



Massachusetts Public Pension Fund Experiences Notable Loss of Value within Fossil Fuel Holdings

SEPTEMBER 21, 2015 / / BOSTON, MA: A recent review of publicly disclosed data indicates that the Massachusetts Pension Reserves Investment Trust (PRIT) Fund, which is overseen by Pension Reserves Investment Management Board (PRIM), lost a half billion dollars in its fossil fuels investments for the fiscal year ending June 30, 2015. The loss estimate is calculated after careful examination of initial values and subsequent returns for PRIT's stocks operating in the coal, integrated oil & gas, and fossil fuel exploration & production industries.

The findings provide relevant information to decision makers evaluating the fossil fuel divestment proposed in MA S1350, which is sponsored by Senator Ben Downing and its corresponding bill H2269, sponsored by Representative Marjorie Decker.

In fiscal year 2015, the combined fossil fuel industry investments lost an estimated \$521 million dollars in Massachusetts' public employees' pension fund. The estimated one-year decline is 28% on its \$1.9 billion starting investment in fossil fuel industry stocks. In the 3 year period ending June 30, 2015 PRIT's cumulative total return in these industries was an anemic 1%. In the same three year period the broader market, as measured by the S&P 500, gained 61% on a cumulative basis.

The financial analysis was requested by 350Mass for a Better Future Divestment Campaign and was conducted by Trillium Asset Management, a Boston-based investment firm that is exclusively focused on sustainable and responsible investing.

"The Fund's loss of over \$500 million dollars in a 12 month period is significant and directly impacts the strength of the pension fund and our state's ability to meet its obligation to its retirees," said Matthew Patsky, CEO of Trillium Asset Management. "The opportunity cost incurred by PRIT staying heavily invested in fossil fuel investments, especially coal – which has been in secular decline for years – , is staggering. Our public employees' pension fund would be healthier today if its managers had taken steps to divest from these volatile investments years ago."

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