

Australian Ethical Diversified Shares Fund (Wholesale)

Fund Profile - 30 September 2021

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: \$281.71m

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 30/09/2021)



■ Australian Ethical Diversified Shares
■ Benchmark

Performance (as at 30/09/2021)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	-1.8%	4.6%	14.3%	35.8%	13.2%	12.2%	-	14.5%
Benchmark	-2.2%	2.3%	11.0%	29.9%	10.7%	11.0%	-	13.7%

Calendar Performance (as at end 2020)

	CY2020	CY2019	CY2018	CY2017	CY2016
Fund	8.2%	23.9%	-1.9%	13.3%	7.3%
Benchmark	2.7%	24.7%	-2.8%	10.2%	7.1%

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	1.8%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	1.8%
CSL LIMITED	1.7%
TELSTRA CORPORATION LTD	1.5%
GOODMAN GROUP	1.4%
WISETECH GLOBAL LTD	1.4%
RESMED INC	1.3%
WESFARMERS LIMITED ORD FULLY PAID SHARES	1.3%
XERO LTD	1.2%
MEDIBANK PRIVATE LTD	1.2%

Ratings and awards

RIAA rating:



Why invest ethically?

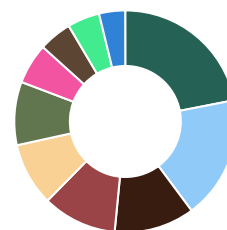
Portfolio diversification: Diversify your portfolio by investing in companies and sectors not well covered by other fund managers and brokers.
Help build a better world: Invest in the new, low - carbon economy, fund medical and technology breakthroughs, efficient transport and more.
Promote human rights: 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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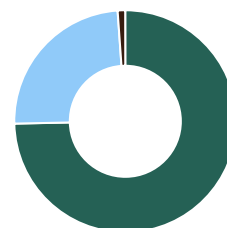
Sector allocation

Financials	21.9%
Information Technology	17.9%
Health Care	11.7%
Communication Services	10.8%
Industrials	9.2%
Real Estate	9.2%
Consumer Discretionary	5.9%
Utilities	4.8%
Materials	4.7%
Other	3.8%



Asset allocation

Australian & NZ Shares	74.6%
International Shares	24.2%
Cash	1.1%



Commentary

The MSCI World Index returned 0.7% (measured in local currency) over the September quarter. Despite an initial pullback in July due to the spread of the Delta variant, by early September the MSCI World was up 5.1% for the quarter. However, most of these gains were eroded through the remainder of September. US economic growth appeared to show signs of slowing, and US fiscal and monetary support slowly began to be withdrawn. In China, news that property development goliath Evergrande is on the brink of collapse, piled onto concerns around the CCP crackdown on tech companies and slowing economic growth. While most markets ended reasonably flat, Hong Kong's Hang Seng index fell 13.9% (in HKD) over the quarter.

The Diversified Shares Fund appreciated 4.4% (Wholesale Fund: 4.6%) over the September quarter relative to its benchmark which increased 2.3%, resulting in outperformance of 2.2% (Wholesale Fund: 2.3%). The domestic portfolio of the Fund increased by 5.0% versus its benchmark S&P/ASX 200 which increased 1.7%, resulting in outperformance of 3.3% (before fees). The International portfolio also outperformed its benchmark, returning 1.2% versus 1.0%.

In the domestic portfolio, the sectors contributing most to performance were Materials, Consumer Discretionary and Utilities. The Fund is substantially underweight in the Materials sector (which consists of mainly resource companies) which was the main driver of the outperformance. The sectors that detracted performance were Energy, Financials and Industrials. For Energy, the sector outperformed as the oil price spiked to a 3-year high. In the Financials sector, the banks that performed strongly were CBA and Macquarie, which the Fund doesn't hold due to our ethical criteria.

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