

## Cayman Islands based Cool Futures Hedge Fund manager Cool Futures Funds Management Summary findings of recent internal due diligence program

Green policies and the divestment movement are adversely affecting trillions of dollars in stock market valuations, threatening misallocation of resources and miscalculation of value, all done without appropriate due diligence. Pension funds, governments, corporations, and investment houses are therefore putting pensioners and directors at great risk of personal loss.

Dr David Evans conducted the due diligence program on the science of global warming for our internal review. Before accepting the position of Director of Science for Cool Futures Funds Management, Dr Evans was the lead modeler for building FullCAM, the world-leading carbon accounting model that Australia uses for analyzing the carbon in Australia's biosphere. Dr Evans earned six degrees related to modeling and applied mathematics over ten years, including a PhD from Stanford University.

Despite their fiduciary obligations to do so, pension funds, governments, corporations, and investment houses *may not yet have applied detailed due diligence processes to the more recent findings in the science, economics and finance of 'global warming' in particular, and 'climate change' more generally.* Indeed, one of the shocking conclusions from our review is that these detailed due diligence processes may never have been conducted in the first place.

If pension funds, governments, corporations, and investment houses applied detailed due diligence processes as applied by us, they would be forced to draw the same conclusions, summarized below. They would for example reject, on both scientific and economic grounds, the flawed or emotive proposals to divest themselves of fossil fuel assets.

It should be curious and disturbing for fund managers that there has been no global warming for 18 years, despite the emissions in that period making up one third of all human emitted carbon dioxide in all of recorded history. Indeed, sea level rise, storm energy

and sea ice melt also remain within normal bounds – despite the scary predictions of things that have not occurred as forecast.

The basic climate model is the application of “basic physics” to climate. It is essentially why climate scientists believe in the dangers of carbon dioxide even in the face of substantial contradictory empirical evidence.

Dating back to 1896, this basic model was recently found to contain serious architectural errors. In fixing the architecture but keeping the basic physics, Dr Evans applied modern data to reveal that warming due to carbon dioxide is a fifth to a tenth of UN IPCC estimates, and that less than 20% of global warming increase since the 1970s was due to CO<sub>2</sub>. **Carbon dioxide is not causing dangerous global warming; that belief is due to a poor modeling assumption made more than a century ago.**

In the lead up to Paris, a general lack of due diligence and fiduciary duty blindness on such a scale would not only be curious, but extremely dangerous. The rising belief among the general population that climate change is mainly natural, means serious questions will soon arise and many will be asked of the nature and quality of the due diligence applied.

Governments, pension funds, superannuation funds, investment banks and stock markets around the world are putting trillions at risk based on flawed models with their flawed predictions of catastrophic man-made global warming. So what if they are wrong; if carbon dioxide is innocent; if we're heading for global cooling instead? Shouldn't everyone be hedging their bets on climate change?

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