

Summary of UC Investments' "Fossil Free" Methodology

UC Investments, consistent with its fiduciary duty, has derisked its portfolio of companies that own "proved and probable" reserves of thermal coal, oil and/or natural gas. As a long-term investor, we believe that the potential risks of such companies outweigh their potential rewards.

Rules-Based Approach:

Companies, regardless of their sector, with any amount of "proved and probable" fossil fuel (thermal coal, oil and/or gas) reserves are excluded from UC Investments' portfolio.

Scope:

UCRP, UCRSP, GEP, TRIP.
All internally and externally managed funds. All asset classes: public equity, fixed income, real estate, real assets, private credit, private equity and absolute returns. Limited exceptions apply.

Limited Exceptions:

Commingled accounts, i.e., accounts which combine investments from multiple sources into one fund over which the fund's investors have no discretion.
Restricted endowments, i.e., endowments over which we do not have discretionary authority.

Implementation:

We follow the MSCI All Country World Index ("ACWI") Investable Market Index ("IMI") ex Tobacco ex Fossil Fuel Index ("the Index"), which excludes roughly 300 fossil fuel reserve owning companies.

For more information, see: <https://www.msci.com/our-solutions/indexes/index-categories/esg-indexes/global-fossil-fuels-exclusion-indexes>