

Australian Ethical Australian Shares Fund

Fund Profile - 30 September 2022

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 focusing on Australian companies that meet the Australian Ethical Charter.

Price information

Pricing frequency: Daily

Buy/Sell spread: 0.15%/0.15%

Fund facts

Fund size: \$175.66m

Benchmark: S&P/ASX 300 Accumulation

Asset class: Equity

Inception date: 19/09/1994

Minimum investment timeframe: 7 Years

Risk level: Very high

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Identifiers

ISIN code: AU60AUG00028

APIR code: AUG0002AU

Distributions

Frequency: 2

Dates: 30/06, 31/12

Fees

Management costs - PDS: 1.69%

Minimum initial investment: \$1,000

\$500 with a Regular investor plan

Additional transactional and operational costs: 0.03%

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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

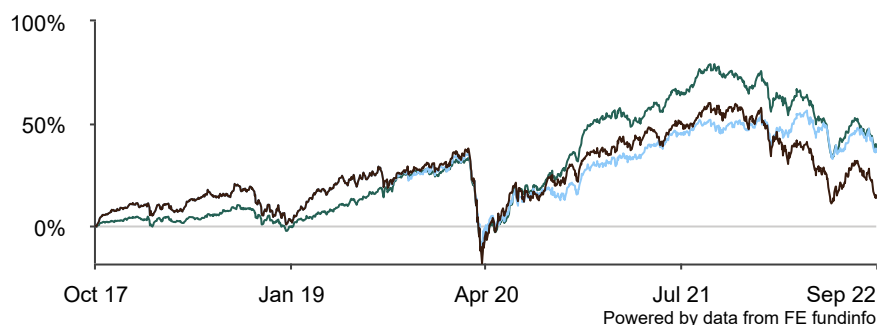
*(after tax, before bonus expense)

**The Benchmark was the composite S&P/ASX Small Industrials Accumulation Index from inception until 12 August 2019 and is the S&P/ASX 300 Accumulation Index thereafter.

Investment strategy

The opportunity to invest in a diversified share portfolio of companies predominately listed on the ASX and selected on the basis of their social, environmental and financial credentials. The Fund utilises an active stock-picking management style with stocks generally selected for growth rather than income, with a bias towards smaller capitalisation stocks listed on the ASX. All stocks are chosen on the basis of relative value where we deem the risks are being adequately priced.

Cumulative performance (as at 30/09/2022)



■ Australian Ethical Australian Shares

■ Composite Benchmark**

■ S&P/ASX Small Indust.

Performance (as at 30/09/2022)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	-6.1%	1.9%	-16.6%	-21.1%	3.4%	6.8%	10.3%	9.5%
Composite Benchmark**	-6.3%	0.5%	-11.8%	-8.0%	2.7%	6.4%	8.6%	6.9%
S&P/ASX Small Indust.	-10.5%	-1.0%	-19.2%	-27.5%	-3.7%	2.6%	6.7%	6.3%

Calendar Performance (as at end 2021)

	CY2021	CY2020	CY2019	CY2018	CY2017
Fund	14.2%	19.9%	27.0%	-4.1%	9.0%
Composite Benchmark**	17.5%	1.7%	22.5%	-6.5%	15.7%
S&P/ASX Small Indust.	13.7%	5.9%	24.5%	-6.5%	15.7%

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

MACQUARIE TELECOM GROUP LTD ORD F/PD DS	4.6%
BANK OF QUEENSLAND LIMITED	3.6%
SUNCORP GROUP LIMITED	3.4%
NATIONAL AUSTRALIA BANK	3.4%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	3.3%
INSURANCE AUSTRALIA GROUP LTD	3.3%
CONTACT ENERGY LTD	3.2%
HEALIUS LTD	3.1%
GENWORTH MORTGAGE INSURANCE	3.0%
COCHLEAR LTD	3.0%

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:

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Australian Ethical Investment Ltd

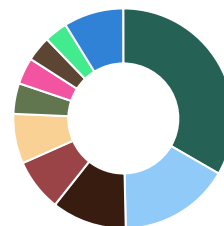
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

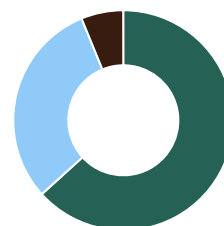
Sector allocation

Financials	33.3%
Health Care	16.3%
Information Technology	11.0%
Utilities	7.7%
Communication Services	7.3%
Real Estate	4.5%
Consumer Discretionary	3.9%
Materials	3.7%
Industrials	3.4%
Other	8.8%



Asset allocation

Australian & NZ Small Cap	63.3%
Australian & NZ Large Cap	30.5%
Cash	6.2%



Commentary

The S&P/ASX 300 returned 0.5% over the quarter despite ongoing uncertainty as pent-up demand, ongoing impacts from COVID-19, and the conflict in Ukraine continues to put pressure on inflation. In the US YoY CPI rose to 9.1% in August. In Australia June CPI rose to 6.1% YoY, the highest annual change in over 30 years. The global economy faces a bleak outlook, with Europe facing a looming energy crisis, many Central Banks rapidly raising rates to tackle inflation, while in China the People's Bank of China has been loosening policy as its economy slows to its lowest rate of growth in decades, driven by an ongoing property crisis and continued lockdowns as part of its zero-COVID policy.

The Australian Shares Fund appreciated 1.9% (2% Wholesale) outperforming its benchmark which rose 0.5% over the September Quarter. The strongest individual stock performer was lithium producer Pilbara Minerals which appreciated 99% with electrification driving up lithium prices significantly over the quarter. We were pleased with the performance of mortgage insurer Genworth which appreciated 18% while paying a healthy dividend on reporting a strong 2022 result. Cognition company Cogstate appreciating 42% on news its shareholder and business partner Japanese company Eisai had reported positive clinical data in a Phase 3 Alzheimer's clinical study. Other good contributors included non-bank lender Pepper Money which appreciated 18% from an oversold position and PDF productivity and e-signature business Nitro Software +20% on news private equity was building a position.

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