

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

It aims to achieve returns of 4.5% p.a. above inflation (after management costs) over the long term.

Price information

Pricing frequency: Daily

Buy/Sell spread: 0.05%/0.05%

Fund facts

Fund size: \$6.16m

Benchmark: Australian Ethical High Growth 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: 1.39%

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

Additional transactional and operational costs: 0.00%

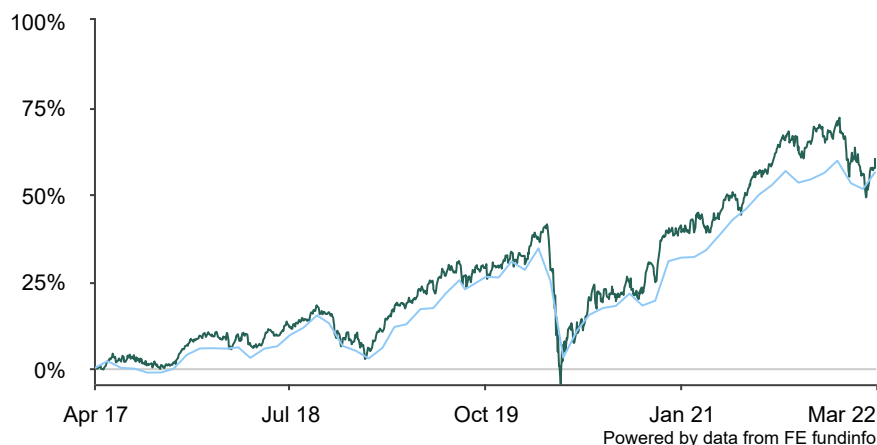
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(after tax, before bonus expense)

Investment strategy

Investors seeking capital growth through an exposure to growth assets such as Australian and international shares, unlisted property and alternative assets. The Fund is suited to investors with a longer timeframe and higher risk tolerance.

Cumulative performance (as at 31/03/2022)



■ Australian Ethical High Growth
■ Benchmark

Performance (as at 31/03/2022)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	2.1%	-6.3%	-2.9%	10.6%	10.2%	9.7%	11.3%	9.7%
Benchmark	3.1%	-2.1%	1.9%	13.2%	11.5%	9.3%	11.1%	9.3%

Calendar Performance (as at end 2021)

	CY2021	CY2020	CY2019	CY2018	CY2017
Fund	22.0%	7.1%	22.7%	-3.1%	12.0%
Benchmark	21.1%	2.7%	24.7%	-2.8%	10.2%

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.

Top 10

DEXUS HEALTHCARE PROPERTY FUND ORDINARY UNITS	2.8%
MICROSOFT CORP	1.8%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	1.3%
ALPHABET INC-CL A	1.3%
NATIONAL AUSTRALIA BANK	1.2%
MACQUARIE GROUP LTD	1.2%
CSL LIMITED	1.1%
TELSTRA CORPORATION LTD	1.1%
GOODMAN GROUP	1.0%
WOOLWORTHS GROUP LIMITED	1.0%

Ratings and awards

RIAA

Certification:



CERTIFIED BY RIAA

Why invest ethically?

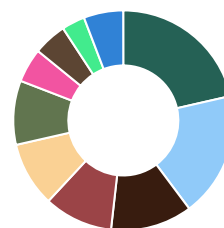
Portfolio diversification: Diversify your portfolio by investing in companies and sectors not well covered by other fund managers and brokers. **Help build a better world:** Invest in the new, low - carbon economy, fund medical and technology breakthroughs, efficient transport and more. **Promote human 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
W australianethical.com.au
 Australian Ethical Investment Ltd
 c/o Boardroom Pty Ltd
 GPO Box 3993
 Sydney NSW 2001

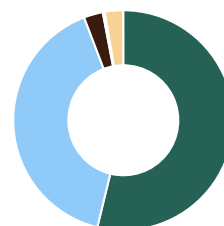
Sector allocation

Financials	21.4%
Information Technology	18.3%
Real Estate	12.0%
Communication Services	10.1%
Industrials	9.5%
Health Care	9.4%
Materials	5.0%
Consumer Discretionary	4.9%
Consumer Staples	3.4%
Other	5.8%



Asset allocation

Australian & NZ Shares	53.8%
International Shares	40.4%
Property	2.8%
Alternative Assets	0.3%
Cash	2.7%



Commentary

The market continues to be volatile – COVID is still an evolving virus that could continue to spark widespread lockdowns, as evidenced by recent actions to lock down significant portions of the population in China; Russia’s invasion of the Ukraine increases the probability of recently unfathomable tail risks such as nuclear war and the inflation and interest rate regime that has become entrenched over 30 years may be at a tipping point. Again this quarter, the market measure of “fear”, the VIX index, has traded through a wide range with each headline– starting the year at relatively benign reading of 16, before peaking at 35 at the start of March following the commencement of hostilities in the Ukraine and then receding back to recent average of 20.

The High Growth Fund (Wholesale) returned -6.2%, underperforming its SAA weighted benchmark, which returned -2.1% by 4.1%. The negative performance was driven by the international equities portfolio which fell 9.3% over the quarter as markets reacted to increasing inflation and the Russian invasion of Ukraine. High inflation and soaring commodity prices also saw a breakdown in the defensiveness of the AUD impacting our unhedged international equities position. From a relative performance perspective our domestic equities exposure was the main driver of underperformance, returning -4.4% against the benchmarks S&P ASX 200 return of 2.2%. This was largely driven by an underweight position to the materials sector, where many of the stocks do not meet our ethical criteria, and which rallied on the back of high commodity prices. An overweight to the information technology sector also detracted, with the sector being particularly impacted in a rising yields environment.

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