



## 2019 Workers' Capital Conference

### 8-9 September

### Paris, France

#### Session Summary

<b>Session Title</b>	Reclaiming the balance of power: How trustees and unions are holding asset managers accountable
<b>Time</b>	Sept. 8, 16:40-17:40
<b>Location</b>	CC6
<b>Interpretation</b>	Spanish/French/Japanese
<b>Moderator</b>	Tamara Herman, CWC
<b>Speakers</b>	<ul style="list-style-type: none"><li>• Dana Wise, Research Analyst, Unite Here (USA)</li><li>• Jose Meijer, First Deputy Chair, ABP &amp; FNV (Netherlands)</li><li>• Scott Connolly, Assistant Secretary, ACTU &amp; Telstra Super (Australia)</li><li>• Jill Johnson, Investment Officer, Seattle Employees' Retirement System (USA)</li></ul>

#### Session Overview

The growing power of intermediaries in the investment chain holds implications for capital stewardship. The continuing shift from active to passive management has seen three asset managers – BlackRock, SSGA and Vanguard – become the largest shareholder in almost 90 percent of the largest American corporations and in over 40% of listed companies in the US.<sup>i</sup> The trend towards [increasing allocations to alternative investments](#) among institutional investors is expected to result in the continued [growth](#) of the alternative asset management industry. Paradoxically, as the investment chain becomes more complex, corporate ownership is becoming more concentrated in the hands of asset managers. These asset managers are the interface between the companies or projects in which workers' capital is invested and the asset owners.

Holding asset managers accountable to asset owners in their stewardship of social issues – the “S” in ESG – is a challenge shared by trustees across the CWC’s global network. Evolutions in the investment chain and financial services industry presents challenges and opportunities for trustees and unions participating in the CWC. On one hand, asset owners must navigate ownership structures, be it as an investor in a passive index or a limited partner in a private equity fund, that present challenges in ensuring that social issues are accounted for in stewardship practices. On the other hand, there is a tremendous opportunities for trustees to collaborate on shared initiatives to improve asset managers’ performance, effecting changes at the corporate level while transforming the global financial system.

This discussion-format session will highlight trustee and union perspectives on the need for and challenges in building asset manager accountability. It will then turn to tools that trustees can use to hold their managers accountable, focusing on watch lists and the CWC’s report card initiative.

#### Background documents

- [CWC Asset Manager Report Card: UBS Group AG](#)
- [CWC Asset Manager Report Card: State Street Global Advisers](#)
- [From Words to Action: CWC Asset Manager Accountability Initiative launches with meeting at State Street](#)
- [The Big Three Asset Managers Dominate US Corporate Control](#)

- [Are the Sleeping Giants Awakening? An Investigation into the Investment Stewardship Efforts of the Big Three Passive Investment Managers \(Masters Thesis - University of Amsterdam, 2018.\)](#)
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## Bios

### **Scott Connolly, Telstra Super/ACTU**

Scott Connolly is the Assistant Secretary at the Australian Council of Trade Unions (ACTU). He is also a Director at the Union Education Foundation, Secretary / Treasurer for ACTU Education Inc. and a Director at ACTU Organising Centre. Prior to this he worked at Transport Workers Union (TWU) in various roles for 15 years. He has completed the Trade Union program at Harvard University and has a BA (Hons) Industrial Relations from the University of Sydney. Scott was appointed a director of the Trustee Board at TelstraSuper in June 2016.

### **Jill Johnson, Seattle City Employees' Retirement System (SCERS)**

Jill Johnson is an investment officer with the Seattle City Employees' Retirement System (SCERS). She joined SCERS in 2013 and is the lead on both public equity investing and environmental, social and governance issues. Prior to SCERS, Jill worked at Russell Investments for nearly 12 years as an asset allocation portfolio manager. She began working in the financial markets while living in Paris, France in the late 1980's. She has been an equity options trader, a fund manager for French pension plans and a researcher of financial market trends. She is a member of the Société Française des Analystes Financiers, the French chartered financial analyst group. Jill graduated from Reed College with a Bachelor of Arts in French Literature and from the Middlebury Institute of International Studies at Monterey with a Master of Arts degree in Intercultural Communications/International Business.

### **José Meijer**

Since August 2013, José Meijer has been Vice-Chair and Member of the Board of Trustees (on behalf of the employees) of the largest pension fund in The Netherlands, ABP. Next to her work for ABP, she is a Member of the Board of Trustees of the Dutch Federation of Pension funds (FNV) and Chair of the Global Unions CWC Trustee leadership network. José studied Social Sciences at Leiden University.

### **Dana Wise, UNITE HERE**

Dana Wise is Director of Corporate Engagement at UNITE HERE, the union of hospitality workers and related industries in North America. He leads the International Union's research team on financial strategies. He has 25 years in the labor movement working in Seattle, southern California, Las Vegas, and now Washington DC. He commutes to work by bicycle year-round and loves wool.

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<sup>i</sup> Fichtner, Jan and Heemskerk, Eelke M., The New Permanent Universal Owners: Index Funds, (Im)patient Capital, and the Claim of Long-termism (November 13, 2018). Available at SSRN: <https://ssrn.com/abstract=3321597> or <http://dx.doi.org/10.2139/ssrn.3321597>