

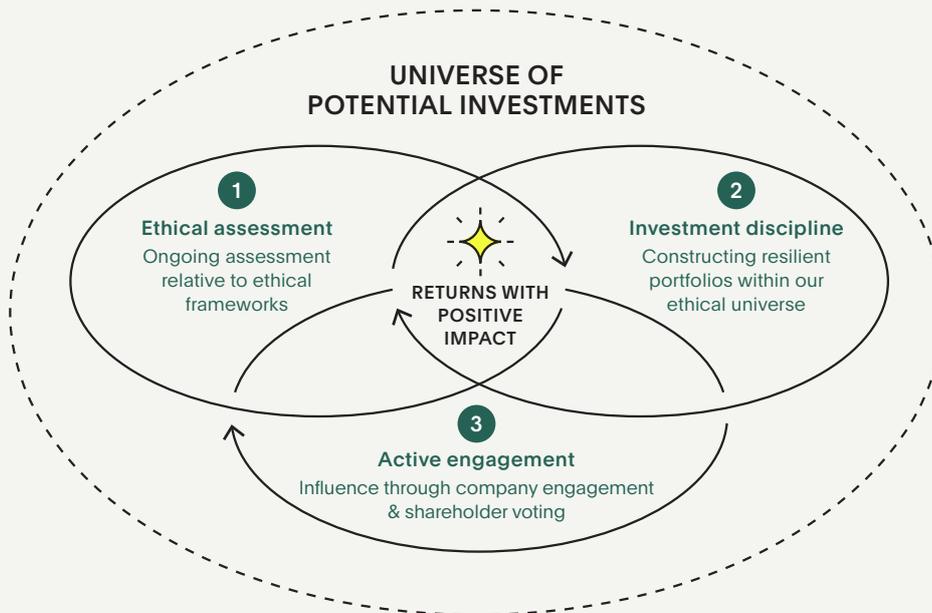
Australian Shares Portfolio

Combining market-leading ethics
and active management

For over 35 years, we've been leading the way in ethical investing. Our unique combination of ethical screening and fundamental investment analysis creates a different approach to mainstream equity portfolios. This is how we deliver both competitive returns and positive change for society and the environment.

Our unique investment approach

Every investment we make across our entire \$6 billion portfolio must meet the requirements of our Ethical Charter. It guides us to parts of the economy that are good for the planet, people and animals and away from harmful sectors. We believe companies with a social and environmental purpose as part of their competitive strategy, will thrive in and help create a low carbon and equitable future.



- 1 Since 1986 we've been guided by our Ethical Charter to choose companies making a positive impact and to avoid those that don't.
- 2 Once identified, our investment team uses fundamental analysis to determine whether those companies qualify as portfolio candidates for our active strategies.
- 3 We don't just set and forget, monitoring and active engagement of investee companies is an important part of our process.

We make good investments in:

- ✓ Clean energy
- ✓ Sustainable products
- ✓ Medical solutions
- ✓ Innovative technology
- ✓ Responsible banking
- ✓ Healthcare
- ✓ Recycling
- ✓ Energy efficiency
- ✓ Education
- ✓ Aged care

We avoid companies involved in:

- ✗ Coal
- ✗ Coal seam gas
- ✗ Oil
- ✗ Weapons
- ✗ Tobacco
- ✗ Old growth forest logging
- ✗ Exploitation
- ✗ Gambling
- ✗ Human rights abuses
- ✗ Harmful products

Australian Shares SMA strategy

Leveraging the expertise and experience of our award-winning investment team, the Australian Ethical Australian Shares Portfolio is an actively-managed concentrated portfolio of between 15 to 30 holdings with a mix of quality growth stocks and traditional yielding stocks shaped by our Australian Ethical Charter.

Consisting of companies we already hold in the Australian Shares Fund, the SMA strategy has a large cap bias in sectors such as health care, technology, renewables and finance.

Together with our time-tested, bottom-up valuation process, our objective is to deliver outperformance for investors who prefer the transparency and flexibility of an SMA strategy.



Ethical approach

Our investment philosophy is centred around the 23 principles of our Ethical Charter that seeks out investments with positive impact while avoiding those that do harm.



Award-winning active management

This model leverages the team, process and 20+ year track record of our award-winning Australian Shares Fund.



A portfolio that aligns with client values

Suitable for investors looking for an ethically-screened, active investment approach. We exclude companies that cause unnecessary harm to people, the planet and animals, while seeking out positive future-building investments like healthcare, renewables and enabling technologies.



Ahead of the curve

Incorporating ethics into our investment process helps us identify risks and opportunities earlier than most other funds. For example, we've been assessing exposure to climate change risk for decades.

Award winning investment team



Ethical credentials



At a glance

Ethically-screened

Actively-managed

A portfolio of 15 to 30 stocks with a large cap bias

No exposure to tobacco, gambling & fossil fuel companies*

Higher allocations to health care, renewables, financials & IT

Transparency and flexibility of an SMA strategy

Top holdings

As at 31 December 2021

Company	Sector
Healius	Health Care
Mirvac Group	Real Estate
Contacts Energy	Utilities (renewables)
Cochlear	Health Care
Link Administration	IT
Bank of Queensland	Financials
National Australia Bank	Financials
Meridian Energy	Utilities (renewables)
Graincorp	Consumer Staples
Westpac	Financials

Key facts

Benchmark

S&P/ASX 200
Accumulation Index

Suggested investment timeframe

7 years

Suggested minimum investment

\$25,000

MER

0.69% pa

Asset allocation range

90-100% Australian equities
and 0-10% Cash

Typical number of stocks

15 - 30

Risk level

Very high

Platforms

- Praemium
- Hub24

**Australian
Ethical**



* We don't invest in companies whose main business is fossil fuels, or in diversified companies that earn some fossil fuel revenue and aren't creating positive impact with their other activities. We may invest in a diversified company which is having a positive impact in other ways such as producing renewable energy, providing its negative revenue is sufficiently low (a maximum of 5% to 33% depending on the activity). We have never invested in tobacco and support Tobacco Free Portfolios. For more information, visit australianethical.com.au/why-ae/ethics/ethical-criteria

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The information in this report is general information only and does not take into account your personal financial situation, objectives or needs. You should consider obtaining financial advice that is tailored to suit your personal circumstances before making an investment decision. Please read the Financial Services Guide and the relevant Product Disclosure Statement(s) and Target Market Determination as well as other important available on our website for information about our products.

Past performance is not a reliable indicator of future performance.

Find out more

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