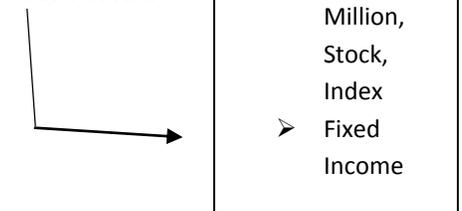


March 18, 2016

VPIC Subcommittee Planning Meeting – Suggestions from the meeting

<u>Subjects</u>
ESG/ Constructive Engagement
Indexing
Comingled vs. Separate
Fees
Fiduciary
Constructive Engagement
Review of studies NEPC, Treasurer’s Office, other states/municipalities, & third party
Slippery Slope, or are they opportunities → <i>(incremental)</i>
Alternatives to divestment
Alternative vehicles <ul style="list-style-type: none"> <li>➤ Substitute classes</li> <li>➤ Cost/Benefit</li> <li>➤ Sector</li> </ul> <div style="display: inline-block; border: 1px solid black; padding: 5px; margin-left: 100px;">Risk</div>
Timeframe—investments

<u>Scope</u>
Coal Definition <i>(Carbon Tracker, California, or GIC)</i> > California 
<div style="border: 1px solid black; padding: 5px; display: inline-block;"> <ul style="list-style-type: none"> <li>➤ Carbon Tracker</li> <li>➤ \$600, Index</li> <li>➤ \$1.1 Million, Stock, Index</li> <li>➤ Fixed Income</li> </ul> </div>
ExxonMobil
Fossil Fuels—Carbon Tracker
Secondary uses?
<ol style="list-style-type: none"> <li>1. Do they pose financial risk to pension?</li> <li>2. Concurrent by subject</li> <li>3. Risk adjusted return</li> <li>4. Status quo/ Future</li> <li>5. Other definition(s) of risk</li> <li>6. Assess benefit + beneficiaries</li> <li>7. Exxon vs. rest of industry/market</li> <li>8. Unintended consequences</li> </ol>

<u>Timeline</u>
Depends on Scope
Cost
Staffing
May 2 <sup>nd</sup> > Status report on process