

RESOLUTION

MANAGING THE INVESTMENT IMPLICATIONS OF ENVIRONMENTAL CHANGE

Urging institutional investors, fund managers, financial advisors, companies, and the U.S. Securities and Exchange Commission to examine the financial risks and opportunities of environmental change for companies and investors, then adopt and place into practice improved approaches to respond to these matters.

WHEREAS, Environmental change embodies potential risks and opportunities of a significant magnitude for investors and our economy, and potentially represents one of the greatest challenges facing our planet, we are compelled to seek improved approaches in responding to the fiscal ramifications of environmental change for institutional investors, fund managers and financial advisors, companies, and others. Therefore, we call on each of these sectors to study this issue, and adopt and implement appropriate investment approaches to minimize risks and capture opportunities.

WHEREAS, During the past two years, a growing group of investors have become firmly convinced that environmental changes present a material risk to investment portfolios, especially as regulations and various state initiatives are implemented. Prudence, common sense, fiduciary responsibility, and legal duty have compelled them to examine the financial ramifications of environmental changes with care, and where appropriate, to act.

WHEREAS, These investors have advocated and achieved increased corporate disclosure of the financial implications of potential environmental change, and have encouraged investment companies to consider the financial implication of environmental change in investment decision-making.

WHEREAS, While substantial awareness has been raised, it is important to further inform investors of the potential risks and opportunities posed by climate change, and most investment managers lack expertise in climate change or the capacity to assess its risks to portfolios. While some companies have begun to treat climate change as a fundamental strategic issue, many more are not focused on climate risk or plan to address it, creating uncertainty for investors and difficulty assessing the true longer-term value of our portfolios.

WHEREAS, As fiduciaries of hundreds of billions of dollars of fund assets, we are compelled to study environmental change and take steps to respond to the challenges and opportunities presented by these issues. It is our intention to use the knowledge

we have gained to encourage disclosure that will better enable us to measure our risks as shareholders.

NOW THEREFORE BE IT RESOLVED, that the National Association of State Treasurers urges institutional investors, fund managers, financial advisors, companies, and the U.S. Securities and Exchange Commission to examine the financial risks of environmental change, then adopt and place into practice improved approaches to respond to the potential fiscal ramifications of these changes for companies and investors.

Approved this 20th Day of August, 2008 by
the National Association of State Treasurers

Hon. Lynn Jenkins
NAST President
Kansas State Treasurer