Green Century recognized these rationales early and has championed fossil fuel free investing since even before the divestment movement’s founding in 2012. All of Green Century’s mutual funds are fully divested from fossil fuel companies.

Four Reasons to Invest Fossil Fuel Free

Divestment prevents potential financial and performance risks associated with the fossil fuel industry

Performance – Many studies, including a recent one from The Institute for Energy Economics and Financial Analysis, have demonstrated that the “financial case for fossil fuel divestment is strong. Over the past three and five years, respectively, global stock indexes without fossil fuel holdings have outperformed otherwise identical indexes that include fossil fuel companies.”

“Portfolios that divest from fossil fuels and utilities and invest in clean energy perform better than those with fossil fuels and utilities,” according to a recent article in the Global Finance Journal.

Volatility – The energy sector consistently has been among the most volatile sectors in the global economy since 2005, according to global index provider MSCI.

Stranded assets – Coal, oil, and gas companies are valued partially on their fossil fuel reserves. If companies are unable to extract and sell their reserves – for reasons such as changing demand, government regulation, or lawsuits – they may be forced to “write off” those assets. Stranded assets can negatively affect a company’s valuation or share price.

Divestment aligns investment with values

Unlike Green Century, most mutual funds invest in oil, coal, and fracking companies. Green Century believes that responsible mutual funds should not invest in some of the most irresponsible companies in the world. Investors who care about the planet also may not want to financially support the corporations most to blame for global climate change.

Divestment changes the industry’s political influence over national policy

For decades, fossil fuel companies have used their money to conceal the truth about global warming and their influence to promote self-serving economic and environmental policies. If divestment can help topple apartheid in South Africa, then it can help erode the influence of fossil fuel companies over U.S. policies.

Divestment allows greater investment in clean and renewable energy

Instead of propping up fossil fuel corporations, Green Century investors can help propel clean and renewable energy companies and other firms offering environmentally-beneficial products and services.
Engagement does not reflect the dire situation
Climate change is happening and responsible investors should not support the most environmentally-reckless companies in the world.

Engagement is unnecessary
Fossil fuel free investments can perform as well as – or better than – those that support oil, coal, and fracking companies.

Engagement cannot change a core business
Stakeholder advocacy has successfully changed many corporate policies, but it will not change a company's core business.

Giant oil and gas companies are not going to stop being oil and gas companies, just as Starbucks* is not going to stop serving coffee.

Engagement has not been successful
ExxonMobil's* first climate-related investor resolution was filed in 1990.

All engagement has produced is nearly 30 years of the company misleading the public and its shareholders about the risk climate change poses to the planet and its financial future.

Engagement can be counterproductive
Fossil fuel companies can manipulate investor engagements to disingenuously burnish their reputations.

In 2017, ExxonMobil received positive press coverage for agreeing to issue a report on how climate change would impact its business.

The report it actually issued outlined a business-as-usual approach that forecast it burning a full 90% of its current oil and gas reserves.

*As of June 30, 2018, Starbucks Corporation comprised 1.83%, 0.65%, and 0.00% of the Green Century Balanced Fund, the Green Century Equity Fund, and the Green Century MSCI International Index Fund, respectively. Other securities mentioned were not held in any of the portfolios of the Green Century Funds as of June 30, 2018. References to specific securities, which will change due to ongoing management of the Funds, should not be construed as a recommendation by the Funds, their administrator, or their distributor.

You should carefully consider the Funds' investment objectives, risks, charges and expenses before investing. To obtain a Prospectus that contains this and other information about the Funds, please visit www.greencentury.com for more information, email info@greencentury.com or call 1-800-934-7336. Please read the Prospectus carefully before investing.

Stocks will fluctuate in response to factors that may affect a single company, industry, sector, country, region or the market as a whole and may perform worse than the market. Foreign securities are subject to additional risks such as currency fluctuations, regional economic or political conditions, differences in accounting methods, and other unique risks compared to investing in securities of U.S. issuers. Bonds are subject to risks including interest rate, credit, and inflation. A sustainable investment strategy which incorporates environmental, social and governance criteria may result in lower or higher returns than an investment strategy that does not include such criteria.

This information has been prepared from sources believed to be reliable. The views expressed are as of the date of this writing and are those of the Advisor to the Funds.

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