

# Pengana – WHEB Sustainable Impact Fund

Ethical Survey, as voted by members of the Ethical Advisers Co-Op



**Excellent**

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](http://www.ethicaladviserscoop.org/find-an-adviser.html)

## Fund Overview

This is an actively managed international shares fund. The strategy focuses on investing in opportunities created by the transition to more sustainable, resource efficient and energy efficient economies around the world. The portfolio is made up of companies that provide solutions to sustainability challenges in nine investment themes. The themes are: Water Management, Sustainable Transport, Education, Well-being, Health, Safety, Cleaner Energy, Environmental Services and Resource Efficiency.

## Ethical Concerns

### Investments

- There are no investments of concern to most Ethical investors within the portfolio however WHEB's active investment strategy focuses on allocating capital to businesses enabling a shift towards a low-carbon economy, rather than merely divesting from carbon-intensive activities. As such, some companies in the Fund may have 'legacy' investments in the fossil fuel industry as they are in the process of transitioning from 'dirty' old technologies to new low-carbon alternatives.
- One holding – Agilent Technologies – has active contracts in the mining sector, however these contracts represent a small (est. 4%) portion of Agilent's broader operations, which also include clinical diagnostics, laboratory services, pathology, semiconductor analysis, food testing and forensics.

**Other concerns** - None

## Good Points

- ✓ The fund preferences sustainability leaders, selecting companies from several positive industries including renewables, healthcare, education, safety, environmental services and resource efficiency.
- ✓ Fund provides detailed information about their process for investment selection and progress towards a net zero carbon portfolio by 2050 and WHEB have committed to becoming a net zero carbon business in their own operations by 2025.
- ✓ WHEB have explicitly in their [Net Zero Carbon Emissions Policy](#) that they won't invest in any companies that are planning new fossil fuel production or power infrastructure, derive more than 5% revenues from fossil fuel or power generation sales, or produce fossil fuels or generate more than 5GW of captive power from fossil fuels.
- ✓ Full commitment to certification by being [UNPRI](#) signatory since 2012 and [RIAA](#) certified since 2017.
- ✓ Very good transparency with [holdings](#) list released quarterly including commentary on each holding, plus history, both easily accessed via the public website.
- ✓ WHEB fund managers actively participate in shareholder advocacy - engaging directly with underlying investee companies to generate additional insight into company practices and promote sustainable development and increased transparency. This is an important way to signal to companies that impact matters.
- ✓ Full record of voting on resolutions published three times a year – accessible on [public website](#) (under reports and resources).
- ✓ Strong record of voting for climate change and governance related shareholder resolutions.
- ✓ Detailed 'Impact Report' published annually that provides detailed data against the 9 themes and the UNSDGs
- ✓ The Fund's investment choices typically demonstrate a clear connection with a number of the UN Sustainable Development Goals and the progress of this is reported on as part of the annual impact report.
- ✓ WHEB Asset management specialise in ethical investments.
- ✓ WHEB Asset Management is a Certified B Corporation since 2016.

*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. They published a detailed report looking at the voting records of major Super funds in June 2020. You may find information relating to your super fund [here](#) (see page 18 & 19).

#### *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 1<sup>st</sup> March 2021*