

Loftus Peak- Global Disruption 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 global equities fund which is available to investors in both unlisted (MMC0110AU) and active ETF format (LPGD on the ASX). The fund has negative screening across climate and ethical considerations.

Ethical Concerns

Investments

- ✘ Some investments in the Fund may be concerning for ethical investors across social media, video gaming and e-commerce. Meta Platforms (parent of Facebook), Tencent, Twitter, Amazon and Alibaba. China based companies may also raise issues (Tencent and Alibaba).

Good Points

- ✓ Ethical screening process detailed in Responsible Investment Policy.
- ✓ Commitment to transparency by being UNPRI signatory and in process of gaining RIAA certification.
- ✓ Transparency of holdings (reported with a two month lag) on ASX.
- ✓ Initiated process in December 2021 to vote on all company resolutions of companies held in the fund to improve engagement with disclosure of voting to be available on a quarterly basis going forward.
- ✓ ESG factors form a part of the investment process in terms of assessing risk
- ✓ The manager tracks carbon intensity relative to the MCI benchmark. The fund was approximately 75% less carbon intensive than the MSCI benchmark for the 2021 year.
- ✓ Supports Modern Slavery Act 2018 and investigates companies in investment universe.

Fund Overview

UNPRI Signatory	https://www.unpri.org/signatory-directory/loftus-peak-pty-limited/8765.article
Full Holdings Disclosure	Quarterly via ASX website: https://www2.asx.com.au/markets/trade-our-cash-market/announcements.lpgd
RIAA Certification	In progress
Disclosure of Voting	In progress
Ethical Screening Process	Responsible Investment Policy: https://www.loftuspeak.com.au/wp-content/uploads/2021/11/Loftus-Peak-Responsible-Investment-Policy.pdf
Exclusions	<p>Climate change screens</p> <ul style="list-style-type: none"> × Fossil fuels – oil, gas and thermal coal extraction and generation × Logging of old growth forest <p>Ethical screens</p> <ul style="list-style-type: none"> × Tobacco × Gambling × Adult Entertainment × Alcohol × Animal cruelty – fur, specialty leather and non-pharmaceutical testing × Predatory lending × Nuclear power × Weapons
Materiality/Exposure Limits	A threshold of 5% of revenues is applied to the above screens

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 4 October 2022