

Australian Ethical Diversified Shares Fund (Wholesale)

Fund Profile - 30 September 2022

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 long-term growth through investment in listed companies on Australian and international stock exchanges that meet the Australian Ethical Charter.

Price information

Pricing frequency: Daily

Buy/Sell spread: 0.05%/0.05%

Fund facts

Fund size: \$251.81m

Benchmark: Australian Ethical Diversified Shares Composite

Asset class: Equity

Inception date: 23/01/2012

Minimum investment timeframe: 7 Years

Risk level: High

Identifiers

ISIN code: AU60AUG00192

APIR code: AUG0019AU

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%

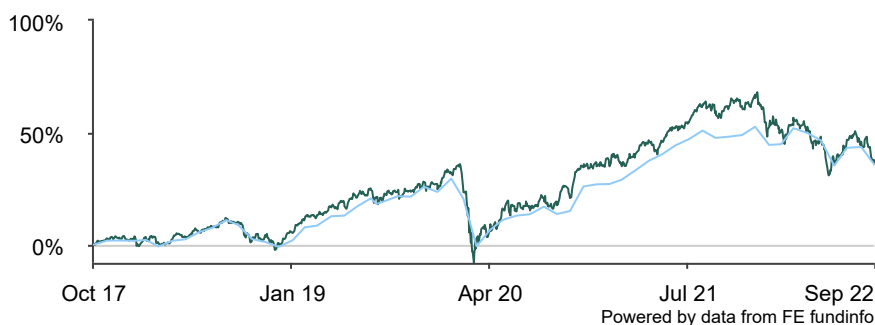
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(after tax, before bonus expense)

Investment strategy

The opportunity to invest in a diversified share portfolio of Australian and international companies on the basis of their social, environmental and financial credentials. Generally, all Australian investments will have a market capitalisation greater than the 200th ranked stock listed on the ASX. The Fund has a low level of turnover and aims to be fully invested at all times.

Cumulative performance (as at 30/09/2022)



■ Australian Ethical Diversified Shares
■ Benchmark

Performance (as at 30/09/2022)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	-6.6%	0.4%	-12.3%	-14.6%	3.3%	7.4%	11.0%	11.4%
Benchmark	-5.4%	0.4%	-10.7%	-8.0%	3.7%	7.1%	10.6%	11.4%

Calendar Performance (as at end 2021)

	CY2021	CY2020	CY2019	CY2018	CY2017
Fund	22.6%	8.2%	23.9%	-1.9%	13.3%
Benchmark	20.3%	2.7%	24.7%	-2.8%	10.2%

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

CSL LIMITED	2.0%
NATIONAL AUSTRALIA BANK	1.8%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	1.7%
PILBARA MINERALS LTD	1.6%
TELSTRA CORPORATION LTD	1.5%
MACQUARIE GROUP LTD	1.5%
WOOLWORTHS GROUP LIMITED	1.4%
RESMED INC	1.4%
WESFARMERS LIMITED ORD FULLY PAID SHARES	1.3%
COLES GROUP LTD	1.3%

Ratings and awards

RIAA

Certification:



CERTIFIED BY RIAA

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 Monday-Friday on:

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Australian Ethical Investment Ltd

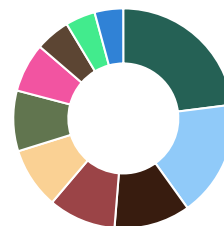
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

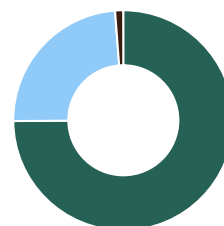
Sector allocation

Financials	23.0%
Information Technology	17.1%
Health Care	11.2%
Real Estate	9.9%
Communication Services	9.0%
Industrials	8.9%
Materials	7.2%
Consumer Discretionary	5.1%
Consumer Staples	4.4%
Other	4.2%



Asset allocation

Australian & NZ Shares	74.9%
International Shares	23.9%
Cash	1.2%



Commentary

The MSCI World ex AU index finished the quarter down 4.4% as pent-up demand, ongoing impacts from COVID-19, and the conflict in Ukraine continues to put pressure on inflation. In the US YoY CPI rose to 9.1% in August. In Australia June CPI rose to 6.1% YoY, the highest annual change in over 30 years. The global economy faces a bleak outlook, with Europe facing a looming energy crisis, most developed market Central Banks rapidly raising rates to tackle inflation, while in China the People's Bank of China has been loosening policy as its economy slows to its lowest rate of growth in decades, driven by an ongoing property crisis and continued lockdowns as part of its zero-COVID policy.

The Diversified Shares Fund increased by 0.3% (0.4% Wholesale) over the September quarter relative to its benchmark which increased 0.50%. However, the domestic portfolio (75% of the total fund) increased by 1.58% versus its benchmark ASX200 which increased 0.39%, resulting in outperformance of 1.2% (before fees). The international portfolio underperformed its benchmark, returning -2.3% versus 0.4%.

In the domestic portfolio, the sectors contributing to performance were Materials and IT. The Fund is substantially underweight Materials, however it does hold three lithium stocks which substantially outperformed. The Fund is substantially overweight the IT sector which contributed to positive performance. The sectors that detracted performance were Financials, Consumer Staples and Healthcare. The Fund is underweight Financials where the major banks not held (due to our ethical selection process) outperformed. Consumer Staples and Healthcare are overweight sectors where stock selection resulted in underperformance.

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