



**STATE OF VERMONT**  
**OFFICE OF THE STATE TREASURER**

**NEWS RELEASE**

**For Immediate Release--May 13, 2008**

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**Vermont Pension Fund Committee Seeks Economically Targeted Investments**

MONTPELIER, Vt.--Vermont State Treasurer Jeb Spaulding announced today that the Vermont Pension Investment Committee has issued a request for proposals soliciting investment opportunities intended to support economic and community development in Vermont. This is the second year that VPIC has requested such proposals, after adopting a policy on economically targeted investments in 2006. VPIC oversees more than \$3 billion in retirement funds for Vermont teachers, state employees, and municipal employees.

According to Spaulding, this initiative is unrelated to the recent debate in the Legislature regarding a proposal by Governor Jim Douglas to require that Vermont's pension fund managers buy Vermont Housing Finance Agency bonds. The 2006 economically targeted investment policy passed by VPIC requires an annual request for proposals.

"VPIC agreed a year and a half ago that, to the extent it can support economic and community development in Vermont without sacrificing investment performance, it makes sense to do so," said Spaulding. "The proposal to require VPIC to buy the bonds, regardless of whether or not they thought it passed muster from an investment perspective, was rejected. However, I'm hopeful that the VHFA will submit a proposal. If the anticipated returns are appropriate, I am confident VPIC will seriously consider an investment in VHFA bonds."

Economically targeted investments are intended to generate market rate returns, while providing collateral benefits that enhance quality of life and promote economic activity in a targeted area – in this case Vermont. Types of investment opportunities that may be appropriate for pension fund investments could include affordable housing, energy efficiency, venture capital, or timber.

"VPIC trustees take seriously their responsibility to protect the retirement security of workers and retirees. In that regard, this initiative does not reduce their obligation. The economic or social benefits of a proposal will not justify lower returns or inappropriate levels of risk," Spaulding explained. "We don't want to limit the field of investment possibilities, and are hopeful that creative minds will look at our policy and submit innovative proposals that meet our criteria."

Last year, the Vermont Pension Investment Committee agreed to invest up to \$2 million in Green Asset Partners, contingent upon certain conditions being met. Green Asset Partners proposes to provide an innovative real estate product which leverages conservation dollars and enhances land protection while striving to meet or exceed the annualized average return for private real assets.

Proposals must be submitted to the State Treasurer's Office by June 25, 2008, at 2 p.m. In order to be considered, proposals must, at a minimum:

- Target risk-adjusted, market-rate returns equivalent to or higher than other available investments in a similar asset class;
- Provide a substantial, direct, and measurable benefit to economic or community development within the State of Vermont; and
- Be managed by an experienced and capable manager in an applicable asset class; no direct investments will be considered.

Parties interested in receiving more information on the program should go to the State Treasurer's web site at [www.VermontTreasurer.gov](http://www.VermontTreasurer.gov) or call (802) 828-5197.

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