

# Australian Ethical Advocacy Fund

FUND PROFILE - 31 MARCH 2019

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:	0.10%/0.10%

## Fund facts

Fund size:	\$3.46m
Benchmark:	Australian Ethical Advocacy Composite
Asset class:	Equity
Inception date:	18/02/2010
Minimum investment timeframe:	7 Years
Risk level:	High

## Identifiers

ISIN code:	AU60AUG00085
APIR code:	AUG0008AU

## Distributions

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

## Fees

Management costs - PDS:	1.90%
Minimum initial investment:	\$1,000 \$500 with a Regular investor plan
Additional transactional and operational costs:	0.00%

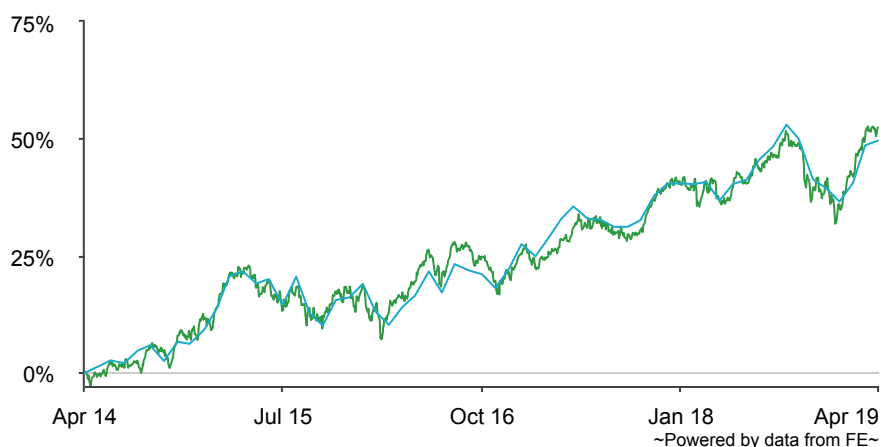
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website [australianethical.com.au](http://australianethical.com.au)

\*(after tax, before bonus expense)

## Investment strategy

The opportunity to invest in a diversified share portfolio of Australian and international companies, 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 31/03/2019)



■ Australian Ethical Advocacy  
■ Benchmark

## Performance (as at 31/03/2019)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	1.4%	12.1%	2.2%	11.3%	9.2%	8.8%	-	9.5%
Benchmark	0.7%	9.5%	-0.3%	9.4%	9.5%	8.4%	-	8.6%

## Calendar Performance (as at end 2018)

	CY2018	CY2017	CY2016	CY2015	CY2014
Fund	-3.1%	12.0%	5.9%	6.2%	15.4%
Benchmark	-2.8%	10.2%	7.1%	9.0%	11.1%

Source: FE.

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.

## Top 10

National Australia Bank Limited	2.0%
Westpac Banking Corporation	1.9%
CSL Limited	1.8%
Telstra Corporation Limited	1.8%
Goodman Group	1.6%
Dexus	1.4%
Brambles Limited	1.4%
Suncorp Group Limited	1.4%
Resmed Inc CHESS Depository Interests on a ratio of 10 CDIs per ord.sh	1.4%
Insurance Australia Group Limited	1.4%

## Ratings and awards

### RIAA rating:



### 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?

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AEST Monday-Friday on:

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Australian Ethical Investment Ltd

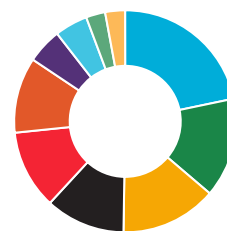
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

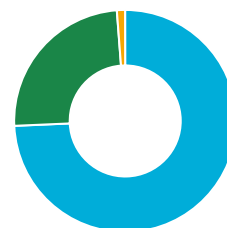
## Sector allocation

Financials	21.7%
Information Technology	14.5%
Health Care	14.0%
Industrials	11.6%
Real Estate	11.5%
Communication Services	11.0%
Utilities	5.1%
Consumer Discretionary	4.8%
Materials	2.8%
Other	2.9%



## Asset allocation

Australian & NZ Shares	74.3%
International Shares	24.5%
Cash	1.2%



## Commentary

The ASX200 (+10.9%) and global equities markets (+11.5%) grew strongly over the March quarter with the ASX200 in particular having its best quarter since September 2009.

The Diversified Shares Fund outperformed its benchmark due to both the domestic and international equities portfolios outperforming the relevant benchmarks.

Last quarter the international equities portfolio contributed to most of the outperformance but this quarter it was a stronger performance from domestic equities which was the main contributor to the Funds outperformance.

The domestic equities component of the Fund returned 12.9% (before fees) versus its benchmark, the ASX200 Industrials, which performed 8.9%, contributing a strong outperformance of 4.0%.

The sectors driving the domestic performance were Financials, IT and REITS. Within Financials the banks rebounded post the Royal Commission as the recommendations within the report were not as impactful as initially anticipated.

In IT there were two particularly well performing stocks, Appen (+74%) and Altium (+50%), which contributed to the overall sector performance. Both companies reported considerably better than expected interim financial results.

Similarly in REITS, Charter Hall produced a strong result. The only detractor was Consumer Staples where Costa and Blackmore reported weaker than expected results.

The international equities component of the Fund outperformed its benchmark by 1.1%, with the Fund appreciating 12.6% versus the MSCI ex Australia returning 11.5%.

The main markets where the Fund invests (US, France, Germany and the UK) all rebounded strongly from the previous quarter which was impacted by the US/China trade war tensions. The leading sectors were Financials and Industrials.

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# Australian Ethical Advocacy Fund (Wholesale)



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## 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:	0.10%/0.10%

## Fund facts

Fund size:	\$38.76m
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%

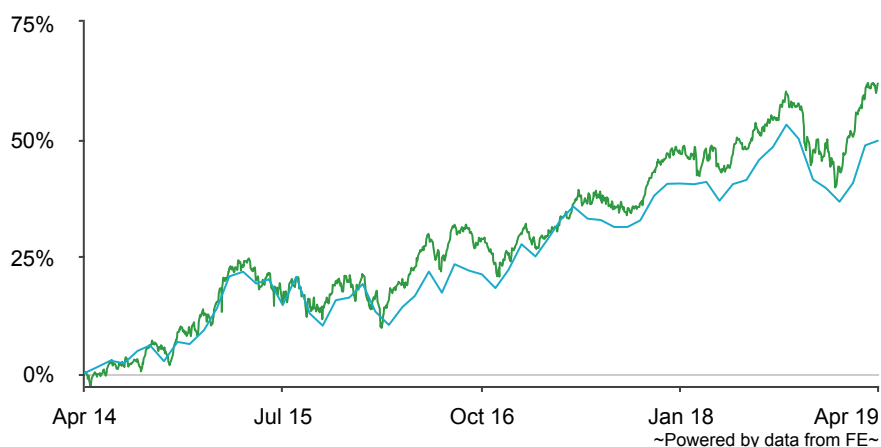
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Benchmark	0.7%	9.5%	-0.3%	9.4%	9.5%	8.4%	-	11.8%

## Calendar Performance (as at end 2018)

	CY2018	CY2017	CY2016	CY2015	CY2014
Fund	-1.9%	13.3%	7.3%	7.5%	16.8%
Benchmark	-2.8%	10.2%	7.1%	9.0%	11.1%

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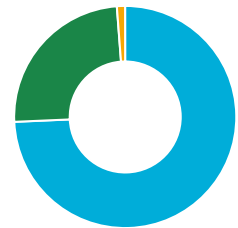
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