

# STRANDED ASSETS

PROGRAMME



## Endowments and Fossil Fuels

### 2<sup>nd</sup> Stranded Assets Forum

Waddesdon Manor, 4<sup>th</sup> September 2014

In Partnership with:



THE ROTHSCHILD FOUNDATION

**CCLA**  
good investment

---

## 2<sup>nd</sup> Stranded Assets Forum

The fossil fuel divestment campaign has quickly put a series of tough questions on the agenda for many institutional investors. First, what's the rationale for asset owners to consider managing exposure to fossil fuel assets and are there good ethical and investment arguments that justify action? Second, if exposure should be managed, what are the various options? And third, what can be done quickly and easily today, and how might management of exposure evolve over time?

These questions are particularly acute for endowments, where public pressure and attention is often most sharply focused. Endowments also have characteristics that could allow them to deal with these issues more effectively than other asset owners - e.g. permanent capital and potentially no beneficiaries (with the associated duties that entails).

So what should endowments do? This forum at Waddesdon Manor on the 4<sup>th</sup> September 2014 will bring together endowment trustees, board members, and investment committee members together with investment experts, to discuss these pressing issues. The hope is that we develop a clearer view of what can be done to deal with this urgent long-term investment issue. This forum is kindly sponsored by CCLA.

This is the second Stranded Assets Forum organised by the University of Oxford's Smith School of Enterprise and the Environment together with The Rothschild Foundation. It is part of a series over 2014 and 2015 that aim to bring together a select number of key people from across the investment chain to better understand drivers of stranded assets, their consequences, and how to develop effective responses to the challenges they could generate.

## Forum Agenda

Thursday, 4<sup>th</sup> September 2014

12:30 – 13:30 – **Lunch and Arrival at The Archive at Windmill Hill, Waddesdon Manor**

13:30 – 13:40 – **Welcome and Opening Remarks**

**Professor Gordon L. Clark**, Director, Smith School, University of Oxford

**Helen Wildsmith**, Head of Ethical & Responsible Investment, CCLA

13:40 – 14:00 – **Introduction to the forum and the issue of fossil fuel divestment**

**Ben Caldecott**, Director, Stranded Assets Programme, Smith School, University of Oxford

14:00 – 15:30 – **Session I - Similar or different? Can other experiences of divestment, e.g. tobacco, apartheid, and munitions, help inform endowment decision making with regards to fossil fuel divestment?**

Chair: **Emma Howard Boyd**, former Director of Stewardship, Jupiter Asset Management and Visiting Fellow, Smith School, University of Oxford

Panelists:

**Edward Mason**, Head of Responsible Investment, Church Commissioners for England

**Catherine Howarth**, CEO, ShareAction

**Jane Ambachtsheer**, Partner and Global Head of Responsible Investment, Mercer Investments



---

15:30 – 16:00 – **Tea/Coffee**

16:00 – 17:30 – **Session II - What are the best tools and options available to manage exposure? How might these evolve over time? What might be specifically available to endowments, opposed to other asset owners?**

Chair: **Professor Gordon L. Clark**, Director, Smith School, University of Oxford

Panelists:

**Leon Kamhi**, Executive Director, Hermes Equity Ownership Services

**George Latham**, Managing Partner, WHEB

**Michael Viehs**, Research Fellow, Smith School, University of Oxford

**Helen Wildsmith**, Head of Ethical & Responsible Investment, CCLA

17:30 – 18:00 – **Transfer to The Dairy at Waddesdon Manor** (*transport provided*)

18:00 – 18:45 – **Drinks Reception**

18:45 – 21:30 – **Dinner**

**Host:** James Bevan, Chief Investment Officer, CCLA

**Keynote:** Robert Litterman, Partner and Chairman of Risk Committee, Kepos Capital. Former Head of Risk, Goldman Sachs

**Vote of thanks:** Sir Martin Smith, Founding Benefactor, Smith School, University of Oxford

21:30           **Transfer to Hartwell House Hotel or the Five Arrows** (*transport provided*)



---

## Reading List

- Ansar, A., Caldecott, B.L., & Tilbury, J. (2013) [Stranded Assets and the fossil fuel divestment campaign: what does divestment mean for the valuation of fossil fuel assets?](#) Smith School of Enterprise and Environment, University of Oxford.
- Bullard, N. (2014) [Fossil Fuel Divestment: A \\$5 Trillion Challenge](#). White Paper, 25th August 2014. Bloomberg New Energy Finance.
- Caldecott, B.L. & Elders, G. (2013) [Bloomberg Carbon Risk Valuation Tool](#). White Paper, 25th November 2013. Bloomberg New Energy Finance.
- Carbon Tracker Initiative (2011) [Unburnable Carbon: are the world's financial markets carrying a carbon bubble?](#) Carbon Tracker Initiative, London UK.
- Carbon Tracker Initiative (2013) [Unburnable Carbon 2013: Wasted Capital and Stranded Assets](#). Carbon Tracker Initiative, London UK.
- Generation Investment Management (2013) [Stranded Carbon Assets: why and how carbon risks should be incorporated in investment analysis](#). Generation Foundation, London UK.
- Geddes, P., Goldber, L., Tymoczko, R., & Branch, M. (2014) [Building a Carbon-Free Equity Portfolio](#). Aperio Group.
- Global Investor Coalition on Climate Change (2013) [Global Investor Survey on Climate Change. 3rd Annual Report on Actions and Progress](#). Global Investor Coalition on Climate Change.
- HSBC (2012) [Coal and Carbon: Stranded assets – Assessing the risk](#). HSBC Climate Change Centre, London UK.
- HSBC (2013) [Oil and Carbon Revisited](#). HSBC Climate Change Centre, London UK.
- International Energy Agency (2013). [World Energy Outlook Special Report: Redrawing the energy climate map](#). International Energy Agency.
- Impax Asset Management (2013) [Beyond Fossil Fuels: The Investment Case for Fossil Fuel Divestment](#). Impax Asset Management.
- Krause, F., Bach, W., & Koomey, J. (1989) [Energy Policy in the Greenhouse. Volume 1 - From Fate to Warming Limit: Benchmarks for a global climate convention](#). International Project for Sustainable Energy Paths.
- Matthews, J., Mitchell, T., & Sternlicht. (2014) [The Fossil Fuel Divestment Discussion](#). Research Note, June 2014. Cambridge Associates.
- McKibben, B. (2012) [Global Warming's Terrifying New Math](#). Rolling Stone, 2nd August 2012.
- Standard & Poor's (2013) [What a Carbon-Constrained Future Could Mean for Oil Companies Creditworthiness](#). Standard & Poor's.
- Wildsmith, H. (2012) [Why we're "Aiming for A"](#). Responsible Investor, 22nd October 2012.



---

## Participant List

**Jane Ambachtsheer**, Partner and Global Head of Responsible Investment, Mercer Investment

**John Anderson**, Director of Financial Strategy, Imperial College London

**James Bevan**, CIO, CCLA

**Fabia Bromovsky**, CEO, The Rothschild Foundation

**Richard Brumby**, Managing Director, Speravi Limited

**Ben Caldecott**, Director, Stranded Assets Programme, Smith School, University of Oxford

**Sandra Carlisle**, Head of Responsible Investment, Newton Investment Management

**Professor Gordon Clark**, Director and Professor, Smith School, University of Oxford

**Howard Covington**, Chairman, Isaac Newton Institute for Mathematical Sciences

**Martin Bevis Gillett**, Vice-Chair, Polden-Puckham Charitable Foundation

**Professor Cameron Hepburn**, Professor of Environmental Economics, Smith School, University of Oxford

**Professor Christopher Higgins**, Vice-Chancellor, Durham University

**Emma Howard Boyd**, Visiting Fellow, Smith School, University of Oxford

**Catherine Howarth**, CEO, ShareAction

**Leon Kamhi**, Executive Director, Hermes Equity Ownership Services

**Christopher Knowland**, Investment Responsibility, Stanford Management Company

**Michael Krause**, Head of Funding Development, RSPB

**Rob Lake**, Trustee, Friends Provident Foundation

**George Latham**, Managing Partner, WHEB Asset Management

**Robert Litterman**, Partner and Chairman of Risk Committee, Kepos Capital

**Bruce Lockwood**, Investment Director, University of Cambridge

**Edward Mallinckrodt**, Trustee, Schroder Foundation



THE ROTHSCHILD FOUNDATION

**CCLA**  
good investment



SMITH SCHOOL OF ENTERPRISE  
AND THE ENVIRONMENT



---

**Edward Mason**, Head of Responsible Investment, Church Commissioners for England

**Andrew Miller**, Senior Client Advisor, Kepos Capital

**Alistair Morgan**, Head, Lord Rothschild's Family Office and CFO, The Rothschild Foundation

**Stewart Newton**, Partner, Veritas Investment Management Limited

**Peter Pereira Gray**, Managing Director, Investment Division, The Wellcome Trust

**Dane Rook**, Research Associate, Stranded Assets Programme, Smith School, University of Oxford

**Frederic Samama**, Deputy Head of Institutional Clients and Sovereign Entities, Amundi Asset Management

**Sir Martin Smith**, Founding Benefactor, Smith School, University of Oxford

**Raj Thamotheram**, Co-Founder and CEO, Preventable Surprises

**Michael Viehs**, Research Fellow, Smith School, University of Oxford

**Helen Wildsmith**, Head of Ethical & Responsible Investment, CCLA

# STRANDED ASSETS

---

PROGRAMME

Smith School of Enterprise and the Environment  
University of Oxford  
South Parks Road  
Oxford, OX1 3QY  
United Kingdom

**E** [enquiries@smithschool.ox.ac.uk](mailto:enquiries@smithschool.ox.ac.uk)

**T** +44 (0)1865 614963

**F** +44 (0)1865 275885

[www.smithschool.ox.ac.uk/research/stranded-assets/](http://www.smithschool.ox.ac.uk/research/stranded-assets/)



SMITH SCHOOL OF ENTERPRISE  
AND THE ENVIRONMENT

