

First Sentier – Responsible Listed Infrastructure Fund

Ethical Survey, as voted by members of the Ethical Advisers Co-Op on 1 June 2022



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 infrastructure fund that looks for infrastructure companies that can contribute to, or benefit from, sustainable development as defined by the UN Sustainable Development Goals. They also employ a negative screening investment selection process.

Ethical Concerns

Investments

- × Many investments in the Fund may be problematic for ethical investors, such as:
 - Fossil-fuel intensive industries: Tolls roads (Transurban), Energy sector (Alliant Energy, Centrepoin Energy, China Gas, Dominion Energy, Emera, Eversource Energy, Pinnacle West, Tokyo Gas, Xcel Energy), Transport (Norfolk Southern).

Other concerns

- × There is no information provided by the manager to specify/list what securities are screened out or excluded.
- × At 20%, the fossil fuel Materiality/exposure limit will likely result in unwanted exposures within the portfolio.
- × There is no public disclosure of voting so difficult to gauge the fund's engagement on climate change and human rights issues.
- × No detailed Charter outlining their ethical screening process.
- × First Sentier do not specialise in ethical investments.

Good Points

- ✓ Fund excludes armaments, tobacco, and harmful products.
- ✓ The Fund has some level of screening for alcohol, animal cruelty, gambling, genetic engineering, human rights abuses, labour rights violations, logging, pornography.
- ✓ The utility companies that the Fund invests in must be able to demonstrate a declining carbon intensity (as measured by tons of carbon emitted per MWh of electricity generated) over rolling three-year periods.
- ✓ The Investment Manager seeks to identify companies that are contributing to, or benefitting from, sustainable development, aligned with the United Nations Sustainable Development Goals (SDGs). The most relevant SDGs to infrastructure companies are SDG 6: Clean Water and Sanitation, SDG 7: Affordable and Clean Energy, SDG 9: Industry, Innovation and Infrastructure, SDG 11: Sustainable Cities and Communities, SDG 12: Responsible Consumption and Production, SDG 13: Climate Action.
- ✓ Commitment to transparency by being [UNPRI](#) signatory and [RIAA](#) certified.
- ✓ Good transparency of [holdings](#) as published on the RIAA website.

Fund Overview

UNPRI Signatory	Yes UNPRI
Full Holdings Disclosure	Yes holdings
RIAA Certification	Yes RIAA
Disclosure of Voting	Yes First Sentier Proxy Voting
Ethical Screening Process	Refer to First Sentier's website weblink
Exclusions	<p>Climate change screens</p> <ul style="list-style-type: none"> × Nil <p>Ethical screens</p> <ul style="list-style-type: none"> × Tobacco production × Gambling × Pornography × Animal testing <p>Conventions and controversies-based screens</p> <ul style="list-style-type: none"> × Controversial weapons × Companies that do not operate in alignment with the Ten Principles of the UN Global Compact. × Companies that do not operate in alignment with the OECD Guidelines for Multinational Enterprises. <p>Discretionary exclusions</p> <ul style="list-style-type: none"> × Nil
Materiality/Exposure Limits	<p>Utilities that are materially involved in fossil fuels, defined as companies where coal-fired generation assets represent more than 20% of their of overall assets.</p> <p>Utilities with material generation assets whose carbon intensity - (as measured by tons of carbon per MWh of electricity generated) - is not declining over rolling three-year periods.</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 2 June 2022