

January 2016

350.org, an organization dedicated to the Global Climate Change Movement, asked Advisor Partners to provide an analysis of the Oil & Gas holdings of the NYC Teachers Retirement Fund.

Summary of Analysis for Teacher’s Retirement System of the City of New York

In a review of publicly disclosed material, we estimate the Teacher’s Retirement System of the City of New York lost about \$135 million from stock investments in oil & gas companies during the past fiscal year ending June 30th, 2015. This translates to more than a 25% decline in the plan’s oil & gas stocks. During this same time period, the S&P 500 rose by more than 7.4% and the S&P 1200 (a global equity benchmark) rose by more than 1.7%. Exxon Mobil and Chevron Corp were the largest contributors to performance, where these two names alone caused plan participants to lose more than \$39 million.

The analysis combines the contributions made to both the Qualified Pension Plan and the Tax-Deferred Annuity program. The gains and losses were calculated by using the market values for each oil & gas company in the plan at the beginning of the fiscal year and their total return for the subsequent year. The analysis was conducted on public equity holdings only.

“Oil & gas companies are volatile investments. The fact that these companies underperformed both the US and broader global index by more than 25% confirms the riskiness of these companies. Portfolio managers should carefully reassess their exposure to these securities before investing in them,” says Rahul Agrawal, CIO, Equities, for Advisor Partners.

About Advisor Partners

Advisor Partners is a boutique SEC-registered investment adviser focused on creating and managing environmentally and socially responsible portfolios. Advisor Partners also offers tax-loss harvesting, high-dividend paying, and asset allocation strategies. The firm works with a select group of independent advisors, wealth managers, and family offices. We use a disciplined, research-driven, institutional-quality approach to tailoring portfolio solutions to meet the needs of our clients. Advisor Partners manages over \$400 million in assets. Advisor Partners is based in the San Francisco Bay area with an office in Boston.