In a review of publicly disclosed material, we estimate CalPERS & CalSTRS lost a combined $840 million from stock investments in the world’s largest coal companies during the past fiscal year ending June 30th. Expanding the analysis to include the world’s 200 largest oil, gas and coal companies by carbon reserves, we estimate CalPERS and CalSTRS combined loss was $5.1 billion. In percentage terms, the review indicates a 25% decline in the pension’s coal stocks over the twelve months. Over this same period most other stock investments held by CalPERS and CalSTRS rose. Among the top 100 coal companies, BHP Billiton appears to have generated the largest dollar declines at CalSTRS and CalPERS. Gains and losses were calculated using each securities market value in the pension at the beginning of the fiscal year, and the securities subsequent total return. The analysis was conducted on public equity holdings only.

"This is a material loss of money, which directly impacts the strength of the pension fund", said Matthew Patsky, CEO of Trillium Asset Management. "Fossil fuel stocks are volatile investments. Investors and fiduciaries should take this moment to reassess their financial involvement in carbon pollution, climate disruption and the financial risk fossil fuels plays in their portfolio."

“These freshly incurred losses starkly demonstrate coal’s financial risk, and illustrate the potential benefits of SB 185 to California pensioners.” said Will Lana, Partner at Trillium Asset Management.

For reference, separate calculations were conducted of each pension’s holdings. In a review of CalPERS publicly disclosed material we estimate a $540 million loss from stock investments in the world’s largest coal companies over the fiscal year ending June 30th. We also estimate a $3.0 billion loss at CalPERS from stock investments in the world’s 200 largest coal, oil, and gas companies over the fiscal year ending June 30th.

Turning to the review of CalSTRS publicly disclosed material, we found a $330 million loss from stock investments in the world’s largest coal companies over the fiscal year ending June 30th. We estimated a $2.1 billion dollar loss in the fiscal year ending June 30th for CalSTRS stock investments in the world’s 200 largest coal, oil, and gas companies.

Trillium Asset Management, LLC is the oldest independent investment advisor devoted exclusively to sustainable and responsible investing. An employee-owned firm with over $2 billion in assets under management, Trillium has been managing equity and fixed income investments for high net worth individuals, foundations, endowments, religious institutions, and other nonprofits since 1982. A leader in shareholder advocacy and public policy work, Trillium’s goal is to deliver both impact and performance to its investors. Trillium is based in Boston, with offices in California, Oregon and North Carolina.

CalPERS & CalSTRS Carbon Reserve Holdings in Fiscal Year 2014/2015

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