

Inspire – Australian Equities 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

The Inspire Australian Equities Fund is an actively managed fund with a focus on listed Australian and New Zealand shares, with the ability to invest up to 10% of the fund in international shares. The Investment Manager seeks to invest in companies that are considered to have positive social and environmental impact and uses negative screening.

Ethical Concerns

Investments

- ✘ Some investments in the Fund may be problematic for ethical investors, such as:
 - Environmental impacts and bio-risk: New Zealand King Salmon.
 - Pollution charges and breach of environmental protection: Huon Aquaculture Group

Other concerns

- ✘ The manager does not publicly disclose full portfolio holdings, only the top 5 holdings are disclosed on the website via the quarterly newsletter. The fund manager has provided the full portfolio to the Ethical Advisers Co-op and has offered to provide the full portfolio to RIAA for disclosure.
- ✘ There is no public disclosure of voting on the manager's website.
- ✘ There is no information about negative screens on the manager's website and the PDS available via the website does not provide clear information about ethical screening. According to the PDS "The Investment Manager takes into account social and environmental considerations for the purposes of selecting, retaining or realising investments, but does not generally take labour standards or ethical considerations into account."
- ✘ Overall the lack of information publicly available via the manager's website means it would be difficult for retail investors to confirm the ethical approach of the fund manager.

Good Points

- ✓ The fund excludes fossil fuel production, alcohol, gambling, pornography, weapons, old growth logging, and nuclear.
- ✓ The fund preferences companies with a positive social and environmental impact, selecting companies from several positive industries including renewables, care and support, education, affordable housing, financial inclusion, lifestyle and healthy living, land and resource management, well-being including medical devices, health care and pharmaceuticals.
- ✓ The manager is a [UNPRI](#) signatory under parent company Liverpool Partners.
- ✓ The manager is a member of RIAA, but currently the fund is not RIAA certified. The manager intends to seek certification with RIAA for the fund.
- ✓ The Fund's investment choices typically demonstrate a connection with UN Sustainable Development Goals including Good Health and Well-Being, Quality Education, Affordable and Clean Energy, and Sustainable Cities and Communities.
- ✓ The information outlined above was provided when requested to the Ethical Adviser's Co-op.
- ✓ In line with industry peak bodies such as the Global Impact Investing Network, a genuine impact investment must not only create a financial return alongside any environmental or social return, it must also directly contribute to a solution through additionality and intentionality. The manager has a clear dedication to impact investment that includes additionality and intentionality.
- ✓ Inspire Impact only specialise in impact ethical investments.

*This survey, and the information contained in this document, consider **ethics only** and do not include ANY analysis of fees, performance of financial suitability. It is **general advice only**. The ethical score is subjective and benchmarked to each adviser's average ethical client. Your ethics may differ. We recommend you speak to an experienced ethical financial adviser for personalised advice before making any decisions.*

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 20th May 2020