

Mennonite Education Agency

Investment Fund
Climate Change Position

The Mennonite Education Agency (MEA) Investment Fund is comprised of education-related investments of twenty one Mennonite Church USA institutions. The primary mission of the endowment fund is to provide regular income to the participants and to preserve the purchasing power of the fund for future generations.

Our Role as Responsible Investors

- We respect our fiduciary duty to the institutions entrusting their funds to us by:
 - seeking to maximize risk-adjusted returns
 - embodying our shared values
- We effectively balance social and financial performance objectives

Our Approach to Climate Change is based on:

- The scientific consensus on climate change's causes and impact
- Both financial and moral aspects to climate change
- Responding to climate challenges through our investments
- Seeking alternative energy investments with compelling risk/reward opportunities
- Climate change requiring a wide range of solutions and responses
- The transition to a low-carbon future requiring both "good science" and "good economics"

Our Investing Strategies toward Climate Change

- Providing restricted lists for our separately managed accounts
- Engaging managers whose security selection and investment style aligns closely with our values
- Using shareholder rights to challenge management to quantify the risks of climate change on the company's business model
- Filing resolutions, communicating with company management, voting shares
- Collaborating with other faith-based and socially concerned investor groups
- Speaking for those who have no voice or go unheard



Examples of shareholder advocacy success:

Statoil shelved its operations in the Canadian oil sands and established a business unit for renewable energy solutions to advance its work on large-scale wind energy and fund development of low-carbon technologies.

Barclays announced that it will begin phasing out financial support to companies that are significant producers of mountaintop removal coal.



Climate Change Accountability Approach

Through managers and advisors, we ask oil and gas companies to:

- Acknowledge climate change science and implement GHG reduction plans
- Be transparent with political funding and lobbying
- Examine carbon asset risk

Through managers and advisors, we ask utilities to, in addition to the above, assess how they could adapt their business model to enable increased deployment of low-carbon electricity generation resources as a means to reduce societal greenhouse gas emissions and protect shareholder value.

Other Ways Climate Change is Addressed

- Investments in renewable energy and green bonds
- Green-oriented community investing
- Climate sensitive proxy voting

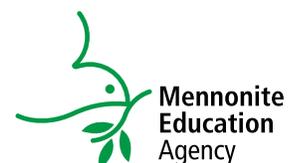
Role of Climate-Aware Partners:

- Everence votes proxies, engages corporations in advocacy efforts
- Mercer consulting implements an ESG (Environmental, Social, Governance) rating scale to identify managers' level of alignment with MEA.
- MSCI ESG Research provides restricted lists for actively-managed accounts
- The committee's climate change philosophies are informed by conversations with institutional participants benefitting from the investments.

We are committed to leveraging our investments in response to the risk of global warming resulting from the overuse of non-renewable carbon fuels.



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