

Ethical Partners – Australian 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

Fund Overview

This is an actively managed fund investing in Australian shares. They have negative and positive screening and a focus on advocacy and engagement.

Ethical Concerns

Investments

- ✘ Some investments in the Fund may be problematic for ethical investors, such as:
 - Domestic exposure to fossil fuels (gas) and intensive farming: Wesfarmers
 - Distribution, logistics and support (coal/oil/gas/mining): QUBE
 - Lending to nuclear weapons producers: ANZ, CBA, WBC
 - Other holdings with ethical concerns: big four banks (all), CSL, IAG

Good Points

- ✓ Fund excludes alcohol, gambling, tobacco, predatory lending, uranium, weapons, coal, coal seam gas. Materiality is > 0%.
- ✓ The fund seeks to identify industry leaders and considers country risk, human rights and environmental issues.
- ✓ Provides a [Charter](#) detailing the ethical screening process.
- ✓ Public website has detailed information on ESG approach, SDG contributions, environmental impact vs benchmark.
- ✓ Investment approach uses proprietary Ethical Partners Operational Risk Assessment (EPORA) which considers such issues as where a company does business, what products or services they sell, their human rights policies and environmental impact.
- ✓ Some commitment to transparency by being [UNPRI](#) signatory but not RIAA certified, indicating they are waiting on details of the new certification approach.
- ✓ Good transparency of [holdings](#) alongside rationale and engagement points, and [voting](#) history, both easily accessed via the public website.
- ✓ Strong record of [voting](#) for climate change and social resolutions supporting 100% of climate and human rights resolutions this financial year.
- ✓ The Fund's carbon [emissions](#) are 75% lower than benchmark AU All Cap.
- ✓ The Fund's investment choices typically demonstrate a clear connection with one of the UN Sustainable Development [Goals](#).
- ✓ Ethical Partners established the Tatrai Giving Fund to donate to worthwhile Australian and global causes.
- ✓ Ethical Partners specialise in ethical investments.

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 16th September 2020