

Australian Ethical High Growth Fund (Wholesale)

Fund Profile - 31 December 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

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: \$70.06m

Benchmark: Australian Ethical High Growth Composite

Asset class: Equity

Inception date: 13/01/2012

Minimum investment timeframe: 7 Years

Risk level: High

Identifiers

ISIN code: AU60AUG00200

APIR code: AUG0020AU

Distributions

Frequency: 2

Dates: 30/06, 31/12

Fees

Management costs - PDS: 0.90%

Minimum initial investment: \$25,000

Additional transactional and operational costs: 0.00%

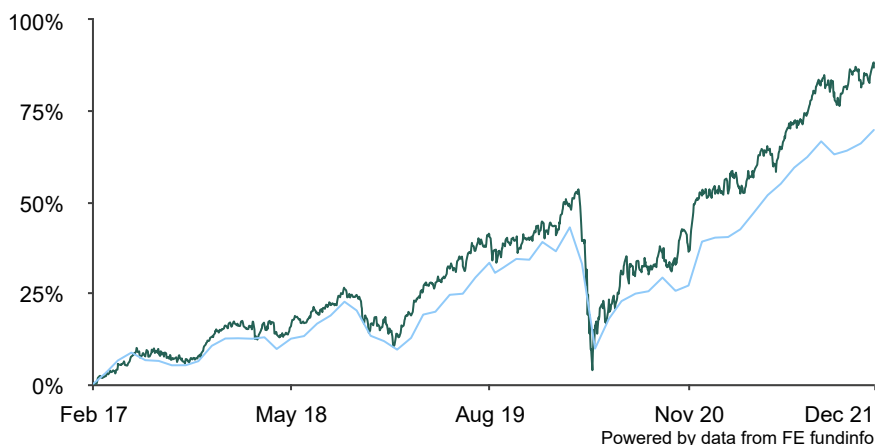
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(after tax, before bonus expense)

Investment strategy

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 31/12/2021)



■ Australian Ethical High Growth
■ Benchmark

Performance (as at 31/12/2021)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	2.0%	3.8%	8.5%	22.8%	18.0%	12.8%	-	13.7%
Benchmark	2.2%	4.1%	6.5%	21.1%	15.8%	10.7%	-	12.3%

Calendar Performance (as at end 2021)

	CY2021	CY2020	CY2019	CY2018	CY2017
Fund	22.8%	8.1%	23.9%	-1.9%	13.3%
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.

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Top 10

DEXUS HEALTHCARE PROPERTY FUND ORDINARY UNITS	2.7%
MICROSOFT CORP	1.9%
ALPHABET INC-CL A	1.4%
TELSTRA CORPORATION LTD	1.2%
CSL LIMITED	1.2%
MACQUARIE GROUP LTD	1.2%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	1.1%
NATIONAL AUSTRALIA BANK	1.1%
WESFARMERS LIMITED ORD FULLY PAID SHARES	1.0%
GOODMAN GROUP	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

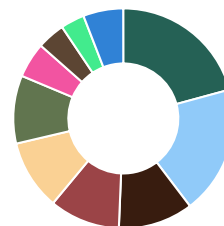
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

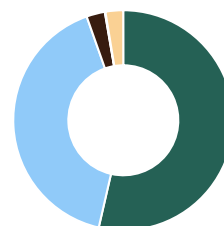
Sector allocation

Financials	20.8%
Information Technology	18.9%
Communication Services	11.0%
Health Care	10.4%
Industrials	10.3%
Real Estate	10.0%
Consumer Discretionary	5.2%
Materials	4.1%
Consumer Staples	3.5%
Other	5.9%



Asset allocation

Australian & NZ Shares	53.6%
International Shares	41.0%
Property	2.7%
Alternatives	0.1%
Cash	2.6%



Commentary

There has been no shortage of headlines through the quarter which induced volatility into asset prices. Concerns about rising inflation, the rapid spread of a new variant of COVID, and the escalation of geopolitical tensions as the threat of a Russian invasion of the Ukraine appeared to become more imminent. These headlines were reflected in asset prices, and the VIX (a market measure of uncertainty) exceeded 28 in late November – compared to a long run median of 17, and a post emergence covid median of 23. While uncertainty was high as supportive economic data continued and as fears of widespread global lockdowns eased – the VIX declined back below 20 and equities actually ended the quarter on a positive note and long-term yields on Australian government bonds after exceeding 2% at the end of October were basically unchanged by the end of the quarter.

The Fund returned 3.6% (Wholesale 3.8%) over the quarter, underperforming its SAA weighted benchmark, which returned 4.0%. The underperformance was driven by underperformance in the international equities portfolio. Despite this, from an absolute return perspective, the international equities portfolio contributed most of the performance, appreciating 6.3% over the 3-months. This was largely driven by the US, where the S&P 500 rose 11.3%. The tech heavy index benefited from the continued strong performance in the Information Technology sector, which comprises 23% of the MSCI World ex AU Index, and 27% of the International Shares Portfolio.

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