

Australian Ethical High Conviction Fund

Australian
Ethical



Fund ticker: AEAE
Fund Profile - 30 June 2022

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

The Fund aims to provide long term capital growth and income from focusing on a relatively concentrated portfolio of Australian and NZ companies that meet the Australian Ethical Charter.

Price information

Pricing frequency: Daily

Buy/Sell spread: 0.20%/0.20%

Fund facts

Fund size: \$4.65m

Benchmark: S&P/ASX 300 Accumulation

Asset class: Equity

Inception date: 01/10/2021

Minimum investment timeframe: 7 to 10 Years

Risk level: Very High

Identifiers

ISIN code: AU60AUG79196

APIR code: AUG7919AU

Distributions

Frequency: 2

Dates: 30/06, 30/12

Fees

Management costs - PDS: 0.80%

Performance fee: 15%

Minimum initial investment: \$25,000
No minimum applies for the AEAE ETF

Additional transactional and operational costs: 0.05%

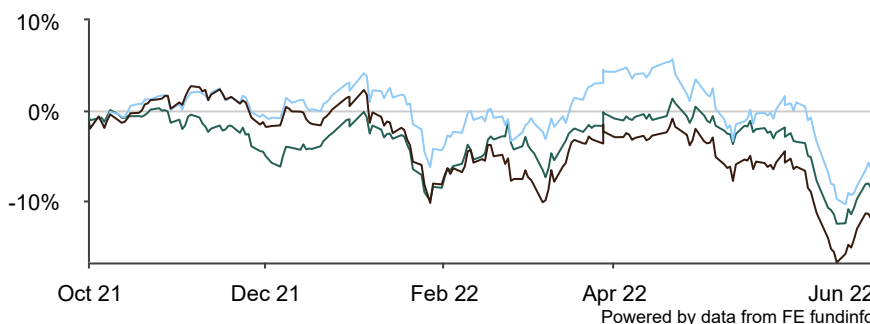
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(after tax, before bonus expense)

Investment strategy

The Fund primarily invests in a relatively concentrated share portfolio of companies predominately drawn from the S&P ASX 300 and selected on the basis of their social, environmental and financial credentials. The Fund utilises an active bottom up stock-picking and benchmark unaware management approach.

Cumulative performance (as at 30/06/2022)



- Australian Ethical High Conviction
- Australian Ethical S&P/ASX 300 Accumulation
- S&P/ASX 300 Indust.s Acc.

Performance (as at 30/06/2022)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	-7.2%	-9.7%	-8.3%	-	-	-	-	-9.9%
Australian Ethical S&P/ASX 300 Accumulation	-9.0%	-12.2%	-10.4%	-	-	-	-	-8.4%
S&P/ASX 300 Indust.s Acc.	-8.2%	-11.4%	-13.9%	-	-	-	-	-13.5%

Calendar Performance (as at end 2021)

	CY2021	CY2020	CY2019	CY2018	CY2017
Fund	-	-	-	-	-
Australian Ethical S&P/ASX 300 Accumulation	-	-	-	-	-
S&P/ASX 300 Indust.s Acc.	-	-	-	-	-

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

SUNCORP GROUP LIMITED	5.7%
BANK OF QUEENSLAND LIMITED	5.4%
CONTACT ENERGY LTD	5.1%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	5.1%
TELSTRA CORPORATION LTD	4.9%
COLES GROUP LTD	4.7%
ANSELL LIMITED	4.6%
HEALIUS LTD	4.4%
TPG TELECOM LTD TPM-VHA MERGED COMPANY DEFERRED DELIVERY	4.0%
FLETCHER BUILDING LIMITED	3.9%

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:

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Australian Ethical Investment Ltd

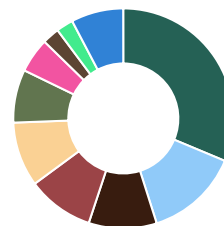
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

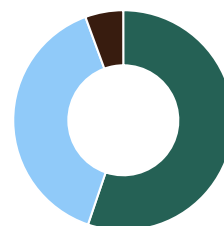
Sector allocation

Financials	31.3%
Health Care	13.8%
Communication Services	10.0%
Consumer Staples	9.8%
Materials	9.5%
Industrials	7.8%
Utilities	5.1%
Real Estate	2.5%
Consumer Discretionary	2.5%
Other	7.7%



Asset allocation

Australian & NZ Large Cap	55.2%
Australian & NZ Small Cap	39.2%
Cash	5.6%



Commentary

The High Conviction Fund declined -9.8% over the quarter, although this was ahead of the ASX 300 benchmark return of -12.2%. Both sector allocation and stock selection contributed positively vs the benchmark, with the Fund benefiting from defensive insurance, communications and consumer staples, as well as around 5% in cash. Notable stock contributors were Graincorp which reported a positive result and Ramsay Healthcare which was the subject of corporate interest. The main detractors were housing related exposures in banks and building sectors. The Fund added Domain Holdings to the portfolio, a high-quality property franchise that has been marked down on housing concerns. The Fund also increased weights in Ansell, QBE, Brambles and Contact Energy. The Fund continues to be relatively defensively positioned and oriented towards more mature companies with strong balance sheets that can pass on inflationary cost increases.

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