn't mean what it used to. The “risk” is not that your investment is in underperforming funds or yielding poor returns. It's generic “risk” to society that allegedly harms people like you.

John Galloway, formerly of the Obama administration and head of Stewardship at Vanguard, explains how risk has been redefined on your behalf: “Fundamentally, climate change is a risk to our investors, so we use our investor stewardship program to ‘engage’ with companies ... to protect long term shareholder value.”

And that word “engage”? It's a euphemism that fund companies use to describe their interactions with a company's board of directors. A better term might be “force” or “coerce.”

Vanguard, says Galloway, wants a “climate competent board” and will “hold boards accountable.” He adds, “Companies are adopting frameworks (that came out of Paris), some with our ‘urging.’”

The message: step out of line, and we’re coming after your board of directors! We’ll “engage” you until we have our way!

It’s not just Vanguard. Try finding a mutual fund company that hasn’t embraced its proxy power to “urge” social change. Together, the top 10 fund families, all “engaging” corporate boards, control 65-plus percent of the mutual fund marketplace. We’re talking about \$22 trillion of proxy voting power that ordinary people have given to entities like Blackrock, Vanguard, American Funds, Fidelity, and T. Rowe Price, which have compelled companies into leftward politics.

And it’s all out in the open, done in plain sight.

Mutual funds are using our accumulated investment dollars to wield massive power at the corporate board level by pushing and voting for a woke transition from traditional capitalism to “stakeholder capitalism” or “inclusive capitalism.” (**READ MORE: ESG: The Left’s Latest Destructive Tactic to Bully Business**)

Do you own a mutual fund? Have a 401(k) plan? Congratulations: you’re probably complicit in wokeness even if you didn’t know it.

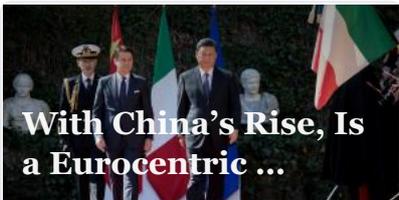
So, what are you supposed to do? Just withdraw your investments from mutual funds altogether? Invest your savings in other ways?

It's hard to say. Generations of Americans have been taught to invest their hard-earned dollars in mutual funds, let them grow over time, and behold the magic of compounded interest.

Wokeness is changing all that. You better wake up to this reality.



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,"-----if you disagree with any of the three prongs of ESG — environmental, social, or governance — you may be surprised to learn that your mutual fund supports them."

I'd say two of the prongs are going to take a severe hit this winter, particularly in Europe. Government buffoonery has led to an energy and food shortage in Europe in Germany in particular. Plus green energy isn't going to save the day. I'd like to think that here in this country, though, things will be tight, we'll get through the winter. However, with our betters here also embracing the same environmentalist buffoonery, who in the hell knows what this coming June will bring!

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Dustoff  jdondet • 2 hours ago

Nailed it... Winter will change a bunch of things

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Well, I guess people better start paying attention to their money. Democrats are out to destroy your world. Fact. You can sit back and watch it happen, or do something about it.

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First of all if you invest in mutual funds, you are complete idiot, and Second of all there a zillion different funds to choose from, so if you don't want to subscribe to a fund that uses ESG find a different one. For 98% of the population buying ETF index funds is the best option in terms of returns, if you think oil, gas and petrol-chemicals you are better off putting a portion of your portfolio in sector funds.

ESG and BDS are simply a reflection of investor preference otherwise they would not exist. At the end of the day it is nothing but basic utility theory in action.

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