

Martin Currie – Sustainable Income Fund

Ethical Survey, as voted by members of the Ethical Advisers Co-Op on 20 November 2024



Disappointing

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 Martin Currie Australia Sustainable Income Fund invests in a diversified benchmark-unaware portfolio of high-quality companies that we have screened for client-driven ethical values. The financial approach is premised on the philosophy that high-quality companies that have solid earnings can sustain dividends, grow distributions to match rises in the cost of living and are likely to be less volatile than the wider equity market.

Ethical Concerns

Investments

- ✘ Some investments in the Fund may be problematic for ethical investors, such as:
 - Coal: BHP, South32
 - Fossil fuel industries: Monadelphous, Worley, Downer EDI
 - Fossil fuel intensive industries: Transurban, Atlas Arteria
 - Defence: Ventia (supplies catering services to defence bases)
 - Other holdings with ethical concerns: NAB, CBA, WBC, ANZ

Other concerns

- ✘ Materiality/exposure limits on negative screens can potentially result/results in unwanted exposures within the portfolio.
- ✘ Invests in companies named by [Market Forces](#) as undermining efforts to meet the Paris Agreement on Climate Change.
- ✘ Only the top 10 holdings are disclosed on the website.
- ✘ Martin Currie do not specialise in ethical investments, however ESG research is deeply imbedded in portfolio construction.

Good Points

- ✓ Some commitment to transparency by being [UNPRI](#) signatory but not RIAA certified.
- ✓ Good transparency of voting history, easily accessed via the public website, see links overleaf.
- ✓ Stewardship is a critical element of MCA's investment philosophy, and their "Active Ownership" approach.
- ✓ Positive consideration of ESG factors is used in assessing stocks and building position size, resulting in a "positive tilt".

Fund Overview

UNPRI Signatory	Yes UN PRI Signatory
Full Holdings Disclosure	No Top 10 Disclosed Monthly , will soon disclosure entire holding list.
RIAA Certification	No, however they are a member of RIAA
Disclosure of Voting	Yes Proxy Voting Record
Ethical Screening Process	Refer Strategy Guide and PDS
Exclusions	<p>Climate change screens</p> <ul style="list-style-type: none"> × Mining, extraction, refinement, transportation, distribution and power generation from: <ul style="list-style-type: none"> × Thermal Coal × Oil and gas (conventional and unconventional) <p>Ethical screens</p> <ul style="list-style-type: none"> × Tobacco × Gambling × Alcohol × Pornography × Nuclear power × Genetically modified crops × Fur <p>Conventions and controversies-based screens</p> <ul style="list-style-type: none"> × Controversial weapons × Modern Slavery × Universal Declaration of Human Rights
Materiality/Exposure Limits	<p>1. Tobacco, controversial weapons and companies that don't meet Martin Currie's assessment of modern slavery all have a 0% threshold.</p> <p>2. All other ethical screens have a 5% materiality threshold individually for each exposure, with a 10% materiality across all screens.</p>

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 20 November 2024