

Australian Ethical is one of Australia's leading ethical fund managers. By investing responsibly in well-managed ethical companies, we deliver competitive financial performance to our clients and positive change to society and the environment. Since our inception in 1986, our Ethical Charter has guided all investment decisions and underpinned our business practices. Every year 10 per cent of our profits\* are distributed to charitable organisations and social impact initiatives through The Australian Ethical Foundation.

## Investment objective

To provide long-term growth by investing in small capitalisation companies that meet the Australian Ethical Charter.

## Price information

Pricing frequency: Daily

Buy/Sell spread: 0.15%/0.15%

## Fund facts

Fund size: \$15.76m

Benchmark: S&P ASX Small Industrials

Asset class: Equity

Inception date: 30/06/2015

Minimum investment timeframe: 7 Years

Risk level: Very high

## Identifiers

ISIN code: AU60AUG00267

APIR code: AUG0026AU

## Distributions

Frequency: 2

Dates: 30/06, 31/12

## Fees

Management costs - PDS: 1.69%

Performance fee: 20%

Minimum initial investment: \$1,000  
\$500 with a Regular investor plan

Additional transactional and operational costs: 0.00%

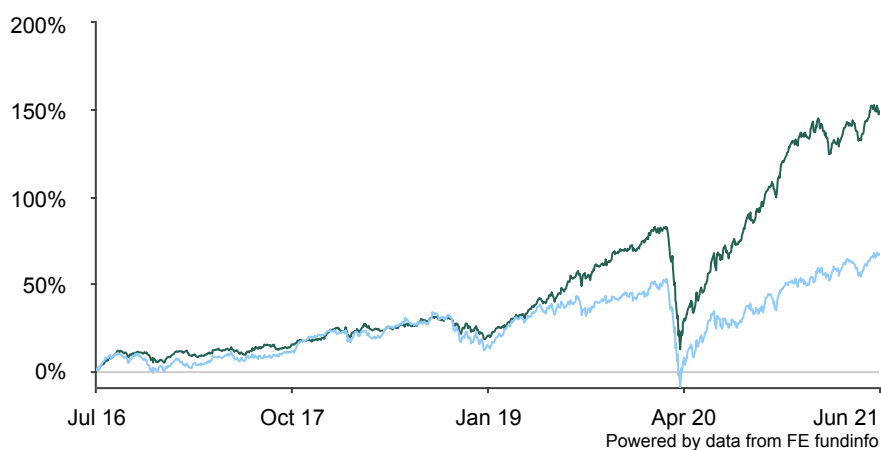
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website [australianethical.com.au](http://australianethical.com.au)

\*(after tax, before bonus expense)

## Investment strategy

The opportunity to invest in a diversified portfolio of shares in small capitalisation companies on the basis of their social, environmental and financial credentials. The Fund utilises an active stock-picking management style with stocks selected for growth rather than income. All stocks are chosen on the basis of relative value where we deem the risks are being adequately priced.

## Cumulative performance (as at 30/06/2021)



■ Australian Ethical Emerging Companies  
■ Benchmark

## Performance (as at 30/06/2021)

|           | 1m   | 3m   | 6m    | 1y    | 3y    | 5y    | 10y | Since inception |
|-----------|------|------|-------|-------|-------|-------|-----|-----------------|
| Fund      | 2.3% | 8.4% | 6.4%  | 50.3% | 25.3% | 20.0% | -   | 19.4%           |
| Benchmark | 3.9% | 7.3% | 10.9% | 33.0% | 9.4%  | 10.8% | -   | 11.1%           |

## Calendar Performance (as at end 2020)

|           | CY2020 | CY2019 | CY2018 | CY2017 | CY2016 |
|-----------|--------|--------|--------|--------|--------|
| Fund      | 35.1%  | 44.7%  | -2.4%  | 11.4%  | 10.1%  |
| Benchmark | 5.9%   | 24.5%  | -6.5%  | 15.7%  | 6.2%   |

Source: FE fundinfo.

Total returns are calculated using the sell (exit) price, net of management fees and gross of tax as if distributions of income have been reinvested at the actual distribution reinvestment price. The actual returns received by an investor will depend on the timing, buy and exit prices of individual transactions. Return of capital and the performance of your investment in the fund are not guaranteed. Past performance is not a reliable indicator of future performance. Figures showing a period of less than one year have not been adjusted to show an annual total return. Figures for periods of greater than one year are on a per annum compound basis. The current benchmark may not have been the benchmark over all periods shown in the above chart and tables. The calculation of the benchmark performance links the performance of previous benchmarks and the current benchmark over the relevant time periods.

## Top 10

|  |      |
|--|------|
| CONTACT ENERGY LTD                         | 3.6% |
| BIGTINCAN HOLDINGS LTD                     | 3.4% |
| GENWORTH MORTGAGE INSURANCE                | 3.2% |
| HEALIUS LTD                                | 3.2% |
| MACH7 TECHNOLOGIES LTD                     | 3.0% |
| COGSTATE LIMITED                           | 3.0% |
| URBANISECOM LTD                            | 2.5% |
| NITRO SOFTWARE LTD                         | 2.5% |
| CV CHECK LTD                               | 2.4% |
| MACQUARIE TELECOM GROUP LTD<br>ORD F/PD DS | 2.2% |

## Ratings and awards

### RIAA rating:



CERTIFIED BY RIAA

### UNPRI signatory:



## Why invest ethically?

**Portfolio diversification:** Diversify your portfolio by investing in companies and sectors not well covered by other fund managers and brokers.

**Help build a better world:** Invest in the new, low-carbon economy, fund medical and technology breakthroughs, efficient transport and more.

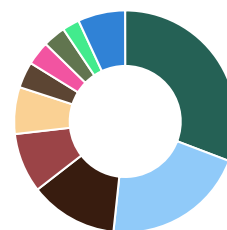
**Promote human rights:** We strive to avoid any investment in companies involved in the poor treatment of asylum seekers or the exploitation of workers through poor working conditions.

## Need Help?

Contact us between 9:00am-5:00pm  
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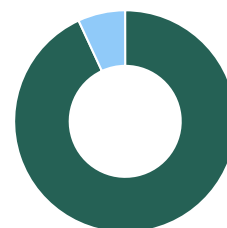
## Sector allocation

|                        |       |
|------------------------|-------|
| Information Technology | 30.8% |
| Health Care            | 20.9% |
| Financials             | 12.8% |
| Communication Services | 8.7%  |
| Utilities              | 6.8%  |
| Industrials            | 3.8%  |
| Consumer Discretionary | 3.5%  |
| Consumer Staples       | 3.3%  |
| Materials              | 2.5%  |
| Other                  | 6.9%  |



## Asset allocation

|                           |       |
|---------------------------|-------|
| Australian & NZ Small Cap | 93.1% |
| Cash                      | 6.9%  |



## Commentary

Global markets posted another strong quarter with the MSCI World Index appreciating 7.7%. This was driven by the US where the S&P 500 rose 8.6%. Australia kept pace, with the ASX 200 up 8.3% driven by cyclical sectors Financials and Materials. Performance in equity markets was driven by improved economic activity, the roll out of the vaccination program and strong monetary and fiscal support. This improved economic activity was reflected in a rising Purchasing Managers' Index. Unemployment rates are falling faster than anticipated, and YoY Inflation rates have continued to rise – prompting investors to pay close attention to how Central Banks will react.

The Emerging Companies Fund (retail) returned 8.4% (Wholesale class: 8.5%), outperforming its benchmark index over the quarter by 1.1% (Wholesale class: 1.2%) with technology names leading this outperformance. The strong technology companies included SaaS names Bigtincan, strata and facilities management company Urbanise, education technology company Janison and SaaS telematics company Eroad. The strongest individual stock performer was neurologically focussed contract research organisation Cogstate after the first disease changing Alzheimer's drug was approved by the FDA. We were pleased with the performance of renewable energy generator and retailer Contact Energy which recovered some of its previous losses on news it was expanding its geothermal generation capacity. The detractors included radiology software provider Mach7, while disappointingly Cyclopharm's medical device approval in the US was delayed. Mortgage insurer GMA fell on news CBA was putting its mortgage insurance business up for tender.

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