

# Australian Ethical Diversified Shares Fund (Wholesale)

Fund Profile - 30 September 2023

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: \$272.59m

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%

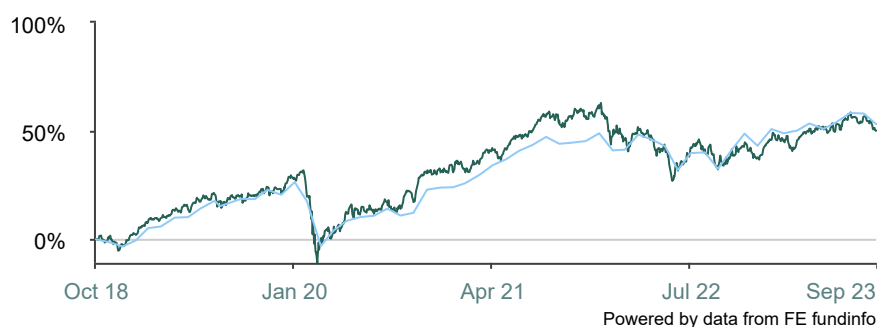
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website [australianethical.com.au](http://australianethical.com.au)

\*(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 30/09/2023)



■ Australian Ethical Diversified Shares  
■ Benchmark

## Performance (as at 30/09/2023)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	-4.2%	-2.1%	3.0%	13.5%	9.6%	7.0%	9.3%	11.6%
Benchmark	-3.1%	-0.7%	2.0%	15.6%	11.3%	7.6%	8.8%	11.8%

## Calendar Performance (as at end 2022)

	CY2022	CY2021	CY2020	CY2019	CY2018
Fund	-14.0%	22.6%	8.2%	23.9%	-1.9%
Benchmark	-3.9%	20.3%	2.7%	24.7%	-2.8%

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

NATIONAL AUSTRALIA BANK	2.2%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	2.0%
CSL LIMITED	2.0%
MACQUARIE GROUP LTD	1.8%
TELSTRA GROUP LIMITED	1.8%
WESFARMERS LIMITED ORD FULLY PAID SHARES	1.6%
GOODMAN GROUP	1.5%
WOOLWORTHS GROUP LIMITED	1.5%
APPLE INC	1.4%
PILBARA MINERALS LTD	1.4%

## 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:

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

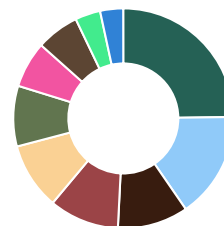
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

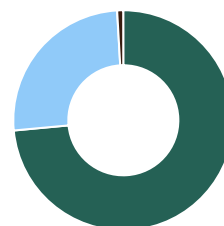
## Sector allocation

Financials	24.8%
Information Technology	15.6%
Industrials	10.4%
Health Care	10.3%
Communication Services	9.8%
Real Estate	8.9%
Materials	6.8%
Consumer Discretionary	6.3%
Consumer Staples	3.7%
Other	3.4%



## Asset allocation

Australian & NZ Shares	73.6%
International Shares	25.6%
Cash	0.9%



## Commentary

Both equity and bond markets fell over the quarter. Underpinning these declines was a move higher in the yield curve, with the US 10-year government bond yield increasing 76bps, exceeding 15 year highs. With inflation remaining stubbornly above the Fed's target of 2-3%, unemployment still below 4% and the oil price on the rise again, markets are repositioning for rates to remain relatively high compared to recent history over the longer term.

The Diversified Shares Fund (Wholesale) declined by 2.1% over the September quarter relative to its benchmark which declined 0.7%, resulting in underperformance of -1.2%.

In the domestic portfolio, underperformance in the September quarter was driven predominantly by strong performance in the Energy sector, in which the Fund does not have any holdings under the Ethical Charter. The Materials sector was also a negative contributor, but this was mostly due to softness in lithium stocks that the Fund holds as the lithium price weakened over the quarter. The Healthcare sector was another negative detractor from performance as a number of stocks had disappointing earnings results, while the emergence of obesity drugs impacted sentiment for Resmed, Fisher & Paykel Healthcare, and CSL. Communication Services was the best performing sector in the September quarter, with a number of positive contributors due to positive earnings results in August.

The Fund invests in the International Shares Fund which performed in line with its benchmark over the September quarter. Please refer to the International Shares Fund report for detailed attribution analysis.

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