

Perennial Investment Partners – Perennial Better Future Trust

Ethical Survey, as voted by members of the Ethical Advisers Co-Op on 6 December 2022



Appealing

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 Australian shares fund - managed within the Trust. They have both negative and positive screening. Perennial Better Future is part of the next generation of authentic ESG investors, focused on pursuing strong, consistent returns while investing in companies that are making a positive contribution to society and the environment.

Ethical Concerns

Investments

- Nothing of concern identified

Other concerns

Good Points

- ✓ The fund preferences sustainability leaders and companies whose intention it is to solve a sustainability challenge. These companies tend to be in several positive industries including renewable energy, healthcare, education, water and waste treatment, energy efficiency, environmental services, and social outcomes.
- ✓ Provides annual ESG, Engagement and Impact report.
- ✓ Zero percent revenue threshold to negatively screen industries.
- ✓ Inhouse proprietary ESG analysis. All companies in the portfolio must have above-average ESG score.
- ✓ Commitment to transparency by being [UNPRI](#) signatory and [RIAA](#) certified.
- ✓ Good transparency of holdings and voting history, both easily accessed via the public website, see links overleaf.
- ✓ Strong record of voting for climate change and social resolutions, see link overleaf.
- ✓ The Fund's/Trust's carbon emissions are substantially/79.7% lower than benchmark [S&P Small Cap Accumulation Index].
- ✓ The Fund's/Trust's investment choices typically demonstrate a clear connection with one of the UN Sustainable Development Goals.

Fund Overview

UNPRI Signatory	Yes - LINK
Full Holdings Disclosure	Yes - LINK
RIAA Certification	Yes, RIAA Responsible Leader: 2020, 2021, 2022 - LINK
Disclosure of Voting	Yes - LINK
Ethical Screening Process	Refer to Trust Factsheet (https://perennial.net.au/wp-content/uploads/Perennial-Better-Future-Trust_factsheet.pdf) and PDS [additional screening info] (https://perennial.net.au/wp-content/uploads/Perennial_Better_Future_Trust_PDS.pdf)
Exclusions	<p>Climate change screens</p> <ul style="list-style-type: none"> × Coal × Coal-fired power generation × Oil and gas (conventional/ unconventional) × Fossil fuel transportation × Fossil fuel supply chain and services × Fossil fuel reserves <p>Ethical screens</p> <ul style="list-style-type: none"> × Tobacco × Gambling × Alcohol × Pornography × Uranium × Weapons × Live animal exports × Toxic Pesticides × Old growth logging <p>Discretionary exclusions</p> <ul style="list-style-type: none"> × Corporate controversies × Reputational risk
Materiality/Exposure Limits	Zero percent revenue threshold to negatively screen industries. The Perennial Better Future team write to every company prior to investment to assure no revenue is derived from any of its 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 6 December 2022