

Australian Ethical Advocacy Fund (Wholesale)

FUND PROFILE - 31 MARCH 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 through investment in listed companies on Australian and international stock exchanges that meet the Australian Ethical Charter. A small number of shares which fail to meet the charter may be purchased from time to time to allow advocacy activities to progress. These additional shares will not materially affect the Fund's investment returns.

Price information

| | |
|--------------------|-------------|
| Pricing frequency: | Daily |
| Buy/Sell spread: | 0.05%/0.05% |

Fund facts

| | |
|-------------------------------|---------------------------------------|
| Fund size: | \$52.40m |
| Benchmark: | Australian Ethical Advocacy Composite |
| Asset class: | Equity |
| Inception date: | 13/01/2012 |
| Minimum investment timeframe: | 7 Years |
| Risk level: | High |

Identifiers

| | |
|------------|--------------|
| ISIN code: | AU60AUG00200 |
| APIR code: | AUG0020AU |

Distributions

| | |
|------------|--------------|
| Frequency: | 2 |
| Dates: | 30/06, 31/12 |

Fees

| | |
|---|----------|
| Management costs - PDS: | 0.95% |
| Minimum initial investment: | \$25,000 |
| Additional transactional and operational costs: | 0.00% |

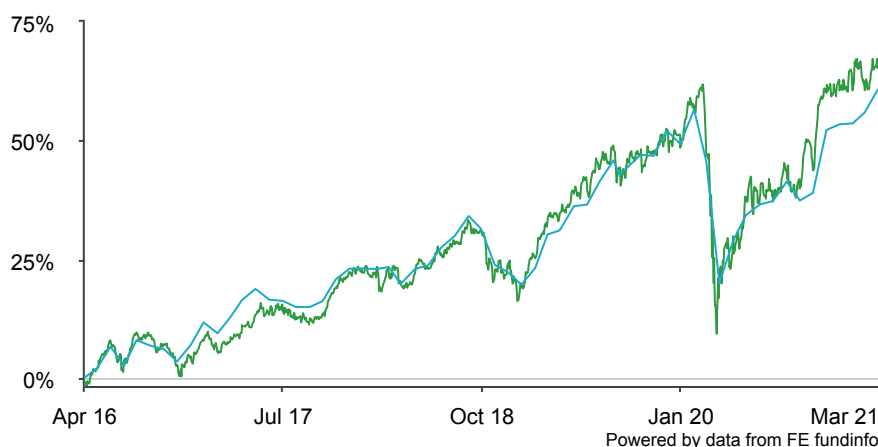
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(after tax, before bonus expense)

Investment strategy

The opportunity to invest in a diversified share portfolio of Australian and international companies, which meet the Australian Ethical Charter. Generally, all Australian and New Zealand investments will have a market capitalisation greater than the 200th ranked stock listed on the ASX. As an advocacy fund, one of the main purposes of the Fund is to engage directly with companies to pursue improved corporate behaviours in line with the Australian Ethical Charter.

Cumulative performance (as at 31/03/2021)



■ Australian Ethical Advocacy
■ Benchmark

Performance (as at 31/03/2021)

| | 1m | 3m | 6m | 1y | 3y | 5y | 10y | Since inception |
|-----------|------|------|-------|-------|-------|-------|-----|-----------------|
| Fund | 3.5% | 3.6% | 18.8% | 36.2% | 11.6% | 10.7% | - | 12.8% |
| Benchmark | 3.1% | 4.8% | 17.0% | 33.9% | 10.3% | 10.0% | - | 11.6% |

Calendar Performance (as at end 2020)

| | CY2020 | CY2019 | CY2018 | CY2017 | CY2016 |
|-----------|--------|--------|--------|--------|--------|
| Fund | 8.1% | 23.9% | -1.9% | 13.3% | 7.3% |
| Benchmark | 2.7% | 24.7% | -2.8% | 10.2% | 7.1% |

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

| | |
|---|------|
| CSL LIMITED | 1.9% |
| WESTPAC BANKING CORPORATION ORD F/ PD SHARES | 1.8% |
| NATIONAL AUSTRALIA BANK | 1.8% |
| TELSTRA CORPORATION LTD | 1.7% |
| GOODMAN GROUP | 1.5% |
| FISHER & PAYKEL HEALTHCARE CORPORATION | 1.3% |
| COCHLEAR LTD | 1.3% |
| SONIC HEALTHCARE | 1.2% |
| RESMED INC | 1.2% |
| RAMSAY HEALTH CARE LTD | 1.2% |

Ratings and awards

RIAA rating:



CERTIFIED BY RIAA

UNPRI signatory:

Signatory of:



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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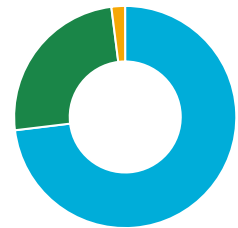
Sector allocation

| | |
|------------------------|-------|
| Financials | 21.1% |
| Information Technology | 17.8% |
| Health Care | 12.8% |
| Communication Services | 11.6% |
| Real Estate | 10.1% |
| Industrials | 9.6% |
| Materials | 5.5% |
| Utilities | 4.6% |
| Consumer Discretionary | 3.2% |
| Other | 3.6% |



Asset allocation

| | |
|------------------------|-------|
| Australian & NZ Shares | 73.1% |
| International Shares | 24.9% |
| Cash | 2.0% |



Commentary

The March quarter was marked by unique political, economic and market events. The storming of Capitol Hill in the US, followed by the impeachment process of then President Trump, the spike in COVID cases (particularly in the UK where new cases peaked at 68,000 on a single day) and the strange market behaviour surrounding subreddit Wall Street Bets and Gamestop. However despite the noise, global markets performed strongly over the quarter with the MSCI World index rising 5.7%, reflecting broad positive market performance across regions. The positive performance was driven by the continued recovery in major economies supported by significant fiscal spending, accommodative monetary policy, and the ongoing vaccine rollout. Despite the general positive performance, the quarter was marked by periods of volatility, largely triggered by a sharp uptick in bond yields as future inflation concerns grew.

The Advocacy Fund appreciated 3.3% (Wholesale 3.6%) over the March quarter, underperforming its benchmark which increased 4.9%. The domestic portfolio of the Fund increased by 2.2% versus its benchmark ASX200 which increased 4.2%. The international portfolio outperformed its benchmark, returning 8.1% versus 6.3%.

In the domestic portfolio, the sectors contributing mostly to performance were Materials and Industrials. The Fund is substantially underweight in Materials as it contains mainly resource stocks, however our holding in Pilbara Minerals, which appreciated 20% over the quarter, was a large contributor to performance. In Industrials, it was stock selection which generated the performance. The sectors that detracted performance were Financials and IT. In the Financials sector all the banks performed strongly but as the Fund is underweight in banks (no ANZ or CBA) this negatively affected performance. The Fund is overweight in the IT sector which underperformed over the quarter.

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