

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: \$276.89m

Benchmark: Australian Ethical Diversified Shares Composite

Asset class: Equity

Inception date: 23/01/2012

Minimum investment timeframe: 7 Years

Risk level: High

Identifiers

ISIN code: AU60AUG00192

APIR code: AUG0019AU

Distributions

Frequency: 2

Dates: 30/06, 31/12

Fees

Management costs - PDS: 0.95%

Minimum initial investment: \$25,000

Additional transactional and operational costs: 0.00%

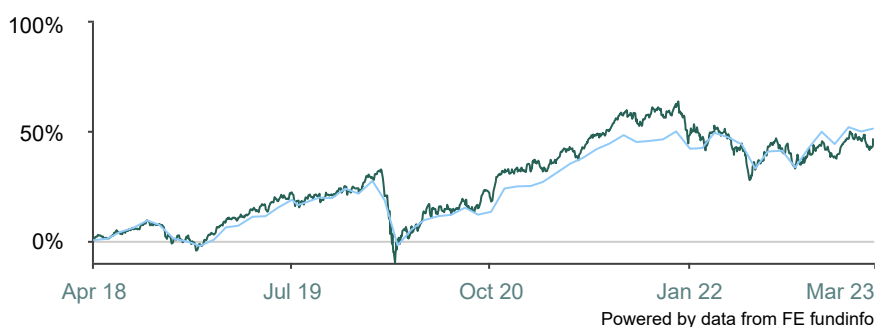
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(after tax, before bonus expense)

Investment strategy

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 31/03/2023)



■ Australian Ethical Diversified Shares
■ Benchmark

Performance (as at 31/03/2023)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	-0.2%	5.7%	10.2%	-3.3%	13.6%	8.4%	10.4%	11.8%
Benchmark	0.9%	4.9%	13.3%	1.3%	15.7%	9.2%	10.0%	12.1%

Calendar Performance (as at end 2022)

	CY2022	CY2021	CY2020	CY2019	CY2018
Fund	-14.0%	22.6%	8.2%	23.9%	-1.9%
Benchmark	-3.9%	20.3%	2.7%	24.7%	-2.8%

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 (Wholesale)

Fund Profile - 31 March 2023

Australian
Ethical



Top 10

WESTPAC BANKING CORPORATION ORD F/PD SHARES	2.0%
CSL LIMITED	2.0%
NATIONAL AUSTRALIA BANK	2.0%
TELSTRA GROUP LIMITED	1.8%
MACQUARIE GROUP LTD	1.7%
WOOLWORTHS GROUP LIMITED	1.6%
GOODMAN GROUP	1.5%
WESFARMERS LIMITED ORD FULLY PAID SHARES	1.4%
APPLE INC	1.4%
PILBARA MINERALS LTD	1.4%

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

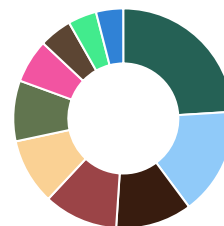
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

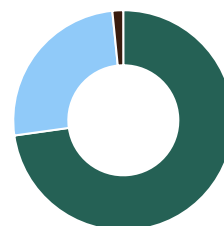
Sector allocation

Financials	24.0%
Information Technology	15.8%
Health Care	11.2%
Industrials	10.9%
Communication Services	9.7%
Real Estate	8.9%
Materials	6.4%
Consumer Discretionary	4.8%
Consumer Staples	4.2%
Other	4.0%



Asset allocation

Australian & NZ Shares	72.8%
International Shares	25.6%
Cash	1.6%



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 Diversified Shares Fund appreciated 6.0% over the March quarter relative to its benchmark which increased 4.9%, resulting in outperformance of 1.1%. The domestic portfolio (75% of the total fund) increased by 4.4% versus its benchmark ASX200 which increased 3.4%, resulting in outperformance of 1.0% (before fees). The international portfolio (25% of the Fund) outperformed its benchmark by 1.3%, returning 10.5% versus 9.2%.

In the domestic portfolio, performance was driven by substantial overweight positions in Healthcare, IT and Communication Services, with all these sectors outperforming the benchmark. The outperformance in these sectors more than offset the outperformance from the Materials (due to the strong performance of the resources stocks) and Consumer Discretionary (gaming stocks) sectors, both of which the Fund is underweight due to our ethical selection criteria.

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