

## An investment fund engaging corporate Australia on climate change

Australian Ethical has introduced the Climate Advocacy Fund to constructively engage with large Australian companies to reduce their climate impact.

Climate change is the most important issue to face present and future generations. The scope and potential impact of climate change – environmental, humanitarian, health and political – make it an overarching issue to rival the consequences of war in magnitude.

Australians have shown concern over climate change. However at a corporate level, shareholders have not demonstrated the same concern.

The Climate Advocacy Fund aims to bring climate change and sustainability issues to the forefront of business and investor's agendas to improve the sustainability and financial performance of corporate Australia.

### Shareholder power

The Climate Advocacy Fund uses the shareholder resolution process to bring climate change issues to the attention of listed Australian companies. It is the first of its kind in Australia, though its method of engaging companies is one that is being increasingly used around the world, particularly in the United States.

The fund firstly engages with companies through dialogue with company management. Further steps will involve formulating and filing shareholder resolutions for discussion at company annual general meetings. As the manager of the fund, Australian Ethical formulates these resolutions.

The shareholder resolution process gives investors a structured and persuasive way to highlight key issues of concern to companies. Such a formal approach sends a message to company management on areas of business risk, and additionally informs other investors which in turn can gain wider investor support.

### Market returns and low fees

The Climate Advocacy Fund is an index or 'passive' fund, which means it does not actively pick or choose stocks in an attempt to beat the share market. Rather the fund holds stocks that are found in the S&P/ASX 200 index. Investors in the fund can expect to obtain financial returns that are broadly in-line with the S&P/ASX 200 index.

As an index fund, the Climate Advocacy Fund is a low fee investment option with a management fee of 1.1% per annum. Investors do not pay any establishment or entry fees, contribution fees, withdrawal fees, or termination or exit fees.

For more information or to invest in the Climate Advocacy Fund, visit [www.climateadvocacyfund.com.au](http://www.climateadvocacyfund.com.au). The fund is also available as an investment option with [australianethical Super](http://australianethical.com.au), visit [www.australianethical.com.au](http://www.australianethical.com.au) for details.

Australian Ethical Investment Ltd ('AEI') ABN 47 003 188 930, AFSL 229949. A PDS is available from our website or by calling us and should be considered before making an investment decision. Australian Ethical® is a registered trademark of AEI.