

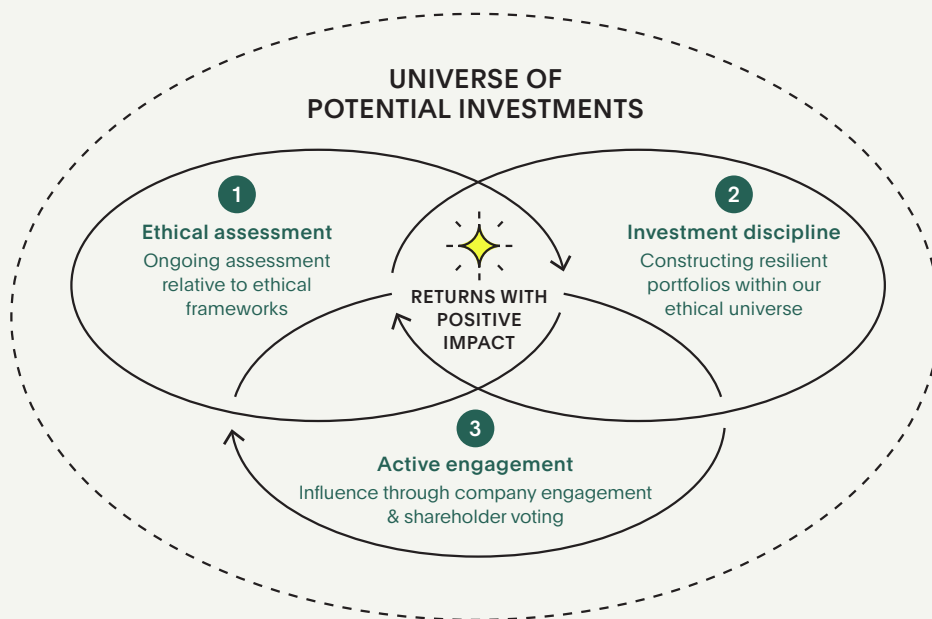
Australian Shares SMA Portfolio

For over 35 years, we've been leading the way in ethical investing. Our unique combination of ethical screening and fundamental investment analysis creates a different approach to mainstream equity portfolios. This is how we deliver both competitive returns and positive change for society and the environment.



Our unique investment approach

Every investment we make across our entire \$6 billion portfolio must meet the requirements of our Ethical Charter. It guides us to parts of the economy that are good for the planet, people and animals and away from harmful sectors. We believe companies with a social and environmental purpose as part of their competitive strategy, will thrive in and help create a low carbon and equitable future.



- 1 Since 1986 we've been guided by our Ethical Charter to choose companies making a positive impact and to avoid those that don't.
- 2 Once identified, our investment team uses fundamental analysis to determine whether those companies qualify as portfolio candidates for our active strategies.
- 3 We don't just set and forget, monitoring and active engagement of investee companies is an important part of our process.

We make good investments in:

- ✓ Clean energy
- ✓ Sustainable products
- ✓ Medical solutions
- ✓ Innovative technology
- ✓ Responsible banking
- ✓ Healthcare
- ✓ Recycling
- ✓ Energy efficiency
- ✓ Education
- ✓ Aged care

We avoid companies involved in:

- ✗ Coal
- ✗ Coal seam gas
- ✗ Oil
- ✗ Weapons
- ✗ Tobacco
- ✗ Old growth forest logging
- ✗ Exploitation
- ✗ Gambling
- ✗ Human rights abuses
- ✗ Harmful products

To find out more, visit: australianethical.com.au/why-ae/ethics

Australian Shares SMA strategy

Our Australian Shares Separately Managed Account (SMA) Portfolio offers clients the opportunity to invest in a portfolio of Australian companies that aligns with their values.

Leveraging the expertise and experience of our award-winning investment team, it provides a concentrated portfolio of between 15 to 30 holdings with a mix of quality growth stocks and traditional yielding stocks shaped by our Ethical Charter.

Comprising many of the companies we already hold in our Australian Shares Fund, the SMA strategy has a large cap bias in sectors such as health care, technology, utilities (renewables) and finance.

Together with our time-tested, bottom-up valuation process, our objective is to deliver outperformance for investors who prefer the transparency and flexibility of an SMA strategy.



Ethical approach

Our investment philosophy is centred around the 23 principles of our Ethical Charter that seeks out investments with positive impact while avoiding those that do harm.



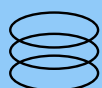
Award-winning active management

This model leverages the team, process and 20+ year track record of our award-winning Australian Shares Fund.



A portfolio that aligns with client values

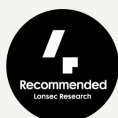
Suitable for investors looking for an ethically-screened, active investment approach. We exclude companies that cause unnecessary harm to people, the planet and animals, while seeking out positive future-building investments like healthcare, utilities (renewables), technology and finance.



Ahead of the curve

Incorporating ethics into our investment process helps us identify risks and opportunities earlier than most other funds. For example, we've been assessing exposure to climate change risk for decades.

Ratings¹



Award-winning investment team



Platform availability



Ethical credentials²



At a glance

Ethically-screened

Leveraging the team, process and 20+ year track record of our award-winning Australian Shares Fund

A portfolio of 15 to 30 stocks with a large cap bias

No exposure to tobacco, gambling & fossil fuel companies³

Higher allocations to health care, renewables, financials & IT

Transparency and flexibility of an SMA strategy

Top holdings

As at 30 June 2022

Company	Sector
Healius	Health Care
Contact Energy	Utilities (renewables)
Cochlear	Health Care
Mirvac Group	Real Estate
Suncorp Group	Financials
Meridian Energy	Utilities (renewables)
Mercury NZ	Utilities (renewables)
Genworth Mortgage Insurance	Financials
Bank of Queensland	Financials
Insurance Australia Group	Financials

Key facts

Benchmark

S&P/ASX 200
Total Return Index

Suggested investment timeframe

7 years

Suggested minimum investment

\$25,000

MER

0.69% pa

Asset allocation range

90-100% Australian equities
and 0-10% Cash

Typical number of stocks

15 - 30

Risk level

Very high

Platforms

- HUB24
- Netwealth
- Praemium

**Australian
Ethical**



1. The rating issued 09/2021 - Australian Ethical Australian Shares Portfolio & 08/2022 - Australian Ethical Australian Shares Portfolio (Sustainability Report) are published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report.
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2. Evergreen Research Pty Ltd trading as ERIG Index ABN 17 647 506 590 is Authorised Representative 001289533 of Evergreen Fund Managers Pty Ltd ABN 75 602 703 202 AFSL 486275. The material is for the information purposes of non-retail clients only. It is not, and is not to be construed as, advice or a recommendation to acquire, hold or dispose of financial products or to use financial services.

3. We don't invest in companies whose main business is fossil fuels, or in diversified companies that earn some fossil fuel revenue and aren't creating positive impact with their other activities. We may invest in a diversified company which is having a positive impact in other ways such as producing renewable energy, providing its negative revenue is sufficiently low (a maximum of 5% to 33% depending on the activity). We have never invested in tobacco and support Tobacco Free Portfolios. For more information, visit australianethical.com.au/why-ae/ethics/ethical-criteria

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The information in this report is general information only and does not take into account your personal financial situation, objectives or needs. You should consider obtaining financial advice that is tailored to suit your personal circumstances before making an investment decision. Please read the Financial Services Guide and the relevant Product Disclosure Statement(s) and Target Market Determination as well as other important information available on our website for information about our products.

Past performance is not a reliable indicator of future performance.

Find out more

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