

U Ethical – Cash Management Trust

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



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 U Ethical Cash Management Trust is a portfolio of cash and cash equivalents. It is Ethically screened with both negative and positive screens.

Ethical Concerns

Investments

- ✘ Some lending in the Fund may be problematic for ethical investors, for example:
- ✘ The nature of this fund is that it provides diversification across low risk cash based investments. Given the limited availability of viable cash based investments, this fund includes exposure to 'at call' deposit accounts and term deposits offered by a variety of Australian banks, including the
 - National Australia Bank (NAB) and Macquarie Bank.As such, indirectly, investment in this fund may support undesirable industries, including but not limited to fossil fuels, given cash deposits held by banks finance their lending and investing activities.
- ✘ NAB is specifically named by [Market Forces](#) as undermining efforts to meet the Paris Agreement on Climate Change.

Good Points

- ✓ Fund excludes investment in companies that fail to meet global norms and conventions such as those outlined in the [United Nations Global Compact](#), [the International Labour Organisations \(ILO\) Conventions](#), [the Universal Declaration of Human Rights](#) and [the Equator Principles](#).
- ✓ Fund excludes investments with any affiliation with exposure to most forms of controversial weapons manufacturing.
- ✓ Fund excludes investments affiliated with more than 5% revenue sourced from alcohol, adult entertainment, defence and weapons, animal cruelty and exploitation, gambling, genetical engineering and fossil fuels.
- ✓ Commitment to transparency by being [UNPRI](#) signatory and [RIAA](#) certified.
- ✓ Good transparency of [holdings](#) and [voting](#) history, both accessible via the public website.
- ✓ Some record of voting for climate change and social resolutions.
- ✓ The Fund Manager's [Ethical Investment and Stewardship Policy](#) (*download available under 'Resources' heading*) claims their "Investment process seeks to ensure that [their] holdings are aligned with [their] clients' financial and ethical expectations, while helping to enable a sustainable future." This policy document provides a charter on U Ethical's ethical screening process.
- ✓ Fund monitors EGS concerns through the use of the [MCSI ESG Impact Monitor](#) alongside independent research where necessary or when company is not monitored by MSCI. Fund currently includes no investment in companies classified as 'Laggard' by MSCI.
- ✓ Fund is a subsidiary of the Uniting Church of Australia. Whom adhere to their own ethical investment principles, as outlined in their [Investment Policy](#).
- ✓ Fund has an outlined [voting policy](#) providing guidance on how they intend to vote on future issues. However, this policy appears to have not been reviewed since 2011.
- ✓ Good transparency of holdings as outlined in their [Annual Sustainability Reports](#).

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 <https://www.accr.org.au/>

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 <https://www.marketforces.org.au/>

If the fund is certified by the Responsible Investment Association Australasia (RIAA)

You can find more ethical and investment information for certified funds <https://responsibleinvestment.org>

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 14 Sept 2021