



URI
FOUNDATION

THE UNIVERSITY OF RHODE ISLAND FOUNDATION
79 UPPER COLLEGE ROAD, KINGSTON, RHODE ISLAND 02881
WWW.URIFOUNDATION.ORG ■ 401.874.7900 ■ FAX 401.874.5524

March 14, 2014

Peter Nightingale
Fossil Free Rhode Island
52 Nichols Road
Kingston, RI 02881

Dear Professor Nightingale,

The URI Foundation was pleased to meet with members of Fossil Free RI late last fall for the purpose of discussing your request that the Foundation disallow any new investments in fossil fuel companies and commit to phasing out any holdings in fossil fuel companies by the end of a five year period.

We have great respect for Fossil Free RI and your efforts to use divestment as a means of sending an important message to fossil fuel companies. As citizens, we also take great interest in the subject of climate change and the impact it has on our world, our communities and our families. Indeed, as members of the University community, we recognize that thoughtful discussions on challenging issues are critical to solving global problems.

After a comprehensive discussion weighing all of the considerations, the Executive Board of the URI Foundation has decided not to divest.

The URI Foundation is an independent 501 (c)(3) charged with managing the investment of the University of Rhode Island's endowment portfolio, most recently valued at \$110 million. The Foundation manages the endowment with great care and fiscal prudence in order to provide a consistent, perpetual source of valued and impactful funding, supporting URI students, faculty, programs and facilities. With state support to the University at its lowest level in history, at under 9%, our efforts to raise private support and to maintain and grow the impact of our portfolio are more critical than ever.

At this point in time the majority of the Foundation's investments are currently in commingled investment vehicles that prevent us from prohibiting specific industry sectors. At the same time, there is very limited availability of institutional quality investment vehicles with no fossil fuel exposure that fit the Foundation's investment strategy. In order to adhere to a strict no fossil fuel approach, URIF would have to divest from all vehicles with fossil fuel exposure and utilize only

those that are able to screen fossil fuels, which are limited. In addition, the energy sector represents a large portion of the global economy and equity market capitalization. Excluding this sector would represent a significant reduction in the Foundation's potential investment opportunities.

The Foundation is working to achieve strong risk-adjusted returns and feels this is best achieved by considering all potential investment opportunities. Our commitment to honoring the intent of our donors, who have supported this university with the overarching goal of providing financial support to our students, faculty and programs, is also a consideration for us, as we work toward maximizing the impact of that support.

For the reasons stated above, we are unable to grant your requests at this time. We remain very interested in the subject matter, and encourage you to share any new information you feel would be beneficial, particularly related to other colleges and universities and their actions relating to fossil fuel divestment.

Sincerely,

A handwritten signature in black ink, appearing to read 'MJS', with a large, stylized flourish extending to the right.

Michael J. Smith
President