

MAP Super AMM

Question with Notice

Question

What is the fund's exposure to fossil fuel investment?

Answer

To quantify MAP Super's ("the Fund") exposure to fossil fuel investments, we firstly need to define what constitutes a fossil fuel investment. Having done this we can then measure the Funds exposure to fossil fuels by assessing each of the underlying assets that make up the Member Investment Options available in the Fund.

To define a fossil fuel investment, we will use the definition as applied by the Fund's Asset Consultant, Mercer Investments (Australia) Limited ("Mercer"). Mercer use two criteria to assess whether a given investment would be defined as a fossil fuels investment: -

Criteria 1: Companies that own proved or probable reserves in coal, oil, or gas; and derive at least 15% of their revenue from exploration and extraction of coal, oil or gas; and

Criteria 2: are part of a relevant Global Industry Classification Standard ("GICS") sub-industry

Where an investment is deemed to meet the 2 criteria outlined above, we would define it as a fossil fuel investment.

Having identified those underlying assets that are exposed to fossil fuels (i.e. they have met the above definition), we are then able to quantify the exposure at the Member Investment Option level.

Table 1 below shows the overall exposure of each of the Fund's available Member Investment Option's to fossil fuels investments.

In looking at these figures we note: -

1. Where a Member Investment Option is exposed to Australian equities, this results in a higher proportion of exposure to fossil fuels based on its weight in the Australian equities market, i.e. those Member Investment Options with a higher proportion of Australian Equities are likely to have greater exposure to Fossil Fuels.
2. Where the underlying investments of a Member Investment Option are determined to a greater extent by a sector's participation in the index (i.e. a Passive Investment), the exposure to fossil fuels is likely to be higher than where the asset consultant is using more active security selection.

This analysis does not include exposure to Super Wrap Investment Options that include listed securities and managed funds. We would suggest that members make their own enquiries if they hold those assets and work with their financial adviser.

Table 1. Member Investment Options: Exposure to Fossil Fuels

Pooled Investment Options	Exposure %
Balanced	2.72%
Growth	3.80%
High Growth	4.13%
Australian Shares	9.13%
International Shares	1.04%

Moderate	1.68%
Passive Moderate	1.72%
Passive Growth	4.24%
Passive High Growth	4.75%
Passive Balanced	3.15%
