

Australian Ethical Balanced Fund (Wholesale)

Fund Profile - 31 March 2023

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 investors with a balance between capital growth and a moderate level of income through a diversified portfolio of assets that supports the Australian Ethical Charter.

Price information

Pricing frequency: Daily

Buy/Sell spread: 0.05%/0.05%

Fund facts

Fund size: \$270.05m

Benchmark: Australian Ethical Balanced Composite

Asset class: Mixed Asset

Inception date: 28/03/2018

Minimum investment timeframe: 5 years

Risk level: Medium-High

Identifiers

ISIN code: AU60AUG00176

APIR code: AUG0017AU

Distributions

Frequency: 2

Dates: 30/06, 31/12

Fees

Management costs - PDS: 0.86%

Minimum initial investment: \$25,000 minimum in the Fund and \$200,000 investment across Australian Ethical's managed funds.

Additional transactional and operational costs: 0.02%

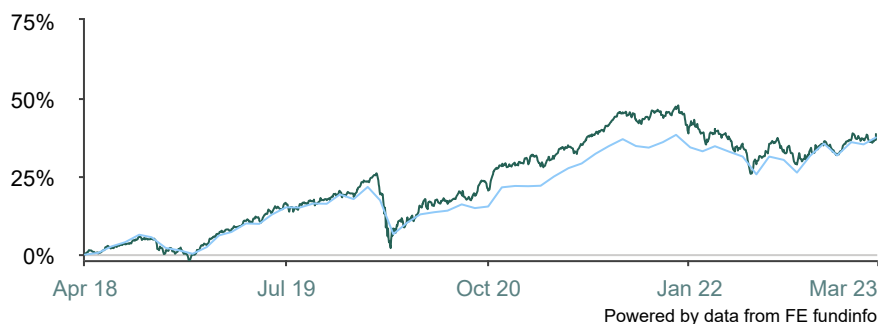
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(after tax, before bonus expense)

Investment strategy

The opportunity to invest in a diversified portfolio of asset types and markets to reduce the volatility of returns. Asset classes include Australian and international shares, property and fixed income securities.

Cumulative performance (as at 31/03/2023)



■ Australian Ethical Balanced

■ Benchmark

Performance (as at 31/03/2023)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	1.1%	4.8%	7.6%	-0.6%	8.5%	7.0%	-	6.9%
Benchmark	1.6%	4.4%	8.9%	2.1%	8.9%	6.9%	-	6.9%

Calendar Performance (as at end 2022)

	CY2022	CY2021	CY2020	CY2019	CY2018
Fund	-9.8%	14.0%	8.5%	18.4%	-
Benchmark	-4.8%	13.4%	3.6%	17.4%	-

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

DEXUS HEALTHCARE PROPERTY FUND ORDINARY UNITS	4.7%
INVESTA PROPERTY GROUP	3.0%
APPLE INC	1.4%
MICROSOFT CORP	1.0%
U/K REPO FV 38-5M US TREAS 4 0330 MTY 04/04/2023	1.0%
DEXUS WHOLESALE PROPERTY FUND	1.0%
U/K REPO FV 38-1M US TREAS 3 0249 FTF MTY 03/04/23	1.0%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	1.0%
TELSTRA GROUP LIMITED	0.8%
NATIONAL AUSTRALIA BANK	0.7%

Ratings and awards

RIAA

Certification:



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

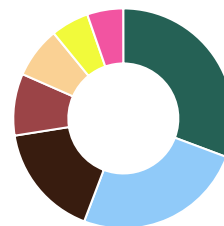
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

Asset allocation

Australian & NZ Shares	30.7%
International Shares	25.1%
Australian Fixed Interest	16.7%
Property	9.1%
International Fixed Interest	7.5%
Alternative Assets	5.6%
Cash, FRN's and short duration fixed interest	5.3%



Commentary

Despite the ongoing conflict in Ukraine, persistent inflation and the collapse of 3 banks in the US and Credit Suisse in Europe, equity markets rallied through the quarter. The MSCI World rose 7.0% over the March quarter in local currency terms with the S&P 500, MSCI Europe and the Nikkei all up by between 7-8%. The tech heavy NASDAQ composite index was up 16.8%, having fallen by 33.1% in the 2022 calendar year. The recovery in equity markets appears to be driven by an expectation that interest rates are nearing their peak, and that Central Banks will manage to avoid a deep recession. The rebound in equities contrasted with the story being told in bond markets with the banking crisis signalling to bond investors a greater risk of something breaking in the economy.

The Balanced Fund (Wholesale) (the 'Fund') returned 4.8% over the March Quarter, outperforming its benchmark by 0.4%. The Balanced Fund (Retail) rose 4.6%, outperforming its benchmark by 0.3%. The absolute and relative performance were driven by the international equities portfolio which rose 10.8% against the benchmark return of 9.2%. The rebound in tech stocks benefited the portfolios overweight to the sector. Our domestic equities portfolio also contributed positively to our absolute and relative returns, appreciating 4.1% against the S&P/ASX 200 benchmark return of 3.5%.

Our fixed income portfolio rose 4.7% domestically and 2.4% globally as the Australian 10Y Government bond yield fell 30bps to 4.3% and the US 10Y 39bps down to 3.49% as of end of March.

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