

MEMO

Attachment I



Date: June 15, 2012
To: Board of Directors
From: Jody Wainscott Chair
Subject: Investment Committee Report: Issue of Fracking

This is to notify the board that the Investment Committee met, in mid-March with our investment managers and reviewed our portfolios. During those meetings, the committee was encouraged to consider the issue of investment in companies that engage in fracking. The following is a brief description of the issue and the investment committee's action to date.

Fracking: Induced hydraulic fracturing or hydrofracking, commonly known as fracking, is a technique used to release petroleum, natural gas (including shale gas, tight gas and coal seam gas), or other substances for extraction. This type of fracturing creates fractures from a wellbore drilled into reservoir rock formations. It involves blasting geological formations with water, sand, and chemicals.

There is concern that fracking may contaminate aquifers by dislodging fluids into existing water sources. Another worry is that fracking fluids may percolate into groundwater. A graver fear is that large amounts of methane, a powerful greenhouse gas, could be emitted during the entire process of exploration and production. Those who support fracking claim that the risks can, and are, being managed. Properly concreted well shafts do not leak; regurgitants can be collected and made safe; and preventing gas venting and flaring limits methane emissions to acceptable levels.

Our current investment policy statement addresses the issue of investor responsibility in the following way: "Individual investments that could be considered to cause concern relative to the mission of Girl Scouts of Western Ohio should be avoided. Investments should be avoided in those companies which produce or distribute products whose sale is restricted by law to adults anywhere in the USA when the nature of such products represents a temptation and threat to the health of youth."

After reviewing this issue, the Investment Committee took the following action:

1. We thanked our investment manager for bringing the issue to our attention and asked both managers to "stay the course" with our current investment strategy. We did, however, ask that they keep us updated on this issue should they believe that it is rising to the level where investments in energy stock would become a bigger concern or liability to Girl Scouts of Western Ohio with regards to the spirit of the "social responsibility" investment provision in our investment policy statement.
2. We agreed to advise the board in June of the committee's actions and determine if the board felt that further action was warranted.

We will hold a brief discussion on this issue at the June board meeting and follow up with our investment managers, if further action is required.



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