

# Missouri Treasurer Removes \$500 Million in State Pension Funds from BlackRock

written by GEG | October 21, 2022



Missouri State Treasurer Scott Fitzpatrick today announced that the Missouri State Employees' Retirement System (MOSERS) has sold all public equities managed by BlackRock, Inc., pulling approximately \$500 million in pension funds from the investment manager. BlackRock has a record of prioritizing ESG initiatives, which include restrictive climate policies, over shareholder returns. MOSERS sold off all of its equity holdings with BlackRock after the asset management company refused to abstain from proxy voting, which allows shareholders in companies to have a say in decisions on issues and vote in elections for board members, as BlackRock advanced political causes that sacrificed return on investment for their customers.

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At the MOSERS Board of Trustees meeting in June, the board directed staff to require BlackRock to abstain from voting proxies on behalf of the plan, due to concerns with their public statements and record of prioritizing ESG initiatives over shareholder return. BlackRock refused the Board's demand to abstain from voting the plan's proxies. As a result, MOSERS proceeded with, and has now completed, the sale of all of its equity holdings with BlackRock. The funds are now primarily managed through contracts held by NISA, a St. Louis-based investment manager.

"This is the right thing to do for Missouri state employees who rely on the assets managed by MOSERS for their retirement. Fiduciary duty must remain the top priority for investment managers—a duty some of them have abdicated in favor of forcing a left wing social and political agenda that has failed to succeed legislatively, on publicly traded companies," Treasurer Fitzpatrick said. "MOSERS has an obligation to manage its assets in a way that prioritizes providing maximum possible returns for retirees and taxpayers. We should not allow asset managers such as BlackRock, who have demonstrated that they will prioritize advancing a woke political agenda above the financial interests of their

customers, to continue speaking on behalf of the state of Missouri. It is past time that all investors recognize the massive fiduciary breach that is taking place before our eyes, and do something about it. As Treasurer and as a member of the MOSERS Board, I will continue fighting for Missourians to stop their tax dollars from being weaponized against them.”

In June, [Treasurer Fitzpatrick called on the Board to remove proxy voting power](#) from specific asset managers to protect MOSERS funds. The board voted to take MOSERS voting power away from asset managers, including Blackrock.

Proxy voting allows shareholders in companies to have a say in decisions on issues facing publicly traded companies and vote in elections for board members. Proxy voting power has historically been delegated to asset management firms who hold stock in companies on behalf of MOSERS, and millions of other investors, with the expectation that those firms would exercise those votes with their fiduciary obligation to maximize value for the retirement system and its beneficiaries being the sole consideration. However, over the past several years, large asset managers such as Blackrock have begun to exercise the immense power they have amassed, even bragging about it publicly, to advance political causes which sacrifice return on investment for their customers.

Treasurer Fitzpatrick serves on the MOSERS Board of Trustees as well as the Investment Committee and the Audit Committee.

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