

PORTFOLIO IMPACT MEASUREMENT REPORT

WHOLESALE ETHICAL SRI FUND

August 2020

CARBON FOOTPRINT

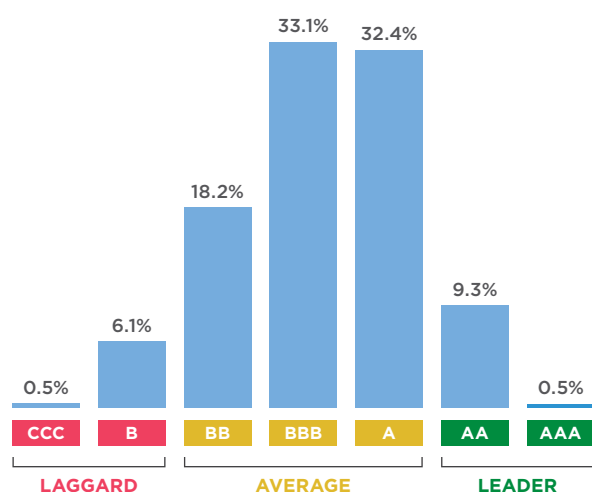
	CARBON EMISSIONS (tons CO2e / \$M invested)	TOTAL CARBON EMISSIONS (tons CO2e)	CARBON INTENSITY (tons CO2e / \$M revenue)	WEIGHTED AVERAGE CARBON INTENSITY (tons CO2e / \$M sales)
Fund ¹	64.4	44,701	93.8	70.1
Coverage by Portfolio Weight ² – 86.9%				
Benchmark ^{1,3}	121.8	84,511	207.0	146.0
Coverage by Portfolio Weight ² – 99.3%				

SUSTAINABLE DEVELOPMENT GOALS ALIGNMENT

The following table represents measurement of the contribution and alignment of the Fund’s top ten positions with the United Nations Sustainable Development Goals (“SDGs”), identifying whether issuers are acting responsibly, mitigating and remediating harm and supporting sustainable opportunities. See appendix for more information.

COMPANY	PORTFOLIO WEIGHT	SDG THEME ASSESSMENT ⁴								CONTRIBUTION LEGEND
		Healthy Lives	Development Tools	Climate Change	Social Welfare	Human Capital	Business Ethics	Natural Capital	Governance	
AUB GROUP LTD	6.3%									
ANZ BANK	5.1%									
NATIONAL AUSTRALIA BANK LIMITED	5.0%									
ORORA LIMITED	5.0%									
WESFARMERS LIMITED	4.5%									
FERGUSON PLC	4.3%									
HT&E LIMITED	3.6%									
ASALEO CARE LTD	3.6%									
NICK SCALI LIMITED	3.4%									
BRAMBLES LIMITED	3.2%									

PORTFOLIO ESG RATING¹



MSCI ESG FUND RATING **A**

The chart represents the distribution of approximately 28,000 funds included in the MSCI ESG Fund Ratings Universe.

- 1 Source: MSCI ESG Research, data as at 31 August 2020.
- 2 Carbon footprint analysis excludes portfolio cash holdings. Where carbon data is unavailable for a company, the weights of remaining companies are rebalanced so that the covered portfolio weight equals 100%. Coverage may vary between portfolios as the emission metrics depend on availability of underlying data.
- 3 Benchmark is the S&P/ASX 300 Accumulation Index.
- 4 Criteria based upon Vigeo Eiris’ Sustainable Development Goals Assessment, accessed via VE Datalab Platform, data as at 31 August 2020.

APPENDIX

Carbon Emissions Normalised measure of a portfolio's contribution to climate change that enables comparisons with a benchmark, between multiple portfolios, and over time, regardless of portfolio size.

Total Carbon Emissions Normalised measure of a portfolio's contribution to climate change that enables comparisons with a benchmark, between multiple portfolios, and over time, regardless of portfolio size.

Carbon Intensity Expresses the carbon efficiency of the portfolio and allows investors to measure how much carbon emissions per dollar of sales are generated by portfolio companies. This metric adjusts for company size and is a more accurate measurement of the efficiency of output rather than a portfolio's absolute footprint.

Weighted Average Carbon Intensity Measures the carbon intensity of the fund's holdings, the sum of security weights (normalised for corporate positions only) multiplied by the security Carbon Intensity. Since companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks, this metric indicates a portfolio's exposure to potential climate change-related risks relative to other portfolios or a benchmark. Agnostic to ownership share, it also facilitates comparison with non-equity asset classes.

MSCI ESG Rating Designed to measure the resiliency of portfolios to long-term ESG risks and opportunities. The rating represents the weighted average score as presented by MSCI, calculated as a direct mapping of ESG Quality Scores to letter rating categories, ranging from leader (AAA, AA), which is the highest grade, average (A, BBB, BB), to laggard (B, CCC), which is the lowest grade.

VIGEO EIRIS CORPORATE ACTION FRAMEWORK⁵

Vigeo Eiris consolidates the 17 SDGs into a corporate action framework, whereby company contributions are assessed through eight themes based upon their behaviour and/or their products and services. These themes fall within the four pillars of the SDG framework: *Practices, People, Prosperity* and *Planet*.



SUSTAINABLE DEVELOPMENT GOALS ASSESSMENT CRITERIA⁶

LEVEL	EXPLANATION
EXCELLENT	The issuer makes an excellent contribution to the relevant theme, including major involvement in the production of sustainable goods or services.
GOOD	The issuer makes a good contribution to the relevant theme, including minor involvement in the production of sustainable goods or services.
NEUTRAL	The issuer's contribution to the relevant theme is neutral. The issuer is not involved in controversial activities that work against the achievement of the SDGs.
POOR	The issuer is involved in controversial activities that work against the achievement of the SDGs.

⁵ Source: Vigeo Eiris' Sustainable Development Goals Assessment.

⁶ Criteria based upon Vigeo Eiris' Sustainable Development Goals Assessment, accessed via VE Datalab Platform, data as at 31 August 2020.

This publication has been prepared by Perpetual Investment Management Limited (PIML) ABN 18 000 866 535, AFSL No 234426. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. The PDS for the Perpetual Ethical SRI Fund, issued by PIML, should be considered before deciding whether to acquire or hold units in that fund. The PDS can be obtained by calling 1800 022 033 or visiting our website www.perpetual.com.au. No company in the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries) guarantees the performance of any fund or the return of any investor's capital. Past performance is not indicative of future performance.

3075_0920

MORE INFORMATION

Adviser Services 1800 062 725

Investor Services 1800 022 033

Email investments@perpetual.com.au

www.perpetual.com.au

