

# Australian Ethical Balanced Fund (Wholesale)

Fund Profile - 30 September 2021

Australian  
Ethical



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 investors with a balance between capital growth and a moderate level of income through a diversified portfolio of assets that supports the Australian Ethical Charter.

## Price information

Pricing frequency: Daily

Buy/Sell spread: 0.05%/0.05%

## Fund facts

Fund size: \$219.97m

Benchmark: Australian Ethical Balanced Composite

Asset class: Mixed Asset

Inception date: 28/03/2018

Minimum investment timeframe: 5 years

Risk level: Medium-High

## Identifiers

ISIN code: AU60AUG00176

APIR code: AUG0017AU

## Distributions

Frequency: 2

Dates: 30/06, 31/12

## Fees

Management costs - PDS: 0.85%

Minimum initial investment: \$25,000  
minimum in the Fund and \$200,000 investment across Australian Ethical's managed funds.

Additional transactional and operational costs: 0.02%

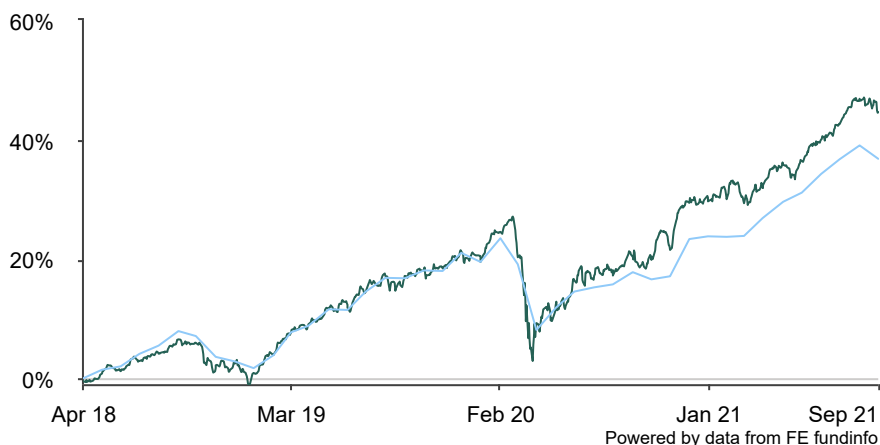
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website [australianethical.com.au](http://australianethical.com.au)

\*(after tax, before bonus expense)

## Investment strategy

The opportunity to invest in a diversified portfolio of asset types and markets to reduce the volatility of returns. Asset classes include Australian and international shares, property and fixed income securities.

## Cumulative performance (as at 30/09/2021)



■ Australian Ethical Balanced  
■ Benchmark

## Performance (as at 30/09/2021)

|           | 1m    | 3m   | 6m   | 1y    | 3y    | 5y | 10y | Since inception |
|-----------|-------|------|------|-------|-------|----|-----|-----------------|
| Fund      | -1.5% | 3.3% | 9.3% | 20.6% | 10.9% | -  | -   | 11.1%           |
| Benchmark | -1.6% | 1.9% | 7.8% | 17.3% | 8.5%  | -  | -   | 9.3%            |

## Calendar Performance (as at end 2020)

|           | CY2020 | CY2019 | CY2018 | CY2017 | CY2016 |
|-----------|--------|--------|--------|--------|--------|
| Fund      | 8.5%   | 18.4%  | -      | -      | -      |
| Benchmark | 3.6%   | 17.4%  | -      | -      | -      |

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

|   |      |
|---|------|
| DEXUS HEALTHCARE PROPERTY FUND ORDINARY UNITS | 4.5% |
| INVESTA PROPERTY GROUP                        | 3.8% |
| AUSTRALIAN GOVERNMENT 0-25 SER159 21/11/2024  | 1.6% |
| MICROSOFT CORP                                | 1.2% |
| ALPHABET INC-CL A                             | 0.9% |
| WESTPAC BANKING CORPORATION ORD F/PD SHARES   | 0.9% |
| NATIONAL AUSTRALIA BANK                       | 0.8% |
| AUSTRALIAN GOVERNMENT 4-25 21/04/2026         | 0.6% |
| BANK OF QUEENSLAND LIMITED                    | 0.6% |
| SUNCORP GROUP LIMITED                         | 0.6% |

## Ratings and awards

RIAA rating:



## 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

F 02 9252 1987

E [investors@australianethical.com.au](mailto:investors@australianethical.com.au)

W [australianethical.com.au](http://australianethical.com.au)

Australian Ethical Investment Ltd

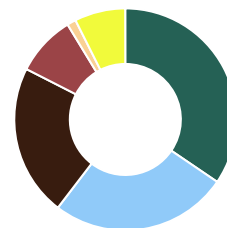
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

## Asset allocation

|   |       |
|---|-------|
| Australian & NZ Shares                        | 34.5% |
| International Shares                          | 25.9% |
| Australian Fixed Interest                     | 22.1% |
| Property                                      | 8.8%  |
| Alternative Assets                            | 1.3%  |
| Cash, FRN's and short duration fixed interest | 7.4%  |



## Commentary

The MSCI World Index returned 0.7% (measured in local currency) over the September quarter. Despite an initial pullback in July due to the spread of the Delta variant, by early September the MSCI World was up 5.1% for the quarter. However, most of these gains were eroded through the remainder of September. US economic growth appeared to show signs of slowing, and US fiscal and monetary support slowly began to be withdrawn. In China, news that property development goliath Evergrande is on the brink of collapse, piled onto concerns around the CCP crackdown on tech companies and slowing economic growth. While most markets ended reasonably flat, Hong Kong's Hang Seng index fell 13.9% (in HKD) over the quarter. In bond markets the Australian 10-year government bond yield finished approximately where it started. Yields spiked back up in late September, having fallen below 1.2% on concerns Delta may disrupt the economic recovery, as central banks globally turned more hawkish.

The Balanced Fund finished the quarter up 3.1% (Wholesale Fund: 3.3%). The Domestic Equities portfolio was the largest driver of returns, up 5.7% against the S&P/ASX 200 index return of 1.7%. The Materials and Communication Services sectors were the largest contributors to the outperformance. The Fund, which is substantially underweight in the Materials sector, provided a sector return of 5.1% against the benchmark return of -9.9%. An overweight position to Communication Services, in addition to stock selection, was another strong contributor to the outperformance.

The International Equities portfolio returned 4.6%, outperforming its benchmark, the MSCI World Ex AU, which returned 4%. Consumer Discretionary, despite a substantial underweight position, was the largest driver of outperformance as the stocks held significantly outperformed the sector. The Financial and Communication Services sectors, where the Fund has overweight positions, also both contributed positively to the outperformance.

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