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Compact Of Free Association Trust Fund
Office of the Minister of Finance, Downtown Koror

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Republic of Palau COFA Trust Fund signs on to United Nations Principles for Responsible Investment

Koror, Palau – July 1, 2021

The Republic of Palau Compact of Free Association (“ROP COFA”) Trust Fund Board of Trustees (“Trustees”) is pleased to announce its acceptance as a Signatory to the United Nations-supported Principles for Responsible Investment (PRI) in the Asset Owner category, becoming the first public fund in the Micronesia region to join the organization. The PRI is recognized as the leading global network for investment managers and asset owners who are committed to integrating environmental, social and governance (“ESG”) considerations into their investment practices and ownership policies. The Trustees will be required to integrate the principles in its management and oversight of the Trust Fund; and to provide a comprehensive Transparency Report to PRI annually that details progress on, and developments in, meeting the principles that have been agreed to.

Vice Chairman Keiden Kintol, AIF®, said “We are implementing policies and procedures for the Trust Fund that will bring into sharp focus the U.N. Sustainable Development Goals (SDGs) most critical to Palau’s future, mainly dealing with Greenhouse Gas emissions and Climate Change. This will allow us to better align the prudent stewardship of Trust Fund assets with the prudent stewardship of the environment called for in the Paris Agreement, which requires full de-carbonization of economies by 2050.”

Board Secretary Ngiratmetuchel R. Belechl, AIF®, continued “We are very fortunate to have as our investment advisor Mr. Daniel Roland, who serves on the Raymond James’ Sustainable Investing Advisory Council, through which the Board of Trustees has access to specialized knowledge and tools to assist us to prudently move forward in implementing our goals of sustainable and environmentally responsible investing so that we can have a truly positive impact.” Regis Emesiochel, Board Treasurer, added “This allows us to enhance the focus on matters of crucial interest to Palau, such as climate change and ocean conservation, without having to incur additional expenses to the Trust Fund and the Republic.”

“As long-term investors based in the fragile environment of the Pacific, we are, by our nature, focused on material environmental factors as well as being responsible stewards of our investments,” said Lindsay Timarong,

AIFA®, Chairwoman of the Board of Trustees. “After careful review of the PRI, we decided that implementing the Principles put forth by this pioneering organization is a natural step for us in the evolution of our sustainable investment practices. At the same time, it is consistent with our paramount focus on maximizing returns to support our mission.”

The decision to apply to become a UN PRI Signatory followed a lengthy consideration process which formally began in 2018 with the Board’s implementation of PRI Signatory requirements for ROP COFA Trust Fund investment managers. Chairwoman Timarong said, “The initiative was inspired by the ongoing work in sustainability and environmental advocacy by former President Tommy Remengesau, Jr., and undertaken with the support of current President Surangel Whipps, Jr.’s administration. The Board is also grateful for the endorsement and assistance of the Asia Pacific Association for Fiduciary Studies (APAFS) in the application to and approval by the PRI Association.”

The PRI’s network of international investors works together to implement a set of voluntary principles that provide a framework for integrating ESG factors into investment analysis and to align ownership practices with investors’ fiduciary duties. PRI Signatories represent over \$100 trillion in investment assets, with Asset Owners comprising some 575 of the total 7,000 signatories in 135 countries.

“The ROP COFA Trust Fund is the first investment fund in the Micronesian region to publicly commit to investing its funds in a more responsible and sustainable manner using the PRI’s voluntary framework, and we are thrilled to welcome them to the organization,” said Fiona Reynolds, Managing Director of the PRI. “Sustainable investment is the world’s fastest-growing investment trend, and the ROP COFA Trust Fund leadership provides a model for other public funds in the Pacific.”