

# Alphinity - Sustainable Share Fund

Ethical Survey, as voted by members of the Ethical Advisers Co-Op



Poor | Disappointing | Average | Appealing | Excellent

As voted by Ethical Adviser Co-op members. Find a specialised ethical adviser near you: [www.ethicaladviserscoop.org/find-an-adviser.html](http://www.ethicaladviserscoop.org/find-an-adviser.html)

## Fund Overview

This is an actively managed Australian Shares managed investment. The fund is managed Alphinity and distributed in Australia by Fidante Partners.

## Ethical Concerns

### Investments

- ✘ Some investments in the Fund may be problematic for ethical investors, such as:
  - Fossil-fuel (Coal/Oil/Gas): Beach Energy, BHP, Woodside petroleum
  - Uranium: Rio Tinto, BHP, Oz Minerals (through TORO Energy holdings)
  - Other holdings with ethical concerns: big four banks, Qantas, Wesfarmers

### Other concerns

- ✘ Lack of transparency around fund shareholder voting.
- ✘ Invests in companies named by [Market Forces](#) as undermining efforts to meet the Paris Agreement on Climate Change.
- ✘ In 2018, Alphinity voted against climate change disclosure (Rio Tinto) and improving human rights standards (Qantas).
- ✘ Alphinity do not specialise in ethical investments.

## Good Points

- ✓ The fund excludes high impact fuels (thermal coal, coal-seam gas, uranium, shale oil), Gold mining, Animal mistreatment, Addictions such as Tobacco, Alcohol and Gambling, Armaments manufacturers, Old growth forest logging and users of non-RSPO1 palm oil, predatory lending and hostile debt collection, pornography.
- ✓ Commitment to transparency as [UNPRI](#) signatory and verified by [RIAA](#) certified.
- ✓ Alphinity discloses its full list of holdings through [RIAA](#), although not it's website.
- ✓ Uses a positive ESG screen to identify companies that rank in the top 60% of ESG companies.
- ✓ Seeks to invest in companies in line with the UN Sustainability Development Goals ([SDGs](#)), a primary focus of the fund's investment strategy.
- ✓ They have a comprehensive [charter](#) on their approach to responsible investment, including UNPRI Sustainable Development Goals (SDGs) on corporate sustainability, voting proxies at shareholder meetings and avoiding companies with poor governance practices.
- ✓ Fund [reports](#) the carbon emissions profile of the fund, which is 60% of the ASX300 emissions, and contribution towards Sustainable Development Goals .
- ✓ The manager claims to vote all proxies through SDGs and UNPRI principles.

## About the 'Ethical Survey'

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### About the Ethical Advisers Co-Op

The Ethical Advisers Co-op is a group of 35 financial advisers who are passionate about ethics and finance. The Co-op was established as a not-for-profit over 10 years ago to enable likeminded financial advisers to work together to represent the voice of the consumer. We work to shift the super and investment industry into being more ethically aligned with their clients' objectives. The Co-op's nationwide membership of ethical financial advisers help over 3,300 Australians make financial decisions and invest in line with their ethical values.

### How the Leaf-System Works

The ethical rating is voted by Australian financial advisers who specialise in ethical investments (Co-op members). The advisers assess if fund ethics suit their average ethical client, and if it matches with the average client's expectations and objectives. The advisers consider how successful the fund is at; 1) removing industries and stocks harmful to the environment and society 2) including companies with environmental or social benefits, and 3) providing evidence of actions from the fund which benefit society and/or the environment. The quality of information the fund provides on its ethical policies, companies invested in, and proxy voting is important in assessing if a fund is as ethical as claimed. The final rating is an average of these votes.

Financial advisers are voluntarily participating to help ethical consumers gain a quick understanding of how the clients of a group of industry professionals view the ethics of each fund. The Co-op and the advisers do not receive any form of remuneration or reward for participating.

### Further Research

#### *Does your fund walk the talk?*

The Australasian Centre for Corporate Responsibility (ACCR) – a not-for-profit shareholder advocacy organisation – pushes for transparency around whether your super fund 'walks the talk' on issues such as climate and human rights. You can find details on your super fund [here](#).

#### *Is your fund investing in fossil fuels?*

Market Forces is a not-for-profit delivering transparency on fossil fuel lending, insuring and investing within super funds, banks and insurance companies. You can see how exposed your super fund, bank or insurance company is to the fossil fuel industry [here](#).

#### *If the fund is certified by the Responsible Investment Association Australasia (RIAA)*

You can find more ethical and investment information for certified funds [here](#).

#### *More information on this fund*

For exact details of the fund's claimed ethics, costs and legal details see the fund's Product Disclosure Statement - available on their website.

*Vote based on information last updated 6<sup>th</sup> September 2019*