

# Australian Ethical Australian Shares Fund (Wholesale)

Australian Ethical



Fund Profile - 30 June 2023

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 focusing on Australian companies that meet the Australian Ethical Charter.

## Price information

**Pricing frequency:** Daily

**Buy/Sell spread:** 0.15%/0.15%

## Fund facts

**Fund size:** \$658.20m

**Asset class:** Equity

**Inception date:** 23/01/2012

**Minimum investment timeframe:** 7 Years

**Risk level:** Very high

**Risk level:** Very high

## Identifiers

**ISIN code:** AU60AUG00184

**APIR code:** AUG0018AU

## Distributions

**Frequency:** 2

**Dates:** 30/06, 31/12

## Fees

**Management costs - PDS:** 1.10%

**Minimum initial investment:** \$25,000 minimum in the Fund and \$500,000 investment across Australian Ethical's managed funds.

**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)

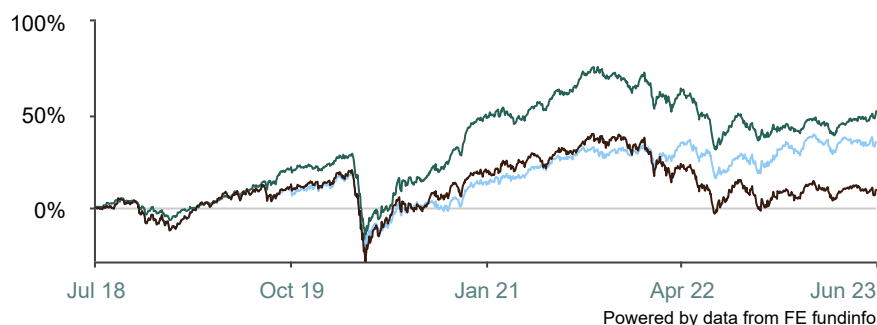
\*(after tax, before bonus expense)

\*\*The Benchmark was the composite S&P/ASX Small Industrials Accumulation Index from inception until 12 August 2019 and is the S&P/ASX 300 Accumulation Index thereafter.

## Investment strategy

The opportunity to invest in a diversified share portfolio of companies predominately listed on the ASX and selected on the basis of their social, environmental and financial credentials. The Fund utilises an active stock-picking management style with stocks generally selected for growth rather than income, with a bias towards smaller capitalisation stocks listed on the ASX. All stocks are chosen on the basis of relative value where we deem the risks are being adequately priced.

## Cumulative performance (as at 30/06/2023)



- Australian Ethical Australian Shares
- Composite Benchmark\*\*
- S&P/ASX Small Indust.

## Performance (as at 30/06/2023)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	3.0%	6.2%	7.5%	13.5%	10.3%	8.7%	11.7%	12.5%
Composite Benchmark**	1.7%	1.0%	4.4%	14.4%	11.1%	6.1%	8.9%	9.5%
S&P/ASX Small Indust.	0.5%	2.3%	3.7%	9.5%	3.4%	1.7%	6.6%	7.5%

## Calendar Performance (as at end 2022)

	CY2022	CY2021	CY2020	CY2019	CY2018
Fund	-17.1%	15.0%	21.0%	28.1%	-2.8%
Composite Benchmark**	-1.8%	17.5%	1.7%	22.5%	-6.5%
S&P/ASX Small Indust.	-21.8%	13.7%	5.9%	24.5%	-6.5%

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 Australian Shares Fund (Wholesale)

Fund Profile - 30 June 2023

Australian  
Ethical



## Top 10

MACQUARIE TECHNOLOGY GROUP LTD ORD F/PD DS	3.9%
SUNCORP GROUP LIMITED	3.9%
CONTACT ENERGY LTD	3.6%
INSURANCE AUSTRALIA GROUP LTD	3.4%
DOMAIN HOLDINGS AUSTRALIA LIMITED	3.0%
MIRVAC GROUP STAPLED SECURITIES	2.9%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	2.9%
BANK OF QUEENSLAND LIMITED	2.8%
NATIONAL AUSTRALIA BANK	2.6%
HELIA GROUP LTD	2.5%

## 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

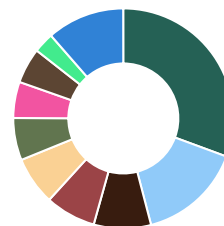
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

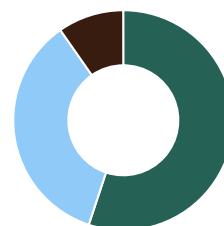
## Sector allocation

Financials	30.6%
Health Care	15.3%
Utilities	8.4%
Information Technology	7.4%
Communication Services	7.1%
Real Estate	6.2%
Industrials	5.3%
Materials	5.2%
Consumer Discretionary	3.0%
Other	11.4%



## Asset allocation

Australian & NZ Small Cap	55.1%
Australian & NZ Large Cap	35.2%
Cash	9.7%



## Commentary

Global equity markets posted another strong quarter, with the MSCI World up 7.0% in the 3-months to the end of June, driven largely by the US, where the S&P 500 was up 8.7%, and Japan, where the TOPIX was up 14.5%. Despite persistent inflation, further increases in interest rates, and a minor banking crisis, the economy remained resilient. GDP growth has remained positive and unemployment remains near all time lows in much of the developed world. The artificial intelligence excitement following the introduction of ChatGPT provided a further boon to equity markets, particularly technology stocks. Sentiment in fixed income markets did not match equity markets, with the MOVE index, a measure of volatility expectations on US Treasury bonds, reaching its highest levels since the 2008 global financial crisis. The Australian Shares Fund (Wholesale) outperformed its benchmark (the S&P/ASX300) by 5.2% over the June Quarter. The fund's large cap names were positive relative contributors with insurers IAG, Suncorp and NIB Holdings all featuring in the top ten contributors. We were particularly happy with the fund's small cap names which featured prominently in our contributors. Energy and water billing software company Gentrack appreciated 47% after announcing a revenue upgrade for 2023 and 2024, while mortgage insurer Helia appreciated 20.6% on an improving outlook for Australian residential housing. The fund benefited from private equity and strategic corporate interest with vitamin company Blackmores, software telematics company Eroad and employee well-being software company Limeade all receiving takeover bids over the quarter. Our investment in body fluid measurement technology company Impedimed appreciated 71% over the quarter on news its technology had entered US medical guidelines, which we expect to quickly translate to health insurance coverage and revenues. The fund is currently holding elevated cash holdings in anticipation of a weak consumer environment emerging later in 2023, while the outlook for small companies has improved.

Australian Ethical Investment Ltd (ABN 47 003 188 930, AFSL 229949) is the Responsible Entity of the Australian Ethical managed funds. This information is of a general nature and is not intended to provide you with financial advice or take into account your personal objectives, financial situation or needs. Before acting on the information, consider its appropriateness to your circumstances and read the Financial Services Guide (FSG) and relevant product disclosure statement (PDS) and target market determination (TMD) available at [www.australianethical.com.au/managedfunds/pds](http://www.australianethical.com.au/managedfunds/pds). You may wish to seek independent financial advice from a licensed financial adviser before making an investment decision. The performance of your investment in the Australian Ethical is not guaranteed; past performance is not a reliable indicator of future performance. The information contained in this document is believed to be accurate at the time of compilation. Where MSCI data is used, data is the property of MSCI. No use or distribution without written consent. Data provided "as is" without any warranties. MSCI assumes no liability for or in connection with the data. For full MSCI and RIAA disclaimer, please see <https://www.australianethical.com.au/sources/>