

# Australian Ethical Balanced 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 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: 0.10%/0.10%

## Fund facts

Fund size: \$100.34m

Benchmark: Australian Ethical Balanced Composite

Asset class: Mixed Asset

Inception date: 16/10/1989

Minimum investment timeframe: 5 years

Risk level: Medium-High

## Identifiers

ISIN code: AU60AUG00010

APIR code: AUG0001AU

## Distributions

Frequency: 2

Dates: 30/06, 31/12

## Fees

Management costs - PDS: 1.81%

Minimum initial investment: \$1,000  
\$500 with a Regular investor plan

Additional transactional and operational costs: 0.04%

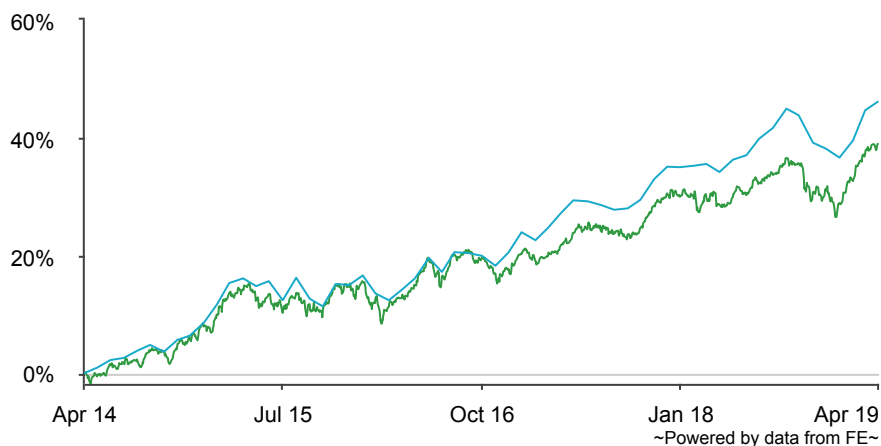
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website [australianethical.com.au](http://australianethical.com.au)

\*(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 31/03/2019)



■ Australian Ethical Balanced  
■ Benchmark

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

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	1.2%	7.8%	2.4%	8.0%	7.0%	6.8%	7.4%	6.7%
Benchmark	1.0%	6.9%	1.6%	8.9%	8.6%	7.9%	9.4%	7.4%

## Calendar Performance (as at end 2018)

	CY2018	CY2017	CY2016	CY2015	CY2014
Fund	-0.8%	8.1%	4.2%	6.9%	9.7%
Benchmark	1.2%	8.9%	6.3%	7.4%	10.1%

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.

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## Top 10

Investa Commercial Property Fund	5.0%
Healthcare Wholesale Property Trust	3.6%
National Australia Bank Limited	1.0%
Westpac Banking Corporation	0.9%
Microsoft Corporation	0.9%
Government Of Australia 4.25% 21-apr-2026	0.8%
Government Of Australia 4.75% 21-apr-2027	0.8%
Alphabet Inc. Class A	0.8%
Government Of Australia 5.75% 15-may-2021	0.7%
Suncorp Group Limited	0.7%

## 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?

Contact us between 9:00am-5:00pm

AEST Monday-Friday on:

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**f** 02 9252 1987

**e** 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	34.3%
 International Shares	25.8%
 Australian Fixed Interest	23.3%
 Property	8.7%
 Alternative Assets	0.5%
 Cash, FRN's and short duration fixed interest	7.4%



## Commentary

Global equity markets recovered substantially over the March quarter following a volatile end to 2018. Global markets delivered 11.5% (as measured by the MSCI World ex-Aus index) on expectations of improved US-China trade relations and the prospect of lower global interest rates. The Australian equity market followed suit and delivered its best quarterly return since September 2009, increasing 10.9% (as measured by the S&P/ASX 200 Accumulation index).

Our Balanced Fund posted strong performance of 7.8% (8% for the wholesale fund) over the quarter. The Fund's outperformance was driven by both the domestic and international equities portfolios, which outperformed their respective benchmarks by 2.8% and 1.2%.

Driving the performance in domestic equities were the Financials, IT and REIT sectors. In IT there were two standout stocks: Appen (+74%) and Altium (+50%). Both stocks reported interim results that were considerably better than expected by the market.

The international equities portfolio's performance was largely driven by the strong performance in the US, which increased 13.1% over the quarter. Despite the Brexit process stalling, there were strong gains seen in France (+13.1%), Germany (+9.2%) and the UK (+8.2%). Similarly, Asian markets performed strongly in line with global performance.

The Financials, Industrials and Real Estate sectors – all of which the international equities portfolio is overweight – were the top performers over the quarter and drove the portfolio's outperformance.

The fixed interest portfolio performed in line with its benchmark, posting a 3.4% return over the quarter as the prospect of lower interest rates lowered yields globally.

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# Australian Ethical Balanced Fund (Wholesale)



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## 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:	0.10%/0.10%

## Fund facts

Fund size:	\$41.77m
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:	0.91%
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%

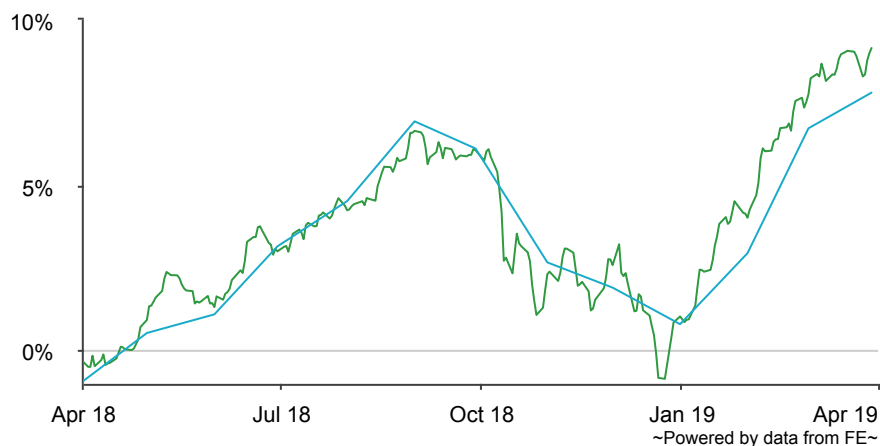
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## Cumulative performance (as at 31/03/2019)



- Australian Ethical Balanced
- Benchmark

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

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	1.3%	8.0%	2.9%	9.3%	-	-	-	9.1%
Benchmark	1.0%	6.9%	1.6%	8.9%	-	-	-	7.8%

## Calendar Performance (as at end 2018)

	CY2018	CY2017	CY2016	CY2015	CY2014
Fund	-	-	-	-	-
Benchmark	-	-	-	-	-

Source: FE.

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