

Australian Ethical Australian Shares 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 focusing on Australian companies that meet the Australian Ethical Charter.

Price information

Pricing frequency: Daily

Buy/Sell spread: 0.20%/0.20%

Fund facts

Fund size: \$472.29m

Benchmark: S&P/ASX 300 Accumulation

Asset class: Equity

Inception date: 23/01/2012

Minimum investment timeframe: 7 Years

Risk level: Very high

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

*(after tax, before bonus expense)

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 31/03/2021)



■ Australian Ethical Australian Shares
■ Benchmark

Performance (as at 31/03/2021)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	-0.2%	-0.1%	19.7%	59.4%	15.1%	13.9%	-	15.5%
Benchmark	2.3%	4.2%	18.5%	38.3%	7.5%	8.6%	-	10.3%

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	4.3%
MACQUARIE TELECOM GROUP LTD ORD F/ PD DS	3.8%
HEALIUS LTD	3.8%
GENWORTH MORTGAGE INSURANCE	3.5%
MIRVAC GROUP STAPLED SECURITIES	3.3%
WESTPAC BANKING CORPORATION ORD F/ PD SHARES	3.1%
BENDIGO AND ADELAIDE BANK LIMITED	3.1%
COCHLEAR LTD	3.1%
NATIONAL AUSTRALIA BANK	3.0%
SUNCORP GROUP LIMITED	2.7%

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

AEST Monday-Friday on:

t 1800 021 227

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Australian Ethical Investment Ltd

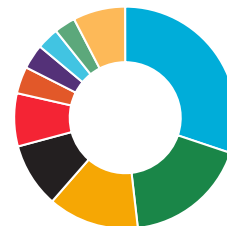
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

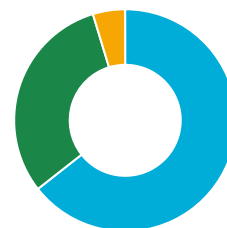
Sector allocation

Financials	30.1%
Health Care	18.0%
Information Technology	13.2%
Communication Services	9.4%
Utilities	7.7%
Real Estate	3.9%
Consumer Discretionary	3.6%
Materials	3.2%
Industrials	3.1%
Other	7.6%



Asset allocation

Australian & NZ Small Cap	64.4%
Australian & NZ Large Cap	30.9%
Cash	4.7%



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 Australian Shares Fund returned -0.3% (Wholesale -0.1%) underperforming its benchmark index over the quarter by 4.4% with our technology stocks explaining some of this under-performance. While Nitro, Bigtincan and Limeade detracted from quarterly performance we continue to believe globally focussed software technology has attractive long-term thematic drivers. The small-cap component of the Fund was also a detractor this quarter but remains a significant contributor to outperformance over longer periods. The renewable energy utility companies out of New Zealand were detractors after Contact Energy and Meridian Energy were significantly down weighted in a planned rebalance of the S&P Global Clean Energy Index. Our underweighting in large banks as well as the consumer discretionary sector detracted from quarterly performance.

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