




The Financial Rationale Behind Shifting UI Investments Away from Fossil Fuels





TABLE OF CONTENTS

Executive Summary	3
Contextual Information	4
U.S and Global Fossil Fuel Infrastructure	
Inventory Summary and Alternatives	
Current State of Affairs	6
Oil Commodity Price volatility	
Examples of Divesting Returning Higher Amounts	
Fossil Fuel Competition and Carbon Capture	
UI and Its Peers	11
Student Desires for Fossil Fuel Divestment	
Divesting at Big 10 Schools and Beyond	
Responding to Pushback	13
Final Note	16
Bibliography	18



“We recommend that the University of Illinois System divest their holdings as a prudent, defensive financial strategy.”

The energy sector, as defined by the Morgan Stanley Capital International (MSCI) Global Industry Classification Standard, includes any company “engaged in exploration & production, refining & marketing and storage & transportation of oil & gas and coal. It also includes companies that offer oil & gas equipment and services.” (17) This definition forms the basis of our analysis.

Our analysis reveals that fossil fuel companies are not positioned for sustained financial success in the future. Their profitability has become inconsistent, and they face growing competition in markets they once dominated. Efforts at shareholder engagement have failed to produce meaningful change, indicating that these companies are unlikely to adapt as the global energy landscape shifts toward sustainability.

The revenues of fossil fuel companies remain heavily dependent on the price of crude oil – a commodity

whose price is increasingly driven by geopolitical events rather than traditional supply and demand dynamics. Moreover, competition from alternatives, such as electric vehicles and sustainable petrochemical substitutes, continues to erode the market share and long term profitability of these companies. Despite their ongoing underperformance, fossil fuel companies show little sign of altering their core business models, making their eventual obsolescence in both the economy and society a near certainty.

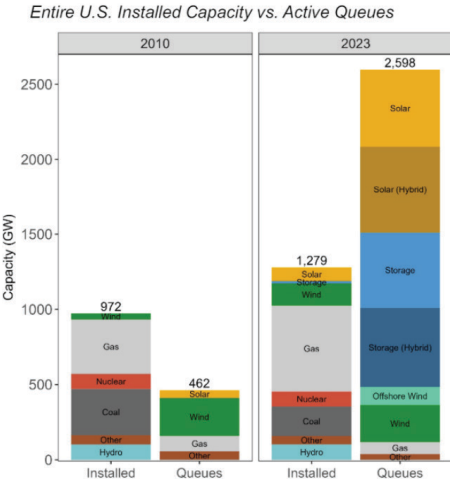
Given the uncertain future of the fossil fuel sector, we recommend that the University of Illinois (UI) System divest their holdings as a prudent, defensive financial strategy. This action would not only protect the long-term health of the UI System Endowment but also ensure that the university remains competitive with peer institutions that are already aligning their investments with the global transition to a greener economy.

CONTEXTUAL INFORMATION

U.S and global fossil fuel infrastructure

In 2023, the United States generated 21% of its energy from renewable sources, according to the U.S. Energy Information Administration (EIA).¹¹ This amount continues to increase every year - the Energy Technologies lab at Berkeley estimates that there is now more renewable energy capacity queued up for construction to support the entire U.S. in electricity generation.¹² At the same time, some 30% of the entire world's global power mix now comes from renewable energy, a figure that continues to grow as the economy shifts away from dirty energy.¹³ This transition is all around us. While we note that oil still plays heavily in the global markets, the EIA predicts production to peak sometime in the next decade.¹⁴ After this, oil demand is projected to decline precipitously, and permanently. The valuations of oil and gas companies, whose business models rely

on this demand, are set to decline accordingly. As an institution, we have an imperative to make the choice: stay the course and wait for the financial losses certain to be attributed to it, or to consider the preponderance of evidence pointing the other direction and begin to eliminate our current exposure to the industry. According to a mapping of the University's funds on TORIIS.earth, the UI System's operating pool finances enough carbon every year to equate to 14,754 emissions from gasoline passenger cars driven non-stop for one year.



SOURCE: ENERGY TECHNOLOGIES LAB AT UC BERKELEY

By divesting the 12% of holdings we have in fossil fuel companies, we eliminate 78% of the UI System’s operating pool carbon footprint.¹⁵

All three campuses have been notable in their efforts towards environmental stewardship. With the expansion of our solar farm and investments into a modular nuclear operation, our campus continues to lower its emissions. This does not go the distance if we don’t work to remove our investments in fossil fuel companies in lockstep with these efforts.

Inventory summary and alternatives

We note that the University of Illinois endowment is structured to keep fees low and to focus on passive investing. With almost 60% of the UI Endowment Pool invested

Fund	Fee	Type	Fossil Fuel Exposure
<u>Vanguard Total Bond Market Index (VBTLX)</u>	0.05%	Investment grade fixed income	1.9% (src, pg. 43)
<u>Vanguard Real Estate Investment Trust Index Fund</u>	0.09%	Real Estate	0% (hand-calc'd)
<u>Artisan High Income Fund</u>	0.85%	High yield fixed income	4.24% (hand-calc'd)
BlackRock ESG U.S. All Cap Equity	0.055%	US equity	<i>Assume separate account – possibly indexed to <u>MSCI ESG US Universal</u> (4.04% energy)</i>
BlackRock ESG Insights World ex-USA	0.12%	Developed Market equity	<i>Assume sep acct – poss indexed to <u>MSCI World ex-USA ESG Leaders</u> (4.38% energy)</i>
BlackRock MSCI Emerging Markets Free Fund	0.08%	Emerging Market equity	<i>Not enough info: maybe <u>MSCI's Emerging Mkt</u> (5.49% energy)</i>
Ariel Capital Management Small Mid Cap Value	0.5-1.0%	Equity	<i>Sep acct – no fund holdings to check</i>

in global equity, we note in global equity, we note a higher allocation to liquid instruments, public equity, and fixed income than our peers.¹⁶ Our fees are rather low as well, with it set at 28 bps, this hints at a strategy of high liquidity which promotes rebalancing and expresses preference for passive equity strategies.¹⁶

Why not do this without fossil fuels? We have cataloged our current exposure to fossil fuel companies in our endowment pool above to the best of our abilities.

There are clear alternatives to these index and mutual funds that are present currently in our investing scheme.

BlackRock alone funds 2 different types of sustainable mutual funds that have performed comparatively well to the broader global market.^{19, 20} There are also indexes that are screened for fossil fuels such as the ticker SPYX.²¹ All of this is done while eliminating exposure to energy companies.

Operating under an investment policy based around index tracking funds, we could very easily shift our capital into fossil free indexes as we reinvest. Paired with a commitment to end the purchase of new fossil fuel corporate bonds, we would be able to sunset our reliance on fossil fuels within 3-5 years.

CURRENT STATE OF AFFAIRS

Oil commodity price volatility

Fossil fuel companies have seen a steep decline from their peak market share in the 1980s. Today, their market cap is smaller combined than Nvidia alone. Revenues for fossil fuel companies are highly volatile, and increasing competition is steadily pushing them out of the market. Paired with a decreasing market share and due to the instability of oil commodity

prices, this is leading to inconsistent profits and, consequently, impacts stock prices.³³

In the 1980s, fossil fuel companies benefited from relatively stable oil prices and steady revenues. Over the past 45 years, the landscape on which these companies reside has become defined by its volatility. Extreme fluctuations in oil prices per barrel show up in spikes of below market performance and above.

Energy Sector's Share of the S&P 500

Since approaching a 30% share of the S&P 500 in 1981, the energy sector fell to an historic low of 2% in October 2020



Source: S&P Global • as of May 2023

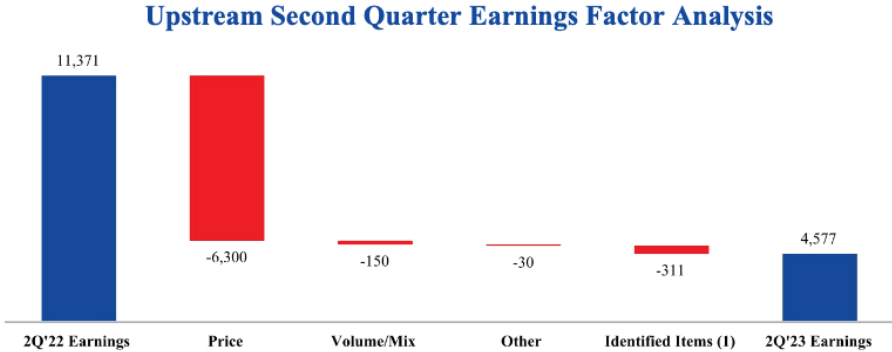
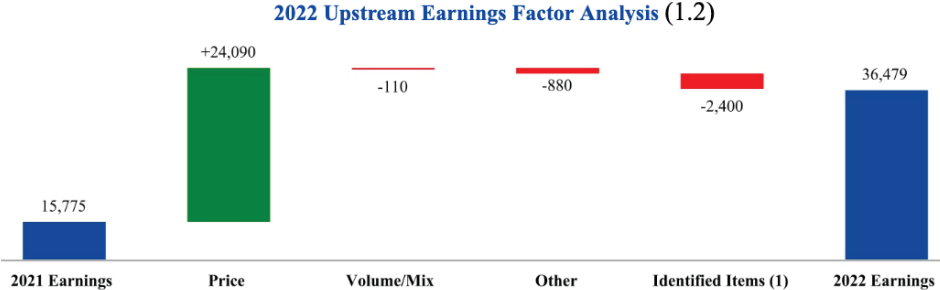


By examining ExxonMobil's 2023 Q2 earnings³⁴ (see Chart 1.2: Upstream Second Quarter Earnings Factor Analysis), we can observe how heavily reliant these companies have become on oil prices to drive revenue. This dependence exposes fossil fuel equities to the extreme volatility of the oil market. Then examine 2023 Q2³⁵ earning for Exxon-Mobil again, see Chart 1.2:

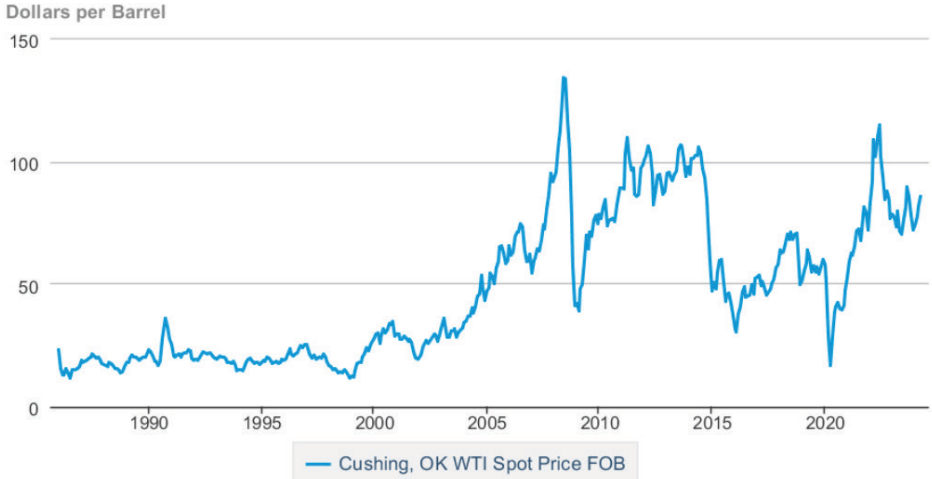
As a University, we are missing out on potential gains by investing in these underperforming assets.

To further illustrate oil price volatility, we can point to major crashes and rallies, such as the 2008 financial crisis, the 2014 fracking bust, the COVID-19 pandemic, and the 2021 rally triggered by the Russia-Ukraine war.^{33,40}

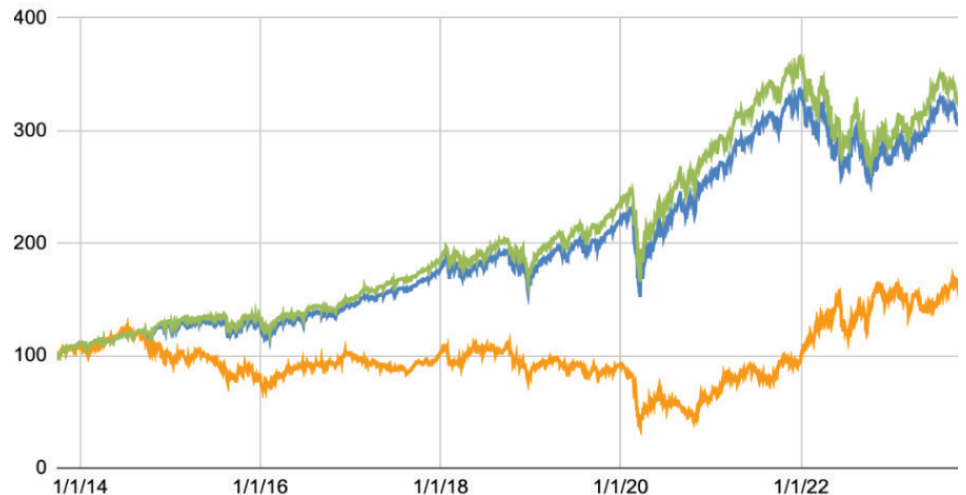
Evidently, fossil fuel companies made record gains in 2021 to mid-2022. However,



Cushing, OK WTI Spot Price FOB



S&P 500, Ex-Energy, and Energy (since Sept. '13)



SOURCE: INSTITUTE FOR ENERGY ECONOMICS AND FINANCIAL ANALYSIS

these companies have no control over the spot price of oil. It is imprudent to invest hundreds of millions of dollars into companies whose economic outlook is so dependent on geopolitical events instead of traditional economic principles of supply and demand.

have realized an additional 13% in returns between 2013 and 2022 had they fully divested from energy equities.¹ Similarly, the Oregon State Treasury conducted an internal study and discovered that its fossil fuel investments underperformed by an estimated \$4-10 billion compared to fossil fuel-free alternatives.²

Examples of divesting returning higher amounts

Comparable institutions have suffered financially by delaying their divestment from fossil fuel investments. A study by the University of Waterloo in Canada found that pension systems could

Due to our forward-looking endowment system, we must take this inherent volatility into account when investing into these equities. Energy companies have consistently underperformed the S&P 500 starting around the mid-2010s and have not recovered since.

Fossil fuel competition and carbon capture

Competition is another reason for the inconsistent demand. According to the EIA, transportation makes up 36.5% of U.S. domestic energy consumption, the industrial sector uses 35%, residential uses 16%, and commercial uses cover 13%.³ In all of these categories fossil fuel use in generation is challenged. “EVs [are projected] to dominate passenger vehicle sales by 2040, says ExxonMobil CEO.”⁴

In electricity, utility companies are investing in nine times more solar and wind capacity than in new gas and coal. Battery capacity is expected to grow dramatically this decade.⁵ In the residential and commercial districts

heat pumps and renewable electrification are in full swing and will only continue to grow. For the first time in history since we have started using fossil fuels, there are real and comparable alternatives to using dirty sources of energy for production and consumption. This will only continue to push fossil fuels towards irrelevance in our society and economy.

Carbon Capture and Sequestration (CCS) is also not a commercially viable option for these companies yet either. While there are claims that up to 90% of carbon can be captured, in practice, examples have shown that projects capture about 60% of carbon emissions. A report from the Center on Global Energy Policy found that even the most promising CCS projects “may nevertheless

“For the first time in history since we have started using fossil fuels, there are real and comparable alternatives to using dirty sources of energy for production and consumption. This will only continue to push fossil fuels towards irrelevance in our society and economy.”

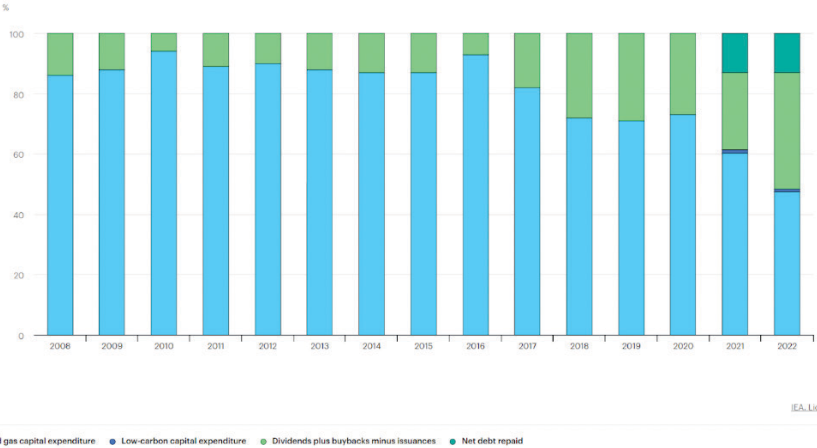
“Energy companies spent about 1% of their capital on low-carbon energy investments.”

become commercially unviable as carbon prices rise.”⁶ After decades of research and development, there still is not a commercially viable way to use carbon sequestration. This should make investors question how these companies are going to transition to a 1.5 °C pathway while the rest of the world does.

Additionally, as the world becomes more reliant on renewable energy, fossil fuel companies are failing to transition justly in a timely manner. An NPR analysis points out that these companies are

putting, collectively, 2.5% of their capital investments towards green power.⁷ The EIA estimates that they would need to spend 50% of their capital investments by 2030 to meet global climate targets.⁷

Data accrued by the International Energy Agency shows that in 2022 energy companies spent about 1% of their capital on low-carbon energy investments.¹⁸ This indicates that the companies’ existence is indivisible from the extraction of oil.



SOURCE: INTERNATIONAL ENERGY AGENCY

UI AND ITS PEERS



We appreciate the work that UI has done so far, beginning to decarbonize campus operations and shifting away from coal assets in 2017. The Illinois Climate Action Plan (iCAP), specifically Objective 9.1, is a strong start to what we believe can be a sustainable University of Illinois. But to truly tackle the climate crises, we are falling short.

Student desires for fossil fuel divestment

In the wake of this, students have been demonstrating every semester, taking to the streets and the campus to

make our voices heard. We have been giving public comments at Board of Trustees meetings. Last legislative session, we introduced House Bill 5268, the University of Illinois Fossil Fuel Divestment Bill, which would mandate the University to divest. Let it be known that we love the University of Illinois, and it is this love that brought this issue to a legislative campaign. The fact that we continue to march on our campuses, that we have taken this issue before the board countless times now, should be telling. Let the University be a leader, an institution that actively

responds to students. Let the University place priority on the future of its students and community. Let the University send a powerful message to the world: we can, and we will, fight for a healthy planet, a beautiful and green world, safe and loving to all. We can make the choice to fully divest from fossil fuels, or we can sit back in complicity.

The University of Illinois System is falling behind when it comes to nationwide higher education commitments. Our peers are taking this crucial step in protecting their endowments and taking the step to take a stance against climate change while we are not. Through this they are reaping higher returns on their investments. If we are truly trying to be a competitive University to our similarly sized peers across the nation, we must remain true to our mission as “To create a future for the University of Illinois in which the students, faculty, and staff thrive and the citizens of Illinois, the nation, and the world benefit – a future in which the University of Illinois System is the recognized leader among public research university

systems...”³⁹ We need to divest from fossil fuel companies to facilitate proper economic development through our state, nation and world.

Divesting at Big 10 schools and beyond

Other campuses across the country are making strides. The University of Michigan made a commitment in 2021 to immediately shift its direct investments away from “... natural resources investments to focus more on renewable energy, stop investing in funds primarily focused on certain fossil fuels and discontinue direct investments in publicly traded companies that are the largest contributors to greenhouse gasses.”⁸ The University of Michigan will now be carbon neutral in all 3 scopes of its investment portfolio by 2050. Also in 2021, the University of Minnesota made a binding commitment to divest from fossil fuel companies within 5-7 years of the agreement.⁹ NYU, the entire UC system, and close to 144 higher education institutions nationwide have divested from fossil fuel companies.¹⁰

RESPONDING TO PUSHBACK

In this section, we address arguments we have heard from University stakeholders or other concerns raised about divestment. Arguments are written in orange.

Shareholder engagement is a better strategy to promote sustainability rather than divestment. When we invest in energy companies, the University can participate in proxy votes on decisions that impact how these companies operate and enable the University to directly advocate for implementing sustainability practices. This proxy voting is conducted through our external investment managers at BlackRock and we are invested with UN PRI signatories.

Shareholder engagement and activist investing, in practice, lead to only incremental changes. Resolutions are typically nonbinding and serve as “greenwashing” when urgent climate action is necessary. Current shareholder engagement practices are largely limited to symbolic proxy votes and obligatory phone calls which fail to yield tangible results.²² Currently, there is little evidence that our engagement is working.

The fossil fuel industry has known about the climate crisis for decades and has refused to take action.²³ By nature of their business models, these companies oppose the energy transition and are misaligned with Paris Agreement goals. CDP finds no evidence of progress and even some backsliding.²⁴ In March, Saudi Aramco CEO Amin Nasser said, “We should abandon the fantasy of phasing out oil and gas and instead invest in them adequately reflecting realistic demand assumptions.”²⁵ Additionally, the idea that capital from shares or bonds would fund sustainability is flawed; this money is often redirected to investors or used for further fossil fuel exploration.^{26, 27}

In 2021, the activist investor group Engine No. 1 successfully campaigned for significant changes at ExxonMobil, resulting in the election of three new, environmentally conscious board members. This effort has not substantially changed ExxonMobil’s core business model. The company continues to prioritize its traditional fossil fuel operations.^{28, 29}

Engagement is a tool to be used — it is not the be-all-end-all — and for engagement to be effective it must result in real-world

Divestment is a bad strategy as it is merely shares changing hands, and bad actors may even buy the shares we sell, while we can be responsible custodians and shareholders. Divestment has a negligible impact on the fossil fuel industry as capital is still being provided to these energy companies.

We don't choose what companies we invest in. Private investment managers buy index funds that have a stake in energy.

material outcomes. Polluters will only react through a strategy that involves escalation – in other words, divestment. The threat of ceasing partnerships with companies that are not hitting actionable targets established by the Investment Office gives engagement the leverage it needs to be effective.

We reiterate that our argument for divesting rests on a strictly financial rationale, and not for reasons relating to a moral argument. Divestment is a preventative measure that lowers the long-term financial risks facing the portfolio given that the energy sector's current business practices are not positioning them to succeed in the long run. The process of divestment also sends meaningful market signals by decreasing stock prices which cause a reduction in carbon emissions compared to non-divested companies.³⁸

Similarly, divestment sends a clear signal to investment managers who are constantly seeking to get new business by meeting the needs of new clients. These investment managers are responding to the demand for fossil-free investment products. By divesting, the University would in turn make it easier for other institutions to divest.³¹

While there may be some truth to this assertion, particularly regarding mutual funds, it is crucial to note that the Board of Trustees establishes the targeted investment rate and allocation.³⁶ Just because mutual funds may be invested in the energy sector does not necessitate our alignment with these investments.

It is up to the investment staff to select the people who manage our investments, which is done based on what strategy the managers are offering. It is up to the discretion of the investment staff to choose a different manager or give a different mandate to our managers. Moreover, there exists a burgeoning market of fossil-free indexes and bond options suitable for investment. Notably, MSCI's ACWI fossil-free index has

Divestment is imprudent: It will lose money, yield poor short-term returns, and incur higher fees. This would result in cuts in scholarship funding and other ventures that are funded by the endowment.

An overnight restructuring of our investment portfolios will cause a lot of issues. We have commitments in private equity and fixed income sources that mature years from now, and selling them on a secondary market will occur at a loss, which is imprudent.

The University is taking steps to divest – we are invested in a BlackRock ESG mutual fund strategy.

demonstrated superior performance compared to indexes invested in fossil fuel companies.³⁷

As fiduciaries for an endowment, it is important to recognize that endowments are inherently designed for long-term growth, which should focus on ten-year performance as a key metric of success instead of purely maximizing short-term returns. During the portfolio rebalancing process to align with the targeted rate set by the Board of Trustees, deliberate decisions can be made to exclude firms broadly categorized as energy companies. Given these inconsistent profits, when assessed with a long-term outlook, fossil-free indices experience greater returns²¹ which would make the fees associated with divestment, and concerns about cuts in scholarship funding, negligible.

We are aware of this and agree that it would be imprudent to sell our assets at a loss. An immediate action that can be taken is the implementation of a policy that prevents the purchase of fossil fuel company bonds – which are the primary way they raise money for new drilling and mining – and the cessation of future investments in the fossil fuel industry.

The University's failure to meet its divestment objectives is glaring, evidenced by the lack of observable, transparent progress toward divestment. The TORIIS website outlines the continued presence of fossil fuel holdings within the University's portfolio. Equally important, ESG funds typically do very little to diminish the investment risk from fossil fuels, since they tend to hold a near-market weighting of them.³² If the University was intent on addressing climate change concerns, there would be indications of a viability study on fossil-free indices, a concrete commitment to fossil-free policies in the future, and clear communication of divestment plans to investment managers.

FINAL NOTE

As demonstrated above, fossil fuel companies face inherent volatility due to their dependence on the fluctuating price of oil per barrel, which is increasingly dictated by geopolitical events rather than traditional dynamics of supply and demand. The green energy transition is further undermining the long-term viability of these companies, as an ever-growing share of our energy needs are met through renewable sources. This shift fundamentally challenges the business models of companies that profit from the extraction, refinement, sale, transport, or combustion of fossil fuels.

Every sector of the economy that was once dominated by fossil fuels is now being challenged by alternative solutions. Even so, fossil fuel companies are resistant to these changes. British Petroleum, as noted above, made the largest capital investments among its peers, but retreated under investor pressure, demonstrating the larger reluctance of the industry to

adapt. Furthermore, these companies engage in financial practices like stock buybacks to artificially inflate their stock prices, raising critical questions about their long-term financial health in an increasingly competitive and green economy.

The University of Illinois is at a pivotal crossroads. We can choose to divest from these fossil fuel companies over a defined period, aligning our endowment with our commitment to sustainability, protecting both the planet and the financial future of the university. Alternatively, we can continue on our current trajectory, risking financial losses and reputational damage by failing to take a meaningful stance on climate change.

The time to act is now. By shifting our investments and taking on a leadership role, we can not only safeguard future revenue but also demonstrate our dedication to addressing one of the most pressing issues of our time. We appreciate your

consideration of the arguments presented and look forward to further discussions on how to protect the future of our endowment while fostering a sustainable campus, community, and world.

The time to act is now. By shifting our investments and taking on a leadership role, we can not only safeguard

future revenue but also demonstrate our dedication to addressing one of the most pressing issues of our time. We appreciate your consideration of the arguments presented and look forward to further discussions on how to protect the future of our endowment while fostering a sustainable campus, community, and world.



BIBLIOGRAPHY

- 1) Zonta, Michael, Melanie Issett, Celinda Ma, and Olaf Weber. "The Impact of Energy Investments on the Financial Value and the Carbon Footprint of Pension Funds." University of Waterloo, June 26, 2023. https://uwaterloo.ca/school-environment-enterprise-development/sites/default/files/uploads/documents/the-impact-of-energy-investments-on-the-financial-value-and-the-carbon-footprint-of-pension-funds_pdf_final-version.pdf.
- 2) Becker, Adin, Andrew Bogrand, Susan Palmiter, Carole Romm, Ben Scandella, Jenifer Schramm, and Nancy Yuill. "Risky Business: Oregon Treasury's Fossil Fuel Problem." Divest Oregon, April 20, 2022. <https://irp.cdn-website.com/21c0cb7e/files/uploaded/Risky%20Business%20-%20Oregon%20Treasury%27s%20Fossil%20Fuel%20Problem%204-20-2022.pdf>.
- 3) U.S. Energy Information Administration. "U.S. Energy Consumption by Source and Sector, 2023," 2023. <https://www.eia.gov/energyexplained/us-energy-facts/images/consumption-by-source-and-sector.pdf>.
- 4) Jacobson, Lindsey. "Every New Passenger Car Sold in the World Will Be Electric by 2040, Says Exxon Mobil CEO Darren Woods." CNBC, June 25, 2022. <https://www.cnbc.com/2022/06/25/exxon-mobil-ceo-all-new-passenger-cars-will-be-electric-by-2040.html>.
- 5) Edison Electric Institute. "2022 Financial Review: Annual Report of the U.S. Investor-Owned Electric Utility Industry," 2022. https://www.eei.org/-/media/Project/EEI/Documents/Issues-and-Policy/Finance-And-Tax/Financial_Review/FinancialReview_2022.pdf?la=en&hash=8BBEC51AA4C-4044713833CA214A0EAE9A1B8546.
- 6) Carbon Capture and Storage: An Unproven Technology. <https://ieefa.org/ccs>. Accessed 19 Sept. 2024.
- 7) Domonoske, Camila. "Making Oil Is More Profitable than Saving the Planet. These Numbers Tell the Story." NPR, 12 Dec. 2023. NPR, <https://www.npr.org/2023/12/11/1217802769/oil-prices-exxon-mobil-green-energy-solar-wind-cop28-climate-talks>.
- 8) U-M Shifts Strategy for Natural Resources Investments | The University Record. <https://record.umich.edu/articles/u-m-shifts-strategy-for-natural-resources-investments/>. Accessed 19 Sept. 2024.
- 9) Carpentier, Bella. "University Announces Plans to Divest from Fossil Fuels." The Minnesota Daily, <https://mndaily.com/269174/city/university-announces-plans-to-divest-from-fossil-fuels/>. Accessed 19 Sept. 2024.
- 10) Barron, Alexander R., et al. "Fossil Fuel Divestment in U.S. Higher Education: Endowment Dependence and Temporal Dynamics." *Elem Sci Anth*, vol. 11, no. 1, Nov. 2023, p. 00059. DOI.org (Cross-ref), <https://doi.org/10.1525/elementa.2023.00059>.
- 11) Frequently Asked Questions (FAQs) - U.S. Energy Information Administration (EIA). <https://www.eia.gov/tools/faqs/faq.php>. Accessed 19 Sept. 2024.
- 12) Rand et al. "Queued Up: 2024 Edition Characteristics of Power Plants Seeking Transmission Interconnection As of the End of 2023." Lawrence Berkeley National Laboratory, Apr. 2024. https://eta-publications.lbl.gov/sites/default/files/queued_up_2024_edition_r2.pdf
- 13) Renewables in Electricity Production | Statistics Map by Region | Enerdata. <https://yearbook.enerdata.net/renewables/renewable-in-electricity-production-share.html>. Accessed 19 Sept. 2024.
- 14) Lawler, Alex. "World Oil, Gas, Coal Demand to Peak by 2030, IEA Says." Reuters, 24 Oct. 2023, <https://www.reuters.com/business/energy/world-oil-gas-coal-demand-peak-by-2030-iea-says-2023-10-24/>.
- 15) TORIIS. <https://www.toriis.earth/home>.

BIBLIOGRAPHY

- 16) University of Illinois System Treasury. "Investment of Public Funds." https://www.treasury.uillinois.edu/userfiles/Servers/Server_338/file/Investments/FundsPerformance_022924.pdf
- 17) Global Industry Classification Sector (GICS®). MSCI, 17 Mar. 2023. <https://www.msci.com/documents/1296102/1339060/GICSSectorDefinitions.pdf/fd3a7bc2-c733-4308-8b27-9880d0a766f>
- 18) "Distribution of Cash Spending by the Oil and Gas Industry, 2008-2022 – Charts – Data & Statistics." IEA, <https://www.iea.org/data-and-statistics/charts/distribution-of-cash-spending-by-the-oil-and-gas-industry-2008-2022>. Accessed 19 Sept. 2024.
- 19) "BlackRock Sustainable U.S. Growth Equity Fund | Fossil Fuel Investments | Fossil Free Funds." BlackRock Sustainable U.S. Growth Equity Fund | Fossil Fuel Investments | Fossil Free Funds, <https://fossilfreefunds.org/fund/blackrock-sustainable-us-growth-equity-fund/BASGX/fossil-fuel-investments/FS0000H1J7/F00001C738>. Accessed 19 Sept. 2024.
- 20) "BlackRock Sustainable U.S. Growth Equity Fund | Fossil Fuel Investments | Fossil Free Funds." BlackRock Sustainable U.S. Growth Equity Fund | Fossil Fuel Investments | Fossil Free Funds, <https://fossilfreefunds.org/fund/blackrock-sustainable-us-growth-equity-fund/BSGKX/fossil-fuel-investments/FS0000H1J7/F00001C737>. Accessed 19 Sept. 2024.
- 21) "SPY vs. SPYX." ETF.com, <https://www.etf.com/tools/etf-comparison/SPY-vs-SPYX#block-etf-cr-cost>. Accessed 19 Sept. 2024.
- 22) Engagement and Divestment: Shareholders Transcend a False Binary. <https://ieefa.org/resources/engagement-and-divestment-shareholders-transcend-false-binary>. Accessed 19 Sept. 2024.
- 23) Milman, Oliver. "'Smoking Gun Proof': Fossil Fuel Industry Knew of Climate Danger as Early as 1954, Documents Show." The Guardian, 30 Jan. 2024. The Guardian, <https://www.theguardian.com/us-news/2024/jan/30/fossil-fuel-industry-air-pollution-fund-research-caltech-climate-change-denial>.
- 24) Research Reveals No Oil and Gas Companies Have Plans in Place to Phase out Fossil Fuels - CDP. <https://www.cdp.net/en/articles/media/research-reveals-no-oil-and-gas-companies-have-plans-in-place-to-phase-out-fossil-fuels>. Accessed 19 Sept. 2024.
- 25) Somasekhar, Arathy. "Saudi Aramco CEO Says No Peak in Oil Demand for Some Time to Come." Reuters, 18 Mar. 2024, <https://www.reuters.com/business/energy/ceraweek-saudi-aramco-ceo-argues-re-set-energy-transition-timetables-2024-03-18/>.
- 26) "Executive Summary – World Energy Investment 2021 – Analysis." IEA, <https://www.iea.org/reports/world-energy-investment-2021/executive-summary>. Accessed 19 Sept. 2024.
- 27) Reuters. "US Energy Firm Payouts to Oil Investors Top Exploration Spending for First Time." Reuters, 22 Aug. 2023, <https://www.reuters.com/business/energy/us-energy-firm-payouts-oil-investors-top-exploration-spending-first-time-2023-08-22/>.
- 28) Hiller, Jennifer, and Svea Herbst-Bayliss. "Engine No. 1 Extends Gains with a Third Seat on Exxon Board." Reuters, 3 June 2021, <https://www.reuters.com/business/energy/engine-no-1-win-third-seat-exxon-board-based-preliminary-results-2021-06-02/>.
- 29) Noor, Dharna, and Oliver Milman. "Fury after Exxon Chief Says Public to Blame for Climate Failures." The Guardian, 4 Mar. 2024. The Guardian, <https://www.theguardian.com/us-news/2024/mar/04/exxon-chief-public-climate-failures>.
- 30) Kerber, Ross. "Responsible Investment Group Rejects Activist Complaint over TIAA." Reuters, 12 Dec. 2022, <https://www.reuters.com/business/sustainable-business/responsible-investment-group-rejects-activist-complaint-over-tiaa-2022-12-12/>.

BIBLIOGRAPHY

- 31) Bergman, Noam. "Impacts of the Fossil Fuel Divestment Movement: Effects on Finance, Policy and Public Discourse." *Sustainability*, vol. 10, no. 7, July 2018, p. 2529. www.mdpi.com, <https://doi.org/10.3390/su10072529>.
- 32) Rajgopal, Shivaram. "Is Your ESG Mutual Fund Better for the Planet and Society? Maybe Not." *Columbia Business School, 21st Century Finance*, 14 Oct. 2023, <https://leading.business.columbia.edu/main-pillar-climate-change-sustainability/21st-century-finance/esg-mutual-fund>.
- 33) *Two Economies Collide: Competition, Conflict, and the Financial Case for Fossil Fuel Divestment*. <https://ieefa.org/resources/two-economies-collide-competition-conflict-and-financial-case-fossil-fuel-divestment>. Accessed 19 Sept. 2024.
- 34) Exxon Mobil Corporation. 2023 Annual Report. Exxon Mobil Corporation, 2023. <https://investor.exxonmobil.com/sec-filings/annual-reports/content/0001193125-24-092555/0001193125-24-092555.pdf>
- 35) Exxon Mobil Corporation. 2022 Annual Report. Exxon Mobil Corporation, 2022. https://d1io3yog0oux5.cloudfront.net/_78ac4d69382c9a54dca877406a8ec6ae/exxonmobil/db/2301/22049/annual_report/2022-Annual-Report.pdf
- 36) University of Illinois System Treasury. "University of Illinois System Investment Policy Statement," September 23, 2021. https://www.treasury.uillinois.edu/userfiles/Servers/Server_338/file/Investments/Investment_Policy_Revision_2021.pdf.
- 37) *Passive Investing in a Warming World*. <https://ieefa.org/resources/passive-investing-warming-world>. Accessed 19 Sept. 2024.
- 38) Rohleder, Martin, et al. "The Effects of Mutual Fund Decarbonization on Stock Prices and Carbon Emissions." *Journal of Banking & Finance*, vol. 134, Jan. 2022, p. 106352. DOI.org (Crossref), <https://doi.org/10.1016/j.jbankfin.2021.106352>.
- 39) *Mission & Vision*. <https://www.uillinois.edu/about/mission>. Accessed 19 Sept. 2024.
- 40) U.S. Energy Information Administration - EIA - Independent Statistics and Analysis. https://www.eia.gov/finance/markets/crudeoil/spot_prices.php. Accessed 19 Sept. 2024.
- 41) "Oil and Gas Industry Faces Moment of Truth – and Opportunity to Adapt – as Clean Energy Transitions Advance - News." IEA, <https://www.iea.org/news/oil-and-gas-industry-faces-moment-of-truth-and-opportunity-to-adapt-as-clean-energy-transitions-advance>. Accessed 19 Sept. 2024.

**Contact us with any questions,
comments, or concerns by emailing
illinoisfossilfree@gmail.com**