

CFS Thrive+ Sustainable Growth - Class A FSF6557AU

Ethical Survey, as voted by members of the Ethical Advisers Co-Op on 30 July 2024



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

Fund Overview

The fund is managed to 'sustainable investment' criteria that encourages investment in companies with strong environment, social and governance characteristics and seeks to avoid investments in certain companies or activities that have a detrimental effect on the environment or society. This fund is governed by the Thrive+ Sustainable Investment Charter.

The fund allocates 80% of investments to growth assets such as Australian and global shares to provide potential for capital growth, and 20% to defensive assets such as fixed interest and cash. In order to provide additional diversification, the portfolio is allocated across a number of investment managers. The portfolio aims to hedge currency risk except for part of the allocation to global shares.

Ethical Concerns

Investments

- ✘ Some investments in the Fund may be problematic for ethical investors, such as:
 - Fossil-fuel intensive industries: BlueScope Steel
 - Other holdings with ethical concerns: big four banks, large US banks, Amazon, Pilbara Minerals, Fortescue, Large fixed income portfolio difficult to trace where the money goes.

Other concerns

- ✘ Materiality/exposure limits on negative screens can potentially result/results in unwanted exposures within the portfolio.
- ✘ There is public disclosure of voting but difficult to gauge the fund's engagement on climate change and human rights issues.
- ✘ CFS do not specialise in ethical investments.

Good Points

- ✓ The fund preferences sustainability leaders, selecting companies from several positive industries including renewables.
- ✓ Provides a [Charter](#) detailing the ethical screening process.
- ✓ Commitment to transparency by being [UNPRI](#) signatory and [RIAA](#) certified.
- ✓ Average transparency of holdings and voting history, both easily accessed via the public website, see links overleaf.

Fund Overview

UNPRI Signatory	Yes https://www.unpri.org/signatory-directory/colonial-first-state/2121.article
Full Holdings Disclosure	Yes https://www.cfs.com.au/personal/resources/funds-and-performance/portfolio-holdings/investment-options/holdings-view.html?productid=2&optionname=CFS%20Thrive+%20Sustainable%20Growth&optionid=1367&optioncode=AIL3499AU
RIAA Certification	Yes https://www.responsiblereturns.com.au/investment-options/thrive-plus-sustainable-growth/profile
Disclosure of Voting	Yes, on website and in quarterly reports. At CFS level by company: VDS Dashboard (issgovernance.com) For Thrive+: https://www.cfs.com.au/content/dam/colonial-first-state/docs/adviser/funds/thrive-quarterly-report.pdf
Ethical Screening Process	Website: https://www.cfs.com.au/adviser/investments-adviser/investment-solutions/multi-asset/thrive-plus.html Responsible investment policy: CFSIL Responsible Investment Policy Thrive+ investment charter: https://www.cfs.com.au/content/dam/prospects/fs/7/9/fs7913.pdf PDS: https://www.cfs.com.au/content/dam/prospects/fs/7/8/fs7847.pdf
Exclusions	<p>Climate change screens</p> <ul style="list-style-type: none"> × Coal × Coal-fired power generation × Oil and gas (conventional/ unconventional) × Fossil fuel transportation × Fossil fuel supply chain and services × Fossil fuel reserves <p>Ethical screens</p> <ul style="list-style-type: none"> × Tobacco × Gambling × Mining × Alcohol × Pornography × Uranium × Nuclear power × Civilian firearms × Live animal exports <p>Conventions and controversies-based screens</p> <ul style="list-style-type: none"> × Controversial weapons × Corporate controversies <p>Discretionary exclusions</p> <ul style="list-style-type: none"> × High sugar foods or beverages
Materiality/Exposure Limits	Direct investments in companies that have 5% or greater percentage of their revenues generated directly from fossil fuel direct and indirect while excluding all mining thermal or energy coal, oil and gas exploration, production and refining. All companies who derive any revenue from the manufacture and/or production of controversial weapons including chemical, cluster munitions, land mines and depleted uranium.

About the 'Ethical Survey'

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 30 July 2024