

Stewart - Worldwide Sustainability Fund

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



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 fund investing in global companies. It no filters, instead actively seeking investments that contribute to sustainable development.

Ethical Concerns

Investments

- ✗ Holdings which may have ethical concerns: Unilever.

Other concerns

- ✗ Only the [top 10](#) holdings are available publicly on website. Full holdings were disclosed on request.
- ✗ Disclosure of voting is not publicly available on website. Summarised vote history was disclosed on request.
- ✗ No clearly defined screening process, combined with [commentary](#) on only the top 10 investment holdings can make it difficult to understand and explain fund holdings and positions.
- ✗ Stewart Investors has been operating as a [semi-autonomous](#) business unit within CFSGAM/First State Investments. On 31st October 2018 the CBA [announced the sale](#) of CFSGAM/FSI to MUTB (Japan investment manager) with transaction to be complete by mid-2019. Stewart expect to remain semi-autonomous under the new owners.

Good Points

- ✓ Fund excludes anti-personnel landmine and cluster bomb production.
- ✓ Fund is certified by [RIAA](#), and is an indirect [UNPRI](#) signatory through parent company CFSGAM.
- ✓ Fairly 'clean' portfolio of stocks.
- ✓ Long-term experience in sustainable investing, launching their [first explicit sustainability strategy](#) in 2005.
- ✓ Provides a detailed *Voting Policy* which clearly outlines where Stewart Investors stand regarding ESG issues - [pg7](#).
- ✓ Evidence of extensive [corporate engagement](#) and intimate knowledge of each company through active management and monitoring.
- ✓ Influences the ESG performance of companies via discussion with management and Boards - [pg4](#).
- ✓ Fund is adopting a more [strategic](#) approach to engagement with a focus on remuneration, gender diversity and pollution (particularly plastics and packaging).
- ✓ The fund is not managed to a [benchmark](#), meaning that the underlying holdings are owned on their merits regardless of their membership of or weighting in an index.

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 1st March 2019