

# Australian Ethical Australian Shares Fund (Wholesale)

Fund Profile - 31 December 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:** \$614.93m

**Benchmark:** S&P/ASX 300 Accumulation

**Asset class:** Equity

**Inception date:** 23/01/2012

**Minimum investment timeframe:** 7 Years

**Risk level:** Very high

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## Identifiers

**ISIN code:** AU60AUG00184

**APIR code:** AUG0018AU

## Distributions

**Frequency:** 2

**Dates:** 30/06, 31/12

## Fees

**Management costs - PDS:** 1.10%

**Minimum initial investment:** \$25,000 minimum in the Fund and \$500,000 investment across Australian Ethical's managed funds.

**Additional transactional and operational costs:** 0.00%

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](http://australianethical.com.au)

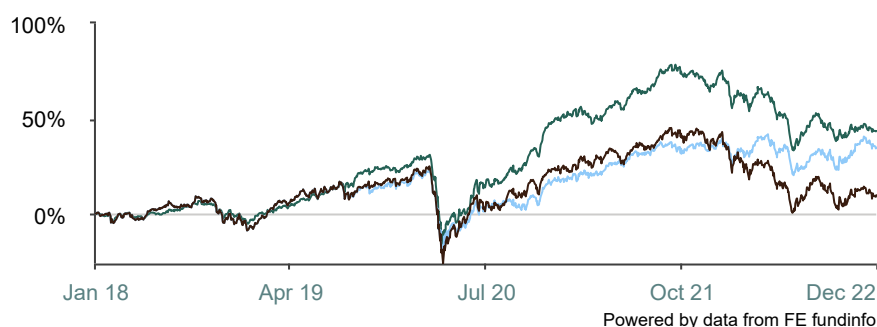
\*(after tax, before bonus expense)

\*\*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 31/12/2022)



- Australian Ethical Australian Shares
- Composite Benchmark\*\*
- S&P/ASX Small Indust.

## Performance (as at 31/12/2022)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	-2.1%	3.5%	5.5%	-17.1%	4.9%	7.5%	11.5%	12.4%
Composite Benchmark**	-3.3%	9.1%	9.6%	-1.8%	5.5%	6.1%	8.8%	9.6%
S&P/ASX Small Indust.	-3.4%	6.6%	5.5%	-21.8%	-2.0%	1.9%	6.6%	7.5%

## Calendar Performance (as at end 2022)

	CY2022	CY2021	CY2020	CY2019	CY2018
Fund	-17.1%	15.0%	21.0%	28.1%	-2.8%
Composite Benchmark**	-1.8%	17.5%	1.7%	22.5%	-6.5%
S&P/ASX Small Indust.	-21.8%	13.7%	5.9%	24.5%	-6.5%

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	4.2%
CONTACT ENERGY LTD	3.7%
SUNCORP GROUP LIMITED	3.7%
BANK OF QUEENSLAND LIMITED	3.5%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	3.2%
BENDIGO AND ADELAIDE BANK LIMITED	3.1%
INSURANCE AUSTRALIA GROUP LTD	3.0%
NATIONAL AUSTRALIA BANK	3.0%
MIRVAC GROUP STAPLED SECURITIES	3.0%
COCHLEAR LTD	2.9%

## 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](mailto:investors@australianethical.com.au)

W [australianethical.com.au](http://australianethical.com.au)

Australian Ethical Investment Ltd

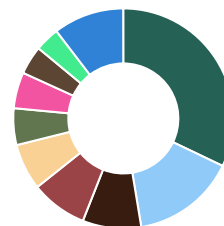
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

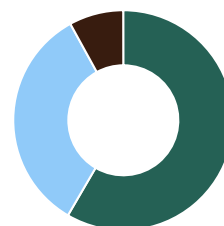
## Sector allocation

Financials	32.1%
Health Care	15.3%
Information Technology	8.6%
Utilities	8.3%
Communication Services	6.8%
Industrials	5.4%
Real Estate	5.3%
Materials	4.2%
Consumer Discretionary	3.6%
Other	10.4%



## Asset allocation

Australian & NZ Small Cap	58.4%
Australian & NZ Large Cap	33.6%
Cash	8.0%



## Commentary

Global markets had a strong final quarter for 2022 after a volatile nine months, with the MSCI World index ex Australia rising 7.5% and the S&P ASX 300 rising 9.1%. Despite inflation remaining elevated, there were indications that prices could stabilize, as natural gas prices fell from a high of €340/MWh in August to pre-Ukraine levels near €70 by the end of the year. The US bond yield decreased dropping from 4.23% in October to 3.88% by the end of the year. The Australian bond market was more volatile, falling from 4.2% in October to 3.29% in December before finishing the year at 4.05%.

The Australian Shares Fund appreciated by 3.3% (Wholesale 3.5%) over the December quarter relative to its S&P/ASX300 Benchmark which appreciated 9.1% resulting in an underperformance of -5.8% (Wholesale -5.7%). The underperformance is attributed to both the Fund being overweight small companies which underperformed the broader market and our small company stock selection being a drag on performance this quarter. The underperformance can be primarily attributed to stock selection in Communications, Healthcare and Information Technology sectors. Companies like wealth management software company Bravura Solutions came clean on their 1st half 2023 trading in November while pathology and radiology company Healius downgraded earnings in November on higher cost structures with falling covid revenues, while cloud communications company Symbio downgraded profitability late in December. We view these as temporary setbacks which in time can be recovered. Performance was also impacted by substantial underweight positions in Materials (mainly resource stocks) and Energy which outperformed as commodity and oil prices increased.

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