

# PLANSPONSOR.com

April 19, 2005

## Vermont Pension Funds Pursue Plan To Environmentally Screen Portfolios

New England Pension Consultants (NEPC), for Vermont Treasurer Jeb Spaulding, has issued a Request for Information (RFI) from investment managers who focus on environmental sustainability strategies.

The Vermont State Retirement System (VSRS) and Vermont State Teachers' Retirement System (VSTRS) are pursuing plans to screen portfolios by environmental criteria, which is the reason for the RFI, according to SocialFunds.com. Spaulding administers investment policies and strategies adopted by the Boards of Trustees for both Vermont state pensions. Combined, the systems have assets of over \$2.4 billion. Investment managers have until May 6 to submit responses.

"This RFI results from a request from me to the trustees of the two systems to consider an allocation to environmentally sound investment management strategies by conducting an RFP [Request for Proposals] for an environmentally managed US large-cap or Global mandate," Spaulding told SocialFunds.com. The objective is to reduce environmental financial risk to the state's portfolios, according to Spaulding. "We plan to review the responses to the RFI and invite selected vendors to submit formal proposals," he added.

Spaulding is undecided as to what type of screen he prefers, but will decide based on the responses to the RFI. The RFI requests detailed information on managers' experience in environmental screening.

The criteria used to make the final decision will include financial performance and information on how environmental screens have impacted performance in the past, SocialFunds.com reports.

The size of the environmentally screened portfolio has yet to be set by Spaulding. He has, however, suggested that about 3% of the state's total large-cap allocation (about \$20 million) should be screened by environmental factors.

Spaulding follows the lead of the California Public Employees' Retirement System (CalPERS), who recently implemented such a program. One prong of this four-pronged "Green Wave" program calls for applying environmental screens on a \$500 million portfolio (See CalSTRS Investment Follows the 'Green').

Kip McDaniel  
editors@plansponsor.com