

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 through investment in listed companies on Australian and international stock exchanges that meet the Australian Ethical Charter.

## Price information

**Pricing frequency:** Daily

**Buy/Sell spread:** 0.05%/0.05%

## Fund facts

**Fund size:** \$17.33m

**Benchmark:** Australian Ethical Diversified Shares Composite

**Asset class:** Equity

**Inception date:** 03/11/1997

**Minimum investment timeframe:** 7 Years

**Risk level:** High

## Identifiers

**ISIN code:** AU60AUG00044

**APIR code:** AUG0004AU

## 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%

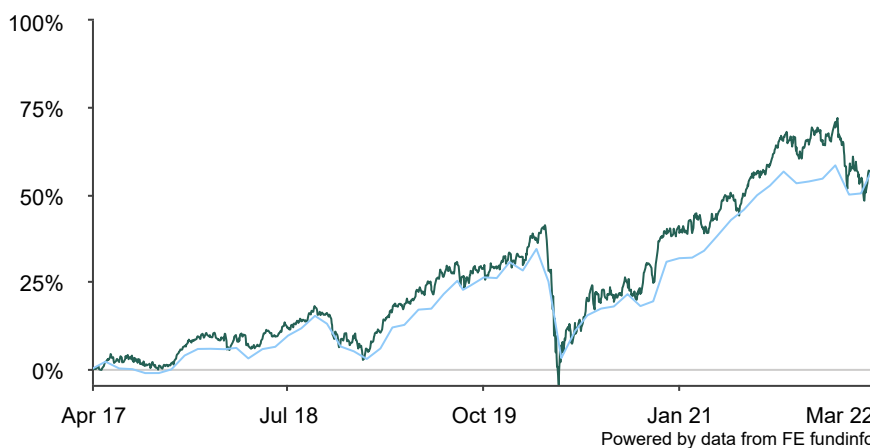
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website [australianethical.com.au](http://australianethical.com.au)

\*(after tax, before bonus expense)

## Investment strategy

The opportunity to invest in a diversified share portfolio of Australian and international companies on the basis of their social, environmental and financial credentials. Generally, all Australian investments will have a market capitalisation greater than the 200th ranked stock listed on the ASX. The Fund has a low level of turnover and aims to be fully invested at all times.

## Cumulative performance (as at 31/03/2022)



■ Australian Ethical Diversified Shares  
■ Benchmark

## Performance (as at 31/03/2022)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	3.4%	-6.1%	-2.9%	10.7%	10.3%	9.7%	11.5%	8.5%
Benchmark	4.9%	-0.4%	2.9%	14.3%	11.9%	9.6%	12.6%	8.4%

## Calendar Performance (as at end 2021)

	CY2021	CY2020	CY2019	CY2018	CY2017
Fund	21.8%	7.1%	22.7%	-3.1%	11.9%
Benchmark	20.3%	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.

# Australian Ethical Diversified Shares Fund

Fund Profile - 31 March 2022

Australian  
Ethical



## Top 10

NATIONAL AUSTRALIA BANK	1.8%
MACQUARIE GROUP LTD	1.8%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	1.7%
CSL LIMITED	1.7%
GOODMAN GROUP	1.4%
WOOLWORTHS GROUP LIMITED	1.4%
TELSTRA CORPORATION LTD	1.4%
WESFARMERS LIMITED ORD FULLY PAID SHARES	1.3%
COMPUTERSHARE LIMITED	1.2%
IGO LTD	1.2%

## 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

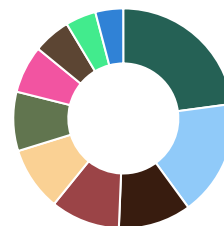
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

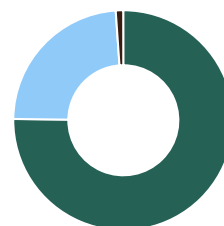
## Sector allocation

Financials	22.9%
Information Technology	17.1%
Health Care	10.7%
Real Estate	10.2%
Communication Services	9.4%
Industrials	8.7%
Materials	7.0%
Consumer Discretionary	5.5%
Consumer Staples	4.5%
Other	4.1%



## Asset allocation

Australian & NZ Shares	75.2%
International Shares	23.7%
Cash	1.1%



## 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 Diversified Shares Fund depreciated -6.1% over the March quarter, relative to its benchmark which decreased -0.4%, resulting in underperformance of -5.7%. The domestic portfolio of the Fund decreased -4.7% versus its benchmark ASX200 which increased 2.2%, resulting in underperformance of -7.0%. The international portfolio underperformed its benchmark, returning -9.3% versus -8.4%.

The underperformance in the domestic portfolio is attributed to the Fund's substantial underweighting in the Materials and Energy sectors which performed very strongly on the back of rising global interest rates, economic dislocation caused by Covid-19 and the Ukraine War. Stocks the Fund can hold in the Materials sector include building materials which have suffered due to rising material costs and logistic issues. The Fund's overweighting in Information Technology underperformed in the rising interest rate environment and Healthcare declined due to Covid-19 volumes peaking.

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