

# Australian Ethical Australian Shares Fund (Wholesale)

Australian Ethical



Fund Profile - 30 June 2021

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 focusing on Australian companies that meet the Australian Ethical Charter.

## Price information

**Pricing frequency:** Daily

**Buy/Sell spread:** 0.15%/0.15%

## Fund facts

**Fund size:** \$565.26m

**Benchmark:** S&P/ASX 300 Accumulation

**Asset class:** Equity

**Inception date:** 23/01/2012

**Minimum investment timeframe:** 7 Years

**Risk level:** Very high

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## Identifiers

**ISIN code:** AU60AUG00184

**APIR code:** AUG0018AU

## Distributions

**Frequency:** 2

**Dates:** 30/06, 31/12

## Fees

**Management costs - PDS:** 1.10%

**Minimum initial investment:** \$25,000 minimum in the Fund and \$500,000 investment across Australian Ethical's managed funds.

**Additional transactional and operational costs:** 0.04%

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)

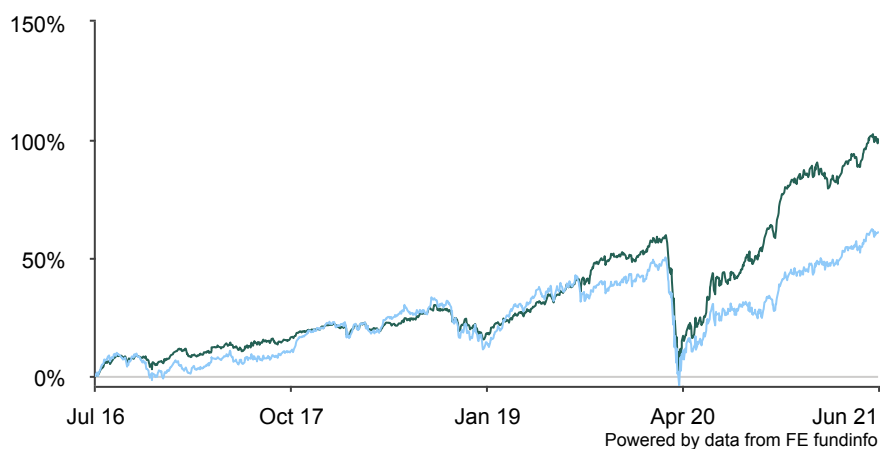
\*(after tax, before bonus expense)

\*\*Benchmark is the composite S&P/ASX Small Industrials Accumulations Index from inception until 12 August 2019 and the S&P/ASX 300 Accumulation Index thereafter.

## Investment strategy

The opportunity to invest in a diversified share portfolio of companies predominately listed on the ASX and selected on the basis of their social, environmental and financial credentials. The Fund utilises an active stock-picking management style with stocks generally selected for growth rather than income, with a bias towards smaller capitalisation stocks listed on the ASX. 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 Australian Shares  
■ Benchmark

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

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	2.0%	9.3%	9.3%	43.1%	17.3%	14.9%	-	16.1%
Benchmark	2.3%	8.5%	13.0%	28.5%	8.0%	10.0%	-	10.9%

## Calendar Performance (as at end 2020)

	CY2020	CY2019	CY2018	CY2017	CY2016
Fund	21.0%	28.1%	-2.8%	10.6%	9.2%
Benchmark	1.7%	22.5%	-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.

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## Top 10

BANK OF QUEENSLAND LIMITED	3.9%
HEALIUS LTD	3.8%
MACQUARIE TELECOM GROUP LTD ORD F/PD DS	3.7%
MIRVAC GROUP STAPLED SECURITIES	3.4%
COCHLEAR LTD	3.0%
CONTACT ENERGY LTD	3.0%
SUNCORP GROUP LIMITED	2.9%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	2.9%
BENDIGO AND ADELAIDE BANK LIMITED	2.8%
GENWORTH MORTGAGE INSURANCE	2.7%

## Ratings and awards

RIAA rating:



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.

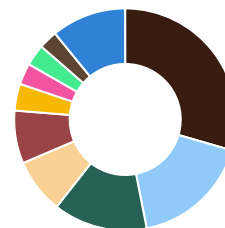
**Promote human rights:** We strive to avoid any investment in companies involved in the poor treatment of asylum seekers or the exploitation of workers through poor working conditions.

## Need Help?

Contact us between 9:00am-5:00pm  
AEST Monday-Friday on:  
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**F** 02 9252 1987  
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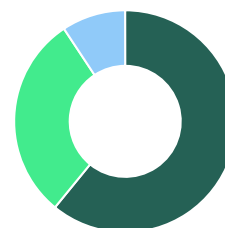
## Sector allocation

Financials	29.5%
Health Care	17.4%
Information Technology	13.7%
Utilities	8.0%
Communication Services	7.7%
Real Estate	3.9%
Consumer Discretionary	3.1%
Materials	3.1%
Industrials	2.7%
Other	10.9%



## Asset allocation

Australian & NZ Small Cap	60.9%
Australian & NZ large cap	29.8%
Cash	9.3%



## 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 Australian Shares Fund (retail) returned 9.1% (Wholesale class: 9.3%), outperforming its benchmark index over the quarter by 0.6% (Wholesale class: 0.8%) with technology names leading this outperformance. The strong technology companies include SaaS company Bigtincan, telematics company Eroad, wealth management software company Bravura Solutions, PDF and e-signature company Nitro Software. The strongest individual stock contributor was real-estate company Mirvac which appreciated strongly after its property portfolio was not significantly impacted by Covid-19. Another individual strong stock performer was neurologically focussed contract research organisation Cogstate after an Alzheimer's drug was approved by the FDA. Hearing company Cochlear business continues to rebound while renewable energy company Contact Energy recovered some of its previous losses on news it was expanding its geothermal generation.

The detractors included radiology software provider Mach7, while disappointingly Cyclopharm 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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