

WORKSHEET:

Assessing & Advocating for Climate-Solutions Investing

BENCHMARKS TO ASSESS YOUR CURRENT ASSET ALLOCATION STRATEGY

The adage of “SMART” goals can be helpful to strength-test your asset allocation strategy.

Does it:

- Have specific goals and outcomes for how much climate risk is acceptable.
- Are the outcomes for a transition away from high-risk to lower-risk investments measurable? Do you have the practices and monitoring tools in place to accurately measure?
- Has there been industry and peer-based research on best practices of setting a transition strategy and progress points to ensure its ambitious-yet-achievable?
- Does the strategy clearly define why transitions from high-risk to low-risk companies- or to climate-friendly economies- as relevant to fiduciary risk??
- Is there a concrete timeline for when the portfolio will meet specific benchmarks?

HOW TO FIND OUT

You can learn the answers to the questions above through:

- Investment policy documents on your pension website
- Investment risk analysis reports and briefings
- Listening in on or following minutes of board and investment committee meetings
- Asking a trustee on the board that represents your group
- Asking for a meeting with the pension staff

Hesitant to ask? Remember, as a trustee representing public employees or a direct beneficiary yourself, you have a unique role in urging more transparency in the pension fund processes and performance!

Based on answers to the questions above and guidance in this section, fill in ideas for concrete improvements in your investment policies:

FINDING THE RIGHT TIME TO ENGAGE

Investment policies and asset allocation strategies are typically designed or revised every 3-5 years. So be sure to check in with your pension system site to see when the strategy was last updated, or ask a staff member or trustee when the board is going to revisit these core policies and strategies.