



**CLIMATE  
ADVISERS**



**20 YEARS OF DIVESTMENT: 1999 TO 2018  
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# 20 Years of Divestment: 1999 to 2018

Divestment now mainstream and inside board room with 20 years' history of "how-to"

1999



Launches mutual fund that is fossil fuel free.

2015



States "climate risk is material to all investments" – includes fossil fuels

2017

Norwegian  
Sovereign  
Wealth  
Fund

Over 59 U.S. mutual funds specific carbon pollution  
Norwegian Sovereign Wealth Fund at \$1 trillion AUM divests



2018



852 institutional investors divest with \$6.1 trillion AUM

# Sector Transitions Occur

Investments in sectors change over time

- Dow Jones Industrial Average 23 of 30 companies since 1980s technology revolution
- Economic sectors come in and out of favor
- Transport investments different now than 30 years ago
- Timber to whale oil to coal to natural gas to renewables transition
- Transition is normal historical economic evolution

# Divestment: Two Pathways – Financial or Ethical?

Financial decisions based on long term forecasts and trends

- Margins
- Revenue
- Materiality
- Competitiveness
- New technology

Ethical decisions based on community's needs to stop carbon pollution

- Negative screens
- Positive screens
- Integration
- Engagement

# Best Practices: Combine Ethical and Financial Decisions

Integrate ethical model into investment policy statement (IPS)

Coordinate with finance professionals regarding

- Objectives
  - Risks
  - Returns
- Constraints
  - Taxes
  - Time horizon
  - Legal / regulatory
  - Liquidity
  - Unique

# THANK YOU.

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