

ELIZABETH A. PEARCE
STATE TREASURER



UNCLAIMED PROPERTY DIVISION
TEL: (802) 828-2407

RETIREMENT DIVISION
TEL: (802) 828-2305
FAX: (802) 828-5182

ACCOUNTING DIVISION
TEL: (802) 828-2301
FAX: (802) 828-2884

STATE OF VERMONT
OFFICE OF THE STATE TREASURER

TO: Vermont Pension Investment Committee (VPIC), Sub-Committee
Stakeholders
Interested Parties

FROM: Beth Pearce, Vermont State Treasurer

RE: VPIC Sub-Committee, Process Update

DATE: June 20, 2016

The Vermont Pension Investment Committee (VPIC), Sub-Committee will meet on July 25, 2016 at 1pm and on August 23, 2016 at 2pm. Both meetings will take place in the 4th Floor Conference Room of 109 State Street, Montpelier, VT 05609.

Tom Golonka, Chair of VPIC, and I thought it be would be helpful to provide an update on activities since our May 27th Sub-Committee meeting. Eric Becker and I have met or communicated by email or phone on several occasions to review his efforts to identify investment firms to conduct a divestment impact study, in conjunction with NEPC LLC. That activity is now complete. Today we released an RFP to three firms and expect to receive responses by July 11, 2016. We will be reviewing these internally and providing a recommendation at the Sub-Committee meeting scheduled for July 25, 2016. The agenda for July's meeting is linked here:

http://www.vermonttreasurer.gov/sites/treasurer/files/pdf/retireVPIC/board/DRAFT_20160725_Agenda_SubComm.pdf. I appreciate the many hours that Eric has put into this process.

The Treasurer's Office has committed approximately \$40,000 to complete the divestment impact study. These dollars come from the operating budget of the Treasurer's Office and not from pension trust funds.

We are also working with our investment staff and the Attorney General Office staff to update the VPIC Environmental, Social, and Governance (ESG) Policy. We expect to bring a recommendation to the Sub-Committee on the 25th of July and ultimately to the entire VPIC during its August 23rd meeting.

The Treasurer's Office has hired an ESG intern to assist the staff with sustainability activities.

Finally, we are putting together a panel of investment managers that currently hold contracts with VPIC to discuss ESG issues and how they integrate climate change into their investment

processes. We have three managers confirmed, and a possible fourth, for the panel scheduled for August 23rd at 2pm. At our July 25th meeting we will invite participants, interested parties, and stakeholders to identify questions and topics to be included in the ESG forum. The August 23rd Sub-Committee agenda is posted here:

http://www.vermonttreasurer.gov/sites/treasurer/files/pdf/retireVPIC/board/DRAFT_20160823_Agenda_SubComm.pdf

We look forward to seeing you on the 25th of July and 23rd of August. If you have any questions, comments, or recommendations, please feel free to call 802-828-1451 or email tim.lueders-dumont@vermont.gov