

January 12, 2016

Vermont Pension Investment Committee  
Stephen Rauh, Chair  
Office of the State Treasurer  
109 State Street, FL4  
Montpelier, VT 05609-6200

Dear Chairman Rauh and Members of the Vermont Pension Investment Committee:

In his 2016 State of the State address, Governor Peter Shumlin called on the Legislature to divest state retirement funds of coal assets, liquidate all ExxonMobil stock and study divestment from energy companies that produce oil.

As Lt. Governor, it's my responsibility to do my due diligence and learn as much about this proposal as possible so I can pass on what I've learned to Vermonters. In that spirit, I have a few questions:

- First, what is the value of both coal and oil investments in Vermont's retirement funds, and what proportion of the fund's investments does each represent?
- What concerns do you have regarding divestment from these holdings with respect to honoring the committee's fiduciary responsibilities?
- How much ExxonMobil stock does the state hold in its funds? How has the stock performed in the past five years and 10 years, respectively?
- Are there other energy investments in the funds other than ExxonMobil?
- If we do sell ExxonMobil stock and/or divest from other holdings, what other investments are you contemplating as a potential alternative and would they make up for any potential loss to retirees?
- Would divestiture or liquidation of certain stocks have an impact on the cost of managing these funds? If so, how much?
- Has the VPIC considered divestment of fossil fuels before? If so, how many times has divestment from fossil fuels been proposed in the last 10 years and what position has the committee taken on this issue?
- Finally, what other thoughts, concerns or suggestions would you like to offer as we contemplate this complex undertaking?

Thank you very much for helping me to gain a better understanding of the details, and financial implications, of the Governor's proposal.

Sincerely,

Phil Scott  
Lt. Governor