



### **Sample SoA Wording**

This sample SoA wording contains information that may assist financial advisers when recommending the Ethical Investment Growth or Ethical Investment Fixed Income Portfolios for a client.

This information has been prepared as at 24 September 2019 and is based on current features, fees and example investments, as at that date.

This is not a Statement of Advice (SoA). It is general information only and does not take into account any person's personal circumstances. The suggested wording may be used to explain why the product has been recommended and the important aspects of how it will work. However, it is the adviser and licensee's responsibility to assess the suitability of the recommendation and the information provided to their client.

The wording is provided as a guide and advisers should seek guidance from their own compliance area to ensure all licensee and ASIC requirements have been met. The adviser takes full responsibility for the information included in any advice documentation.

It is important to note that while template text can be provided as the basis for an SoA, the wording must always be tailored to meet the individual client needs and circumstances and AFSL required format. Ethical Investment Funds Management accepts no responsibility and is not liable for use of any information in this document.

# Investment Recommendations

We recommend purchasing the following investments:

Investment Name	Recommended Value	
	%	\$
Ethical Investment Growth Portfolio		
Ethical Investment Fixed Income Portfolio		

- **Ethical Investment Growth Portfolio**

- This investment will own a wide range of investments including managed funds, exchange traded funds (ETFs), managed portfolios and real estate investment trusts (REITs). This portfolio will invest in Australian shares, international shares and property, and includes investments in companies which are actively making a positive contribution to a sustainable future.

- **Ethical Investment Fixed Income Portfolio**

- This investment will own a wide range of managed funds and exchange traded funds (ETFs) which invest in bonds. This includes investments in Green bonds and Social bonds which directly help fund environmental or socially positive projects.

## Why These Investments?

We specifically selected these investments for you because they provide you with a very well-diversified portfolio which matches your risk profile, and which also which meet your ethical values.

Both the Ethical Investment Growth and Fixed Income portfolios are managed by Ethical Advisers Funds Management Pty Ltd.

Ethical Advisers Funds Management are highly qualified to construct portfolios designed to meet ethical needs while generating a strong return, and have been doing so since 2004. By integrating the social, environmental and financial aspects of an investment, Ethical Advisers Funds Management believe that a more sustainable investment return may be possible.

Investing in these funds may provide you with the peace of mind that your the portfolio is being managed on an ongoing basis to ensure that the investments continue to align with your long-term interests and expectations.

## Ethical Investments

The investments within the Growth and Fixed Income portfolios are selected not only based on their financial performance, but also on their environmental and social performance.

You will be investing in companies which are actively making a positive contribution to a sustainable future.

Some of the areas invested in include clean energy, energy efficiency, industrial efficiency, water management, education, healthcare, aged care, food and agriculture, advanced materials and manufacturing, waste management, recycling, pollution control, healthcare technology, electric vehicles, robotics, precision farming, building efficiency and energy storage.

The portfolio will invest in companies which are providing solutions towards each of the 17 global goals outlined by the United Nations, known as the Sustainable Development Goals (SDGs).

The SDGs are a collection of goals which are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity, and peace and justice.



## Ethical Charter and Stewardship Policy

Ethical Advisers Funds Management have an Ethical Charter and Stewardship Policy which describes in detail the process through which investments are selected that best align with the ethical values of investors.

Ethical Advisers Funds Management also believe in transparency, and publicly publish the full list of companies and investments you will be purchasing.

The Ethical Charter and full list of investments can be found at [www.ethicalsma.com.au](http://www.ethicalsma.com.au)

## Examples of Investments

This section aims to give you an idea of the types of companies you will be investing in.



### **First Solar - Renewable Energy**

First Solar manufactures solar panels and provides supporting services for photovoltaic power plants including financing, construction, maintenance, and panel recycling. To date, the company has sold over 13.5 gigawatts of solar generated electricity and financed and facilitated projects worth more than \$11bn.



### **Siemens - Energy Efficiency**

Siemens is a large German conglomerate active in electrical engineering and electronics, with a core focus on the industrial megatrends of electrification, automation of production processes and digitalization of the factory environment. From renewable energy equipment to the more efficient transmission of power, smart grid solutions, buildings energy efficiency, lower carbon transportation and more efficient digital factories, Siemens' products address an array of environmental challenges brought about by increased global population and urbanization.



### **Intuitive Surgical – Healthcare Technology**

Intuitive Surgical is an American company that manufactures robotic surgical systems. The company has installed over 1,242 systems worldwide. Its most notable system is the da Vinci Surgical System which allows surgeons to perform robotically assisted, minimally invasive surgery like cardiac valve repair.



### **Tesla Motors – Electric Vehicles**

Tesla Motors is an American automaker and energy storage company pioneering in the space of producing electric cars, battery storage, and battery charging equipment. The company introduced the Powerwall and Powerpack which store excess energy generated from solar panels, allowing the user to reduce their reliance on fossil fuels. In 2016, Tesla acquired SolarCity and launched the Solar Roof. The rooftop solar tiles capture solar energy, while retaining visual aesthetics and costing less than traditional roof tiles.



### **ResMed – Healthcare**

ResMed qualifies as a sustainable leader for revenue from healthcare. ResMed is pioneering the medical industry with its array of award winning masks and machines that diagnose, treat, and manage a range of sleep-disordered breathing and other respiratory conditions and chronic diseases. The company has branched into cloud-based software applications to better diagnose and monitor a range of conditions, with over 2 million patients remotely monitored each day.



### **Mirvac Group – Sustainable Property**

Mirvac invests in, develops and manages property assets throughout Australia across office, industrial, retail and residential. Mirvac has been a member of the Green Building Council of Australia since 2003 and has a large portfolio of green star projects nationwide. The company has ambitious goals to reach total sustainability by launching the 'House with No Bills' project which aims to develop a house with no gas or electricity bills.



### **Waste Management - Recycling**

Waste Management is the leading private player in the US refuse and recycling market, with a 22% share of the industry. Waste Management was named to Fortune's "Change the World" list in 2015 – companies that have made a sizeable impact on major social or environmental problems. Innovative projects include methane emissions capture, next generation landfills with accelerated decomposition technology, and re-processing and recycling of older landfills.

## **Management Fees**

Both the Growth and Fixed Income portfolios have quite a low fee of just 0.33% per annum, which is competitive when compared with other diversified portfolios in Hub24 which charge fees of between 0.18% and 0.66% per annum.

The estimated fees for the underlying investments are also quite reasonable at just 0.79% per annum for the growth portfolio and 0.54% for the fixed income portfolio. Other similar funds on Hub24 charge between 0.15% and up to 1.275% per annum.

## **Product Disclosure Statements**

You can access a copy of the following Product Disclosure Statements at [www.ethicalisma.com.au/pds](http://www.ethicalisma.com.au/pds)

This includes the Product Disclosure Statements for each of the underlying investments for your records.

- Ethical Investment Growth Portfolio
- Ethical Investment Fixed Income Portfolio
- Australian Ethical Emerging Companies Fund
- BetaShares Australian Sustainability Leaders Fund
- eInvest Future Impact Small Caps Fund
- BetaShares Global Sustainability Leaders Fund
- BNP Paribas Environmental Equities Trust
- Nanuk New World Fund
- Pengana WHEB Sustainable Impact Fund
- Stewart Investors Worldwide Sustainability Fund
- VanEck Vectors Australian Property ETF
- Affirmative Global Bond Fund
- Australian Ethical Fixed Interest Fund
- Altius Sustainable Bond Fund
- PIMCO ESG Global Bond Fund

Please let us know if you would also like a hard copy of any Product Disclosure Statements posted to you.