

Alphinity Socially Responsible Share Fund

The Alphinity Socially Responsible Share Fund (the Fund) provides a diversified portfolio of Australian stocks listed on the ASX that have been screened through environmental, social and governance (ESG) filters.

Key features of the Fund

- Aligns your investment goals with your social values.
- Maintains a sensible, risk aware approach to socially responsible investing.
- Uses a proven disciplined philosophy and process to invest in Australian shares.
- Managed by an experienced team with the correct alignment.

What is Socially Responsible Investing?

Socially Responsible Investing is a style of investing that aligns fund holdings with one's individual ethics, morals and values. It is a means to achieve a competitive financial return while still fulfilling social objectives.

Socially Responsible Investing has become an important driver in promoting responsible business practice across Australian public companies.

Alphinity's approach to sustainable investing

Every investor will hold a wide variety of values and beliefs when it comes to ESG investing. Specific criteria are used by each individual investment manager.

The Alphinity Socially Responsible Share Fund screens out poor-performing companies from a social perspective, yet seeks to maintain a degree of exposure to some resource companies. We believe it is possible to support values of sustainability while at the same time not take on extraordinary market risk to achieve one's investment goals.

Alphinity Investment Management (Alphinity) uses Socially Responsible Investment specialist CAER – Corporate Analysis Enhanced Responsibility – to help screen the universe of investible companies. CAER comprehensively assesses companies performance according to Environmental, Social and Governance (ESG) criteria and sustainability.

Fund characteristics

Inception date: 1 September 2010

Objective: The Fund aims to outperform its benchmark after costs and over rolling five-year periods.

Benchmark: S&P/ASX 300 Accumulation Index

Minimum initial investment: \$10,000, or \$1,000 with Regular Savings Plan.

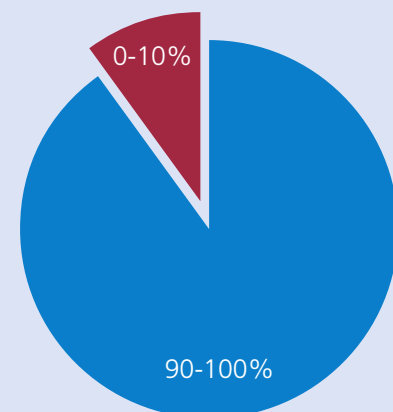
Management fee: 1.15% p.a.

Distribution frequency: Quarterly

APIR code: HOW0121AU

ASX mFund code: ALH03

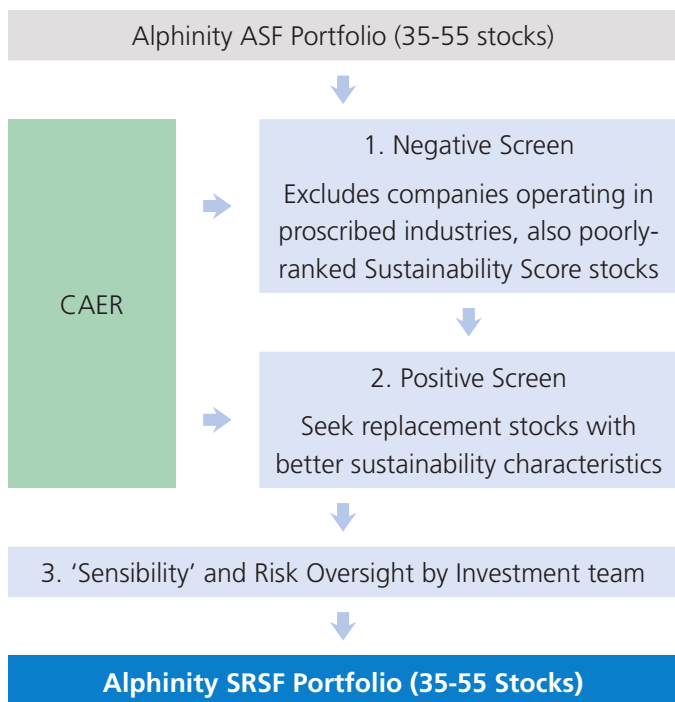
Asset allocation ranges:



■ Securities ■ Cash

How do you convert our beliefs into a portfolio of socially responsible investments?

Alphinity starts with the proven approach used by the Alphinity Australian Share Fund. The portfolio is then run through ESG screens.



Step 1: Negative Screen

The process excludes companies operating in proscribed industries along with poorly-ranked sustainability scoring stocks. It will screen out any companies operating in the following industries:

- gambling
- alcohol production
- tobacco
- armaments
- logging of old growth forests

Step 2: Positive Screen

The Fund seeks to replace companies that fall outside the above criteria with others which have superior sustainability characteristics, or which have superior performance with regards to social responsibility.

It screens in:

- Responsible operators in similar industries with strong economic return characteristics
- Companies with a higher than average sustainability score as assessed by CAER, providing an investment case is sustained.

Step 3: Risk Oversight

The team assesses the portfolio to ensure that it does not contain any unintended sector, style or size bias. It aims to achieve similar risk and return characteristics to the Alphinity Australian Share Fund.

An example of this is described below.

Risk ❌	Risk mitigation ✅
Screened out: Companies with alcohol and gambling related activities, some of which hold a large weighting in the index. Sectors impacted include: <ul style="list-style-type: none"> • Consumer staples • Building products • Gaming 	Screened in: Increase weighting to companies in sectors with similar defensive characteristics: <ul style="list-style-type: none"> • Healthcare • Smaller consumer stocks • REITs • Technology companies

The Funds's holdings are assessed on a monthly basis by CAER to ensure that it complies with the negative screen. CAER also calculates the Fund's sustainability characteristics.

A signatory of the United Nation's-backed Principles for Responsible Investment.

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We have long adhered to these principles as sound practice when managing money and supporting it reflects our desire to promote them as a matter of good corporate governance. Find out more about the Principles for Responsible Investment by visiting: www.unpri.org



More about our provider

CAER is an independent research organisation. It is a member of the EIRIS Global Alliance of Environment, Social and Governance research firms.

The CAER database covers the top Australian 300 companies by market capitalisation along with smaller listed companies in Australia and New Zealand. They provide expertise on what constitutes good ESG practices and identify the leaders and laggards as well as the pertinent issues in any given sector.

Research is certified according to external industry quality standards. Find out more about CAER at www.caer.com.au

About Alphinity

Alphinity is an equity investment manager with around A\$8 billion (as at 30 September 2016) in funds under management. The team invests in companies with underestimated forward earnings expectations which it identifies using a combination of fundamental analysis and quantitative inputs.

Alphinity's relationship with Fidante Partners ensures a clear alignment to deliver consistent outperformance over time.

- Clear and proven investment philosophy.
- Unique, disciplined and rigorous investment process.
- A highly experienced, accomplished and cohesive investment team.
- A contemporary model with powerful alignment.

Contact us

Individual Investors

To find out more, please contact your financial adviser or call the Fidante Partners' Investor Services Team on 13 51 53.

Financial Advisers

To find out more, please contact your local Fidante Partners Business Development Manager or call the Fidante Partners' Adviser Services Team on 1800 195 853.

Important Information

Unless otherwise specified, any information contained in this publication is current as at the date of this publication and is provided by Fidante Partners Limited ABN 94 002 835 592, AFSL 234668 (Fidante Partners), the responsible entity and issuer of interests in the Alphinity Australian Share Fund (ARSN 092 999 301), Alphinity Australian Equity Fund (ARSN 107 016 517), Alphinity Concentrated Australian Share Fund (ARSN 089 715 659) and Alphinity Socially Responsible Share Fund (ARSN 093 245 124) (Funds). Alphinity Investment Management ABN 12 140 833 709 AFSL 356 895 (Alphinity) is the investment manager of the Fund. It is intended to be general information only and not financial product advice and has been prepared without taking into account any person's objectives, financial situation or needs. Each person should, therefore, consider its appropriateness having regard to these matters and the information in the product disclosure statement (PDS) and any additional information brochure (AIB) for the Fund before deciding whether to acquire or continue to hold an interest in the Fund. The PDS can be obtained from your financial adviser, our Investor Services team on 13 51 53, or on our website www.fidante.com.au. Please also refer to the Financial Services Guide on the Fidante Partners website.

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