MONTGOMERY COUNTY EMPLOYEE RETIREMENT PLANS

CONSOLIDATED RETIREE HEALTH BENEFITS TRUST

October 17, 2024

EIGHTH REPORT TO THE COUNTY COUNCIL AND THE COUNTY EXECUTIVE PURSUANT TO COUNCIL RESOLUTION NO. 18-804

On May 16, 2017, the Montgomery County Council adopted Resolution No. 18-804, *Environmental, Social, and Governance Investment Policy Guidelines and Fossil Fuel Company Investments of the Employees' Retirement System and the Consolidated Retiree Health Benefits Trust*.[1] The resolution is Attachment 1. It requested the Boards for the ERS and the CRHBT to:

1. consistent with their fiduciary duties, explore all means possible to:

   a. minimize the Boards' investments in companies with the largest fossil fuel reserves as rapidly as possible; and

   b. apply environmentally and economically sound decision-making, both generally and specific to climate change, using ESG policy guidelines; and

2. report within 6 months after adoption of this resolution and annually thereafter to the Council and the Executive on implementation of these actions, detailing the research conducted on top fossil fuel holding companies and detailing the extent of divestment or the rationale for not pursuing divestment from individual holdings.

This is the Board's eighth report to Council. It is organized as follows: Part A reviews the Boards' fiduciary duty and the Environmental, Social, and Governance (ESG) policy guidelines employed by the Boards and their investment managers and consultants. Part B reviews the Boards' current holdings in fossil fuel companies. Part C reviews the research and actions undertaken by the Boards and Staff since the adoption of the resolution.

[1] The Employees' Retirement System (ERS), the defined benefit pension plan that includes employees of Montgomery County Government, participating agencies, and their beneficiaries, is overseen by the Board of Investment Trustees. The Consolidated Retiree Health Benefits Trust (CRHBT), the trust that includes employees of Montgomery County Government, Montgomery County Public Schools, Montgomery College, participating agencies, and their dependents, is overseen by the Board of Trustees. As of June 30, 2024, the ERS had assets of $4.9 billion. The CRHBT had assets of $1.8 billion. The ERS, which started in 1965, currently has a funded level of 96% percent on an actuarial basis. Its 10-year investment return is in the top quartile of its peer group (better than 75% of peers) of public pension funds. The CRHBT, which started in 2008, currently has a funded level of 58 percent on an actuarial basis.

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A. The Boards' fiduciary duty and the ESG policy guidelines employed by the Boards and their investment managers and consultants, both generally and specific to climate change.

Both Boards are required by law to act in accordance with their fiduciary duty. The Standard of Care for the ERS in Section 33-61C of the County Code requires a fiduciary to act "only in the best interest of the participants and their beneficiaries." The Duty of Care for the CRHBT in Section 33-163 requires a fiduciary to act "only in the interest of the participants in retiree benefit plans and eligible dependents."

The County Code also requires the Boards to use investment managers to select individual securities; we are not authorized to do so ourselves. We apply rigorous screens to determine the best investment managers for different asset classes.

The Boards have developed ESG policy guidelines that are embedded in our investment and governance processes. Our Governance Manuals state that our policy is:

> that the Executive Director and Investment Staff incorporate ESG considerations into all investments…and examine opportunities for ESG integration in existing investments. This policy also applies to investment consultants and investment managers hired to provide guidance on investment due diligence matters. The Boards annually review engagement outcomes and update this policy as appropriate.

As our investment managers work to achieve the best risk-adjusted return in accordance with their fiduciary duty, they apply ESG factors to help determine which companies to include or exclude from consideration. Shown below are actions taken by our investment managers since our last report:

- **Emerging Markets Manager** – In 2024, this manager engaged and analyzed an Indian energy company to understand their energy mix between traditional energy and renewable. The manager ultimately got comfortable with the investment given the attractive outlook for energy demand in India, particularly on the renewable side. This company currently operates 61GW of renewable power with 10GW under construction and plans for an additional 16.8GW over the next three years.

- **Global Equity Manager –** This quantitative manager chose to sell a Chinese technology company during the year in part due to weakening ESG scores. While the company's social score remained positive, its environmental and governance scores fell.

- **Emerging Markets Debt Manager—**During the last year, this manager met with a Chilean company's management team and senior government officials to discuss the progress and pace of the company's transition from hydrocarbons to cleaner energy sources. In addition to discussing renewable energy, they engaged broadly on property rights, the rule of law, and the business environment.

- **International Equity Manager** – During the year, this manager purchased an Australia-based minerals company in part due to positive expectations stemming from the company's ownership of a top-tier lithium resource in Australia. As the world continues to reduce its reliance on fossil fuels, the manager expects lithium demand to outstrip supply, largely driven by electric vehicles but with additional demand from areas such as energy storage.

- **Fixed Income Manager –** This manager sold a food company in part due to weakening ESG metrics. On the environmental side, the company's scope 1 and 2 emissions were flat versus the prior year despite aggressive efforts to reduce them. They also fell short in reducing their water consumption relative to previously communicated expectations. On the social side, employee safety remains a concern, with a total recordable injury rate of 2.6 in 2023, dropping to the bottom quartile in the investment-grade consumer goods industry.

- **International Equity Manager** – During the year, the manager made an investment in a Japanese real estate company that created the country's first zero-energy rental office and has continued to promote zero-energy buildings or ZEBs. Additionally, the manager believes this company has strong potential to deliver better shareholder returns in the future given the push for corporate governance reforms in Japan.

- **Public Real Assets Manager –** During the year, this manager engaged with a waste management business to help them further decarbonize their operations. Diesel truck collection fleets are the largest driver of energy use for environmental services companies that collect solid waste and recycling. The manager, along with other leading asset managers, has been engaging with the company to push them to continue converting their fleets to compressed natural gas (CNG), which generates lower emissions.

- **Public Real Assets Manager** – This manager engaged with a UK-based student housing company on its environmental targets. The company has a stated pathway to net zero carbon across both operations and development by 2030. The manager engaged with the company to encourage them to adopt compensation targets linked to these goals.

- **Emerging Markets Equity Manager** – This manager held a position in a UK mining company and was heavily engaged with the company to improve carbon reporting transparency, coal reduction plans, and future capital expenditure plans. However, during the hold period, the security increased to the manager's measure of fair value, so the position was sold.

- **Domestic Equity Manager** – During the year, this manager invested in an oil and gas water solutions business that provides the energy industry with handling and recycling services for water produced from oil and gas wells. Instead of disposing of this produced water, the company provides a solution where it recycles this water and transports it back to a customer for them to use in the drilling and completion of new wells.

- **Domestic Equity Manager** – This small-cap manager invested in a company that provides solar tracking equipment to the utility solar industry. The manager's investment in this company is a play on the continued energy transition away from greenhouse gas-intensive sources of energy towards cleaner and greener sources like solar.

Each Board's Governance Manual requires a comprehensive annual report detailing the implementation and outcomes of its ESG policy guidelines. The October 17, 2024, annual report for the Board of Investment Trustees for the ERS is Attachment 2. The report includes industry developments, current manager ESG updates and corporate engagement, consultant initiatives, recent board actions, and Staff research. There is a similar report for the Board of Trustees for the CRHBT.

B. The Boards' current holdings in fossil fuel companies.

Attachments 3 and 4 contain two tables showing the ERS and CRHBT's fossil fuel holdings as of June 30, 2024. As noted above, the Council resolution referred to "top fossil fuel holding companies." We have used the Carbon 200 list proposed by 350.org. These figures may fluctuate year by year due to market movements, asset allocation changes, or investment vehicle restructuring (i.e., moving from a commingled fund to a separately managed account).

As we indicated in part A, the County Code requires the Boards to use investment managers to select individual securities; we are not authorized to do so ourselves. The Boards apply rigorous screens to determine the best investment managers for different asset classes.

The Boards have developed ESG policy guidelines that are embedded in our investment and governance processes. As our investment managers work to achieve the best risk-adjusted return in accordance with their fiduciary duty, they consider ESG factors to help determine which companies to include or exclude from consideration.

Earlier last month, in preparation for this report and future annual reports, we asked our investment managers to confirm that their fossil fuel holdings, if any, reflect their best judgment as to their risk-return mix, their ESG policy, and their fiduciary duty. Five of our actively managed separate account managers have such holdings. All have replied in the affirmative.

The table for the ERS in Attachment 3 lists fossil fuel holdings of $35.8 million. This represents 0.73 percent of our total fund's market value of $4.9 billion as of June 30, 2024. This compares to a $41.4 million or 0.87 percent exposure as of June 30, 2023.

The table for the CRHBT in Attachment 4 lists fossil fuel holdings of $19.7 million. This represents 1.08 percent of the total fund's market value of $1.8 billion. This compares to a $17.8 million or 1.09 percent exposure as of June 30, 2023.

To place the current percentage of our funds' direct fossil fuel holdings in perspective, the majority of our holdings are actively managed. Roughly 32% of the fossil fuel holdings in the Trust funds are in bonds, not stocks.

The Boards will continue to assess and refine our ESG policy guidelines and those of our investment managers and consultants. This analysis will be included in the future annual reports required by the Council resolution.

C. Research and actions undertaken by the Boards and Staff since the seventh report to the Council

Since the seventh report to the Council on October 27, 2023, we have continued to expand our knowledge of ESG issues. Shown below is a summary of the activities taken:

- **Portfolio DEI Analysis** – Staff completed a third annual diversity and inclusion analysis of the underlying funds within the portfolio to understand the level of diverse ownership across the portfolio and within various asset classes. This analysis revealed that the portfolio has roughly 32% invested in women- or minority-owned investment organizations with exposure across public markets, private equity, private debt, and private real assets, a slight increase from last year. Staff will continue to track this metric on an annual basis and will explore ways to further enhance our approach to DEI. Albourne, NEPC, and Curcio Webb have significant levels of diverse ownership and management. For example, Curcio Webb, our defined contribution plan consultant, is a women-owned business.

Staff has also been collecting DEI data across multiple levels (board, executive, and mid-level investment staff) in the organizations of the public funds we invest in. Staff collects this data to gain more granular insights and to analyze managers at a level that more accurately reflects diversity across their organizations. By collecting this data across multiple years, Staff can also better monitor and report on the impact that our managers' diversity initiatives are having. After analyzing data collected through the questionnaire for all managers that provided statistics for 2021, 2022, 2023, and 2024, we found that:

- The largest improvements were in our equity managers, who had year-over-year increases in almost every category. Equity managers saw the most significant increases in ethnic diversity across board-, executive-, and mid-level.
- On average, year-over-year increases in gender diversity were observed in every category (board-, executive-, and mid-level), with gender diversity at the board-level seeing both the largest percentage increase this year and since 2021.
- On average, year-over-year increases in ethnic diversity were observed at the executive- and mid-level. Ethnic diversity in all categories has improved since 2021 with ethnic diversity at the executive-level seeing the highest increase.

- **Portfolio PRI Signatory Portfolio Analysis** – Both Boards became signatories of the Principles for Responsible Investment (PRI) in October 2019. The Boards believe this is the premier organization for asset owners and investment managers in terms of ESG integration. While it is not required that investment managers be signatories, it is highly encouraged. Staff recently conducted an analysis to see the proportion of investment managers within the portfolio that are signatories. As of June 30th, 2024, 49% of the managers within the portfolio are signatories, while roughly 75% of the portfolio by market value is invested with signatories. Whereas most of the public market managers within our portfolio are signatories, the adoption level on the private market side remains somewhat low. Additionally, all three of the Boards' core investment consultants – Franklin Park, NEPC, and Albourne are signatories.

- **Portfolio ESG Analysis –** Staff recently analyzed the entire ERS and CRHBT investment portfolio to understand the level of ESG exposure. As of June 30th, 2024, the ERS and CRHBT had ESG investments totaling 12.4% and 9.3%, respectively. The vast majority of this ESG exposure is found within the two plans' private market portfolios. The components of ESG where the funds have the largest exposure are renewable energy, health and wellness, affordable/workforce housing, and education.

Attachment - 1

Resolution No.: 18-804
Introduced: May 2, 2017
Adopted: May 16, 2017

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President Berliner
Co-Sponsors: Council Vice President Hans Riemer, Councilmember Tom Hucker

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SUBJECT: Environmental, Social, and Governance Investment Policy Guidelines and Fossil Fuel Company Investments of the Employees' Retirement System and the Consolidated Retiree Health Benefits Trust

Background

1. In 2016, President Obama noted that "Climate Change is a potential existential threat to the entire world if we don't do something about it." The substantial global risks of climate change are without question and are an immediate and increasing threat to our own generation and those that follow.

2. Climate change is a global issue, but with profoundly local aspects as well. Known environmental impacts of climate change include the loss of ice at the poles, rising seas and increased coastal flooding, longer and more damaging wildfires, more destructive hurricanes, more frequent and intense heat waves, and increased droughts. Health impacts of climate change include increased air pollution, a longer and more intense allergy season, the spread of insect-borne diseases, the disruption of our food supply, and more frequent and dangerous medical issues due to heat waves. These will have a profound impact upon the quality of life for current and future Montgomery County residents. Other impacts include the continued acidification of the oceans, destruction of coral reefs, the loss of marine life and shrinking habitats.

3. The extraction, transport and burning of fossil fuels results in the release of greenhouse gases, such as carbon dioxide and methane, which directly contribute to climate change. The 2015 Paris Agreement on goals for reducing emissions is a major step forward, and market forces are moving strongly in the direction of clean energy. However, the challenge remains grave, especially given the gross disregard for the threat of climate change displayed by President Trump and members of his administration. It is more important than ever that local governments confront climate change and the companies that contribute to it. Montgomery County is a national leader among local governments in addressing climate change by taking direct action locally to support clean energy, energy efficiency, and sustainability.

4. Retirement funds and other institutional investors have focused increasing attention on environmental, social, and governance (ESG) factors in the selection of professional investment managers and in the process followed by those managers when selecting companies for investment. Investments in the securities of fossil fuel companies must draw particular scrutiny. The burning of fossil fuels results in the release of greenhouse gases, such as carbon dioxide and methane, which directly contribute to climate change. Many fossil fuel companies have refused to acknowledge climate science, have rejected business plans that accurately account for the carbon emissions created by their identified reserves, and have lobbied against urgently needed climate policies. For these reasons, a growing global movement believes that it is morally reprehensible to invest in and seek to profit from the catastrophe-inducing actions of these companies. Since 2012, investments worldwide with a total value of over $5 trillion have been fully or partially divested of fossil fuel holdings. Minimizing the amount of County public employee pension funds invested in these companies will tell the world that we can no longer support policies and business practices that endanger our climate and our health.

5. The Employees' Retirement System (ERS), the defined benefit pension plan that includes employees of Montgomery County Government, participating agencies, and their beneficiaries, is overseen by the Board of Investment Trustees. The Consolidated Retiree Health Benefits Trust (CRHBT), the trust that includes employees of Montgomery County Government, Montgomery County Public Schools, Montgomery College, participating agencies, and their dependents, is overseen by the CRHBT Board of Trustees. The ERS currently has assets of about $3.8 billion. The CRHBT currently has assets of about $700 million.

6. Both Boards have adopted ESG guidelines for a socially responsible investment policy that applies ESG factors to the selection of investment managers and the managers' selection of securities. As the managers work to achieve the best risk-adjusted return in accordance with their fiduciary duty, they apply ESG screens to help determine which investment options to include or exclude from consideration.

7. There are several examples of public pension funds that have reduced or eliminated fossil fuel holdings using ESG factors. Notably, The District of Columbia Retirement Board has sold all of its directly held Carbon Underground 200 stocks via ESG screening as of June 9, 2016, in response to a DC Council resolution passed in 2014. The states of Maine and Vermont have also made considerable progress in reducing the fossil fuel holdings of their public employee pension funds using ESG policies.

8. Gino Renne, President of UFCW Local 1994, in an April 16 letter to Council President Berliner, expressed support for using ESG factors to reduce fossil fuel holdings in the ERS, noting that "Employee unions across the country have played a critical role in taking action to fight climate change by leveraging employee funds to make investment decisions that take the impact on our climate into consideration." And the Board of Investment Trustees noted in its April 10 statement on the issue that it will "focus particular attention on decisions by our managers to retain or invest in securities of fossil fuel companies."

Action

The County Council for Montgomery County, Maryland approves the following resolution:

The Council requests the Board of Investment Trustees of the Employees' Retirement System and the Board of Trustees of the Consolidated Retiree Health Benefits Trust to:

1. consistent with their fiduciary duties, explore all means possible to:

    a. minimize the Board's investments in companies with the largest fossil fuel reserves as rapidly as possible; and

    b. apply environmentally and economically-sound decision-making, both generally and specific to climate change, using ESG policy guidelines; and

2. report within 6 months after adoption of this Resolution and annually thereafter to the Council and the Executive on implementation of these actions, detailing the research conducted on top fossil fuel holding companies and detailing the extent of divestment or the rationale for not pursuing divestment from individual holdings.

This is a correct copy of Council action.

Linda M. Lauer

Linda M. Lauer, Clerk of the Council

BOARD OF INVESTMENT TRUSTEES

BOARD OF TRUSTEES

MEMORANDUM

October 17, 2024

TO: Board of Investment Trustees and Board of Trustees

FROM: Eli Martinez, Executive Director
Kevin Killeavy, Chief Investment Officer

SUBJECT: Environmental, Social, Governance – Required Annual Update – 2024

As detailed in the Board's Governance Manual, the Boards are required to annually provide a comprehensive report describing the implementation and outcomes of the Boards' ESG policy, including recommendations for updates or revisions to this policy, as part of the year-end reporting process.

This report includes the following:

I. Industry Developments
II. Current Manager ESG Updates and Corporate Engagement
III. Consultant Initiatives
IV. Staff/Board Actions and Research

I. Industry Developments

- **New Hampshire Defeats Anti-ESG Legislation—**The New Hampshire Employees Retirement System voted unanimously against proposed legislation that sought to ban the consideration of ESG factors in investment decisions. The Board pushed back on the legislation, arguing that banning the inclusion of ESG considerations would hinder its ability to execute its fiduciary responsibility.

- **Ivy League Endowments Face Calls for Israel Divestment –** Several Ivy League endowments are facing pushes for their endowment funds to divest from any companies deemed to be doing business with Israel. While many of the Ivy endowments are facing scrutiny, Brown's endowment is the most far along in the process as a committee of students, faculty, and alumni is putting forth a bill to be voted on by the Board of Trustees that would force the fund to divest from "companies complicit in human rights abuses in Palestine."

- **Texas Facing Lawsuit for Anti-ESG Bills—**The American Sustainable Business Council is suing the State of Texas, arguing that the 2021 state law restricting state pension funds from investing in funds that incorporate ESG factors is unconstitutional. Since the law passed, several Texas pension funds have been forced to terminate contracts with BlackRock, given that the firm has some strategies that exclude oil and gas investments.

- **Australian Regulators Crackdown on "Greenwashing" –** The Australian Securities and Investment Commission has taken action in several cases against asset managers and institutional investors where the regulator felt the investor was making false or misleading statements about their ESG practices, or greenwashing. Some groups that face action in the country are Vanguard Investments Australia and Mercer Superannuation Australia, as the regulator believes their disclosures of climate-related risks were inadequate.

- **ESG-Oriented Funds Facing Outflows – According to a report from Morningstar,** in 2023, investors pulled $5 billion out of ESG-focused sustainable investment funds. Morningstar has been tracking this data for ten years and 2023 marked the worst calendar year for outflows since they began tracking the data.

II. Current Manager ESG Updates and Corporate Engagement

In 2021, Staff and our investment consultants began reporting to the Boards on impact/sustainable investments within the private market portfolio. The portfolio currently contains several funds with impact investment strategies. Some examples include strategies focused on renewable power development, sustainable forestry, water infrastructure, and real estate. The segment of our portfolio with the highest concentration of impact investments is private real assets, where 35% of the ERS portfolio is allocated to impact/sustainable investments.

- **Emerging Markets Manager** – In 2024, this manager engaged and analyzed an Indian energy company to understand their energy mix between traditional energy and renewable. The manager ultimately got comfortable with the investment given the attractive outlook for energy demand in India, particularly on the renewable side. This company currently operates 61GW of renewable power with 10GW under construction and plans for an additional 16.8GW over the next three years.

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- **Domestic Equity Manager** – During the year, this manager invested in an oil and gas water solutions business that provides the energy industry with handling and recycling services for water produced from oil and gas wells. Instead of disposing of this produced water, the company provides a solution where it recycles this water and transports it back to a customer for them to use in the drilling and completion of new wells.

- **Domestic Equity Manager –** This small-cap manager invested in a company that provides solar tracking equipment to the utility solar industry. The manager's investment in this company is a play on the continued energy transition away from greenhouse gas-intensive sources of energy towards cleaner and greener sources like solar.

III. Consultant Initiatives and Approach to ESG

- **NEPC (General Consultant) –** During the last year, NEPC has continued to refine their approach to ESG manager ratings and impact investing. They have an Impact Investing Committee that was formed to display their commitment to being a best-in-class consulting partner for impact-oriented investors. Additionally, NEPC completed their 2023 DEI Progress Report, which is the fourth annual edition they have produced. They reported that diverse manager representation across the firm continues to increase and is in line with their goal of reaching 15% diverse exposure by the end of 2024.

- **Franklin Park Associates (Private Equity & Debt Consultant) –** During the last year, Franklin Park engaged with a healthcare buyout manager to evaluate how their strategy is helping improve the access, affordability, and quality of care for underserved and vulnerable populations. They also engaged with a telecom growth equity manager to evaluate how their strategy is creating green jobs, reducing carbon emissions, and helping rural and lower socio-economic areas access high-speed internet. Additionaly, Franklin Park added a new team member to their Corporate Citizenship Committee. The Committee is responsible for overseeing ESG, DEI, and corporate citizenship matters. Throughout the year, they engaged with private market general partners to gain better insights into their ESG efforts, such as reporting, impact investment strategies, responsible investing, and DEI initiatives.

- **Albourne (Private Real Assets Consultant) –** Over the last year, Albourne completed their second annual Albourne Sustainability Integration Score (SiQ Score), which is a survey-based evaluation of the extent to which environmental, social, and governance considerations are incorporated into a fund's risk management and investment decision-making process. Funds are scored between 1-100. This past year, Albourne surveyed more than 1,100 funds on sustainability integration through this scoring methodology. Albourne also significantly increased their level of sustainability investment due diligence and has now engaged with 1,293 investment managers across 4,193 underlying funds. Further, Albourne engaged with nearly 1,000 investment managers on DEI through their annual DEI questionnaire.

IV. Staff/Board Actions and Research

- **Portfolio DEI Analysis** – Staff completed a third annual diversity and inclusion analysis of the underlying funds within the portfolio to understand the level of diverse ownership across the portfolio and within various asset classes. This analysis revealed that the portfolio has roughly 32% invested in women- or minority-owned investment organizations with exposure across public markets, private equity, private debt, and private real assets, a slight increase from last year. Staff will continue to track this metric on an annual basis and will explore ways to further enhance our approach to DEI. Albourne, NEPC, and Curcio Webb have significant levels of diverse ownership and management. For example, Curcio Webb, our defined contribution plan consultant, is a women-owned business.

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- **Portfolio PRI Signatory Portfolio Analysis** – Both Boards became signatories of the Principles for Responsible Investment (PRI) in October 2019. The Boards believe this is the premier organization for asset owners and investment managers in terms of ESG integration. While it is not required that investment managers be signatories, it is highly encouraged. Staff recently conducted an analysis to see the proportion of investment managers within the portfolio that are signatories. As of June 30th, 2024, 49% of the managers within the portfolio are signatories, while roughly 75% of the portfolio by market value is invested with signatories. Whereas most of the public market managers within our portfolio are signatories, the adoption level on the private market side remains somewhat low. Additionally, all three of the Boards' core investment consultants – Franklin Park, NEPC, and Albourne are signatories.

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ERS Carbon 200 Exposure - June 2024

Coal or Oil	Company	Market Value
C	Allete	$ 527,543.35
O	Antero Resources	$ 1,482,452.89
O	Apache	$ 441,170.91
C	ArcelorMittal	$ 337,588.88
O	Baytex	$ 449,694.00
C/O	BHP Billiton	$ 539,321.13
O	BP	$ 950,434.12
O	California Resources	$ 104,456.64
O	Canadian Natural	$ 942,795.53
O	Centennial Resource Development Inc	$ 13,769.00
O	Chesapeake Energy	$ 302,616.42
O	Chevron	$ 1,888,458.66
O	CNX Resources	$ 224,564.46
O	Comstock Resources	$ 452,611.74
O	ConocoPhillips	$ 953,471.68
O	Coterra	$ 138,043.92
O	Crescent Point Energy	$ 592,452.60
O	Devon Energy	$ 209,318.40
O	Diamondback Energy	$ 1,596,427.85
O	Energean	$ 140,970.09
O	ENI	$ 2,593.50
O	EOG Resources	$ 514,682.43
O	EQT	$ 626,676.90
O	Equinor	$ 250,867.58
O	ExxonMobil	$ 3,583,685.60
C	FirstEnergy	$ 142,440.94
C	Glencore	$ 624,293.88
O	Gulfport Energy	$ 308,131.05
O	Hess	$ 386,126.21
C	Idemitsu	$ 167,044.01
O	Inpex	$ 260,449.46
O	Laredo Petroleum	$ 302,376.60
O	Marathon Oil	$ 2,627,057.55
O	Matador Resources	$ 488,744.52
C	Mitsubishi	$ 164,386.42
C/O	Mitsui	$ 4,191,962.25
O	Murphy Oil	$ 981,394.31

Coal or Oil	Company	Market Value
O	National Fuel Gas	$ 34,627.41
O	Northern Oil & Gas	$ 895,587.07
O	Ovintiv	$ 664,360.47
O	Oxy	$ 304,119.75
C	PGE	$ 4,100,956.72
O	Range Resources	$ 770,806.60
O	Santos	$ 265,956.63
O	SM Energy	$ 234,198.95
C	Southern Copper	$ 56,024.80
O	Southwestern Energy	$ 392,265.46
O	Vermilion Energy	$ 147,424.17
	Total ERS Carbon 200	**$35,777,404**

Total Oil	$24,925,841	69.67%
Total Coal	$6,120,279	17.11%
Total Coal/Oil	$4,731,283	13.22%
Total	**$35,777,404**	**100.00%**

Change from 6/30/2023	**-$5,586,676**

ERS Portfolio Size	**$4,900,116,890**
Carbon 200 % of Portfolio	**0.73%**

Total Fixed Income	$10,577,806	29.6%
Total Equity	$25,199,597	70.4%
Total	**$35,777,404**	**100.0%**

CRHBT Carbon 200 Exposure - June 2024

Coal or Oil	Company	Market Value
C	Allete	$363,313
O	Antero Resources	$1,221,506
O	Apache	$142,765
O	Baytex	$292,824
C/O	BHP	$296,098
O	BP	$518,242
O	California Resources	$26,698
O	Centennial Resource Development Inc	$27,538
O	Chesapeake Energy	$326,383
O	Chevron	$1,264,969
O	CNX Resources	$102,165
O	Comstock Resources	$166,701
O	ConocoPhillips	$644,074
O	Devon Energy	$143,195
O	Diamondback Energy	$739,135
O	Energean	$149,505
O	EOG Resources	$348,912
O	EQT	$292,424
O	ExxonMobil	$2,465,180
C	FirstEnergy	$98,239
C	Glencore	$340,402
O	Gulfport Energy	$143,449
O	Hess	$381,423
C	Idemitsu	$91,292
O	Inpex	$141,261
O	Laredo Petroleum	$125,990
O	Marathon Oil	$1,275,474
O	Matador Resources	$816,222
O	MEG Energy	$82,681
C	Mitsubishi	$90,021
C/O	Mitsui	$1,429,610
O	Murphy Oil	$619,344
O	National Fuel Gas	$22,651
O	Northern Oil & Gas	$734,086
O	Ovintiv	$303,459
O	Oxy	$201,003
C	PGE	$2,081,782
O	Range Resources	$531,762
O	Santos	$146,023
O	SM Energy	$224,294
C	Southern Copper	$43,635
O	Southwestern Energy	$147,584
O	Vermilion Energy	$49,141
	Total CRHBT Carbon 200	**$19,652,456**

Total Oil	$14,818,064	75.40%
Total Coal	$3,108,684	15.82%
Total Coal/Oil	$1,725,708	8.78%
Total	**$19,652,456**	**100.00%**

Change from 6/30/2023	**$1,836,436**

CRHBT Portfolio Size	**$1,825,599,018**
Carbon 200 % of Portfolio	**1.08%**

Total Fixed Income	$6,897,615	35.10%
Total Equity	$12,754,841	64.90%
Total	**$19,652,456**	**100.00%**