



# Investment Guide





## Introduction

We are investment managers who aim not only to shape a better financial future for our investors, but also to contribute to a more sustainable world. We reflect this in our investment approach which strives to be performance driven but responsible in our investment selection.



## Performance Driven

Our performance driven approach aims to beat the benchmark, not just to track it. We look to invest in companies with assets, not promises, and focus on a company's cash flow and profitability, investing in management with proven performance and track records.



## Responsible Investment

We invest in high performing companies. But as a responsible investor, we avoid industries which in our view cause significant social or environmental harm. We invest responsibly, as a socially conscious business, to support a healthier economy, environment and society. We screen investments against our Responsible Investment Charter, which is drafted with reference to the United Nations Sustainable Development Goals and UN Principles of Responsible Investment.



## Important Information

The information in this document forms part of the Product Disclosure Statement (**PDS**) for the B. Ethical Investment Fund (ARSN 631506673) (the **Fund**) dated 26 February 2021. You should consider the information in the Product Disclosure Statement (and accompanying Responsible Investment Charter) in addition to this Investment Guide before making an investment decision about the Fund.

This Investment Guide is published by B. Ethical Funds Management ABN 13 613 975 812 AFSL 492814 (**we, our, us**). We issue interests in, and are the responsible entity for, the Fund.

This document sets out information in addition to the PDS on how we invest and the benefits of investing in the Fund. It also describes the labour standards, environmental, social and ethical considerations we take into account through investment screening criteria.

This Investment Guide is subject to change at our discretion. Any change will be effective as at the date it is published on our website, [bethical.com.au](http://bethical.com.au). You should check that you have the most up-to-date version before making an investment decision.

The PDS, Responsible Investment Charter and Investment Guide are available from [www.bethical.com.au](http://www.bethical.com.au) or you can request a free copy by calling us on +61 8 7200 3586.

Any financial advice in this document does not take into account your objectives, financial situation or needs. Consider whether it is appropriate to you.

We are a subsidiary of B. Financial Group Pty Ltd (**B.**) and use the B. trademark under licence. B. does not guarantee our obligations and we are not their representative.

## How we Invest

We are performance driven investment managers who invest to optimise long-term returns in a socially responsible and ethical manner. Our investment approach:

- examines company fundamentals to identify great investment opportunities.
- technically constructs our portfolios using diversity to balance risk and return.
- strives to identify and take advantage of trends based on our analysis of the economy and the market.
- invests in high performing companies, but as a responsible investor, avoids industries which in our view cause significant social or environmental harm.

## Responsible Investment

As a socially responsible investor, we manage the investments within the Fund not only to create a better financial future for our investors, but also to contribute to a more sustainable world. Our approach is two-fold:

- 01** We avoid investing in companies which operate in industries which, in our view, cause significant social or environmental harm. Some of the industries we avoid are set out in our Responsible Investment Charter.
- 02** As active shareholders, we support and encourage companies to act in a socially responsible manner on environmental, social, labour and governance issues.

We do this through:

- **Shareholder voting** – we use our shareholder vote to advance improvements to environmental, social and governance issues.
- **Shareholder engagement** – by raising ethical concerns with company management, we begin conversations to address environmental, social, labour and governance issues and advocate for change. We can do this before we invest, or as an investor, by speaking to companies about how they address any issues they face.

The decision to invest in a company and the extent to which we take into account environmental, social, labour and governance issues is at our discretion using a methodology (if any) and weighting of our choice. Further insight into the considerations we have regard to are detailed in our Responsible Investment Charter available at [bethical.com.au](http://bethical.com.au).

## Additional Information on How the Fund Works

This section provides information on how the Fund works which is in addition to the information contained in the PDS.

### Discretion to accept, refuse or suspend applications

We have the discretion to accept or refuse any application for an initial investment or any additional investment without explanation. We may also suspend applications if we believe it is in the best interests of unitholders as a whole to do so or if it is not possible to calculate an application price due to circumstances outside our control (e.g. market disruptions). Any applications received during a period of suspension will receive the price applicable to the business day immediately following the end of the suspension period (provided that we have accepted your application).

### Joint investors

Where you are a joint investor, all investments with us will be held jointly unless other arrangements are made. This means that each investor is authorised to act on behalf of the other in relation to the joint investment.

### Transfers

You may be able to transfer all or some of your unitholding to another eligible investor; please contact us for more information.

### Financial adviser remuneration

We make no payments to financial advisers for this product unless you instruct us to deduct amounts from your account to pay fees to your financial adviser.

These fees will be in addition to the fees described in the 'Fees and costs' section of the Product Disclosure Statement.

### Payments

To comply with our anti-money laundering/counter-terrorism financing obligations, we generally require all payments from the Fund to be made to a nominated bank account in the name of the investor. We may ask you to demonstrate the identity of the nominated bank account's accountholder which may cause delays in payment.

### Identity verification

Under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth), we are required to collect original or certified copies of original identification document(s) to verify your identity and that of related parties (e.g. owners or controllers of corporate investors). These documents must be valid at the time you send them to us.

In addition, we may be required to ask you for additional information or identity verification documents when we are processing your application or at some other stage. This includes questions about the source of funds.

We may be prevented by law from processing your application, withdrawal or carrying out instructions where: you cannot supply the required information; we have reasonable grounds to suspect that there is a breach of our regulatory obligations; or we are prohibited by law.

### **Unit price corrections**

We take care when calculating unit prices. However, it is possible that we may need to correct unit pricing errors which substantially impact the Fund. A correction will generally involve reprocessing affected transactions using the corrected unit price, adjusting your account or both. The value of your investment could increase or decrease as a result.

### **Unitholders' liability**

Each unitholder is liable for any tax or fee incurred by the Responsible Entity because of the unitholder's actions, or other liability incurred when acting on a request by the unitholder.

### **Termination of the Fund**

The Fund will terminate where we give written notice to members or in accordance with law. Circumstances in which we may give notice to members include if we believe that the Fund can no longer fulfil its purpose. Unitholders can also pass an extraordinary resolution to terminate the Fund.

### **Other information available to you**

There is other information about the Fund available on request. This includes: Constitution of the Fund, performance history, Unit Pricing Policy and Privacy Policy.

Other information we send or make available to investors is set out in the remainder of this section.

#### **Transaction confirmation**

Confirms investments and withdrawals you make on your account.

#### **Periodic statement**

Provides details regarding your account during the period including a transaction summary, fees and costs, investment returns.

#### **Distribution statement**

Sets out details of distributions paid to you.

#### **Annual tax statement**

We will send you an annual tax statement to assist you in completing your tax return. This statement will show the taxable and non-taxable components of the income attributed to you (which includes any distributions received or reinvested).

#### **Annual financial report**

You can elect to receive, free of charge, a copy of the Fund's annual report as a hard copy or an electronic copy. If you do not make an election, you can access a copy of the Fund's annual report on our website.

### **Other terms and conditions**

There are other terms and conditions which apply to your investment in the Fund as set out in the Application Form.

### **Move towards ethical investing**

To those considering investing with us, we are excited by the prospect of you joining us. To our investors, we thank you for being part of the Fund. Together, we hope to represent a movement towards ethical investing.

### **Contact**

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Refer to our website to apply to be an investor in the Fund.