

# Australian Ethical Australian Shares Fund (Wholesale)

## FUND PROFILE - 30 SEPTEMBER 2020

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: 0.20%/0.20%

### Fund facts

Fund size: \$325.68m

Benchmark: S&P/ASX 300 Accumulation

Asset class: Equity

Inception date: 23/01/2012

Minimum investment timeframe: 7 Years

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: 0.04%

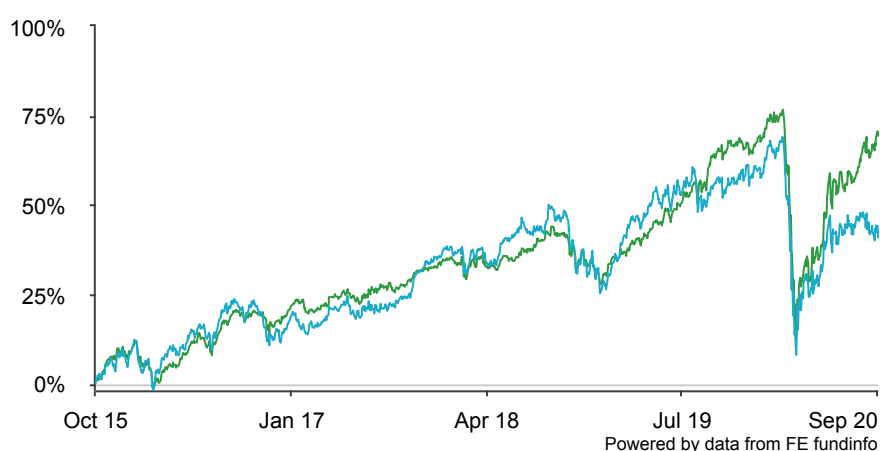
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website [australianethical.com.au](http://australianethical.com.au)

\*(after tax, before bonus expense)

### Investment strategy

The opportunity to invest in a diversified share portfolio of 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 30/09/2020)



■ Australian Ethical Australian Shares  
■ Benchmark

### Performance (as at 30/09/2020)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	1.2%	9.4%	33.2%	2.4%	9.5%	11.1%	-	14.1%
Benchmark	-3.6%	-0.1%	16.7%	-10.0%	4.2%	7.1%	-	8.7%

### Calendar Performance (as at end 2019)

	CY2019	CY2018	CY2017	CY2016	CY2015
Fund	28.1%	-2.8%	10.6%	9.2%	21.9%
Benchmark	22.5%	-6.5%	15.7%	6.2%	15.0%

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

MACQUARIE TELECOM GROUP LTD ORD F/ PD DS	5.1%
HEALIUS LTD	4.0%
BIGTINCAN HOLDINGS LTD	2.9%
CONTACT ENERGY LTD	2.8%
WESTPAC BANKING CORPORATION ORD F/ PD SHARES	2.8%
BANK OF QUEENSLAND LIMITED	2.7%
NITRO SOFTWARE LTD	2.7%
NATIONAL AUSTRALIA BANK	2.7%
COCHLEAR LTD	2.6%
MIRVAC GROUP STAPLED SECURITIES	2.6%

## Ratings and awards

RIAA rating:



CERTIFIED BY RIAA

UNPRI signatory:



## 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 between 9:00am-5:00pm

AEST Monday-Friday on:

**t** 1800 021 227

**f** 02 9252 1987

**e** investors@australianethical.com.au

**w** [australianethical.com.au](http://australianethical.com.au)

Australian Ethical Investment Ltd

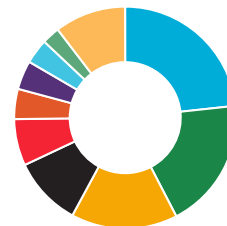
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

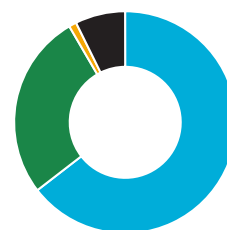
## Sector allocation

Financials	23.3%
Health Care	19.1%
Information Technology	15.5%
Communication Services	10.1%
Utilities	6.8%
Consumer Discretionary	4.4%
Real Estate	4.2%
Industrials	3.6%
Materials	2.6%
Other	10.4%



## Asset allocation

Australian & NZ Small Cap	64.6%
Australian & NZ Large Cap	27.1%
Unlisted Equity	1.1%
Cash	7.3%



## Commentary

For the quarter, the Fund pleasingly achieved an absolute return of 9.1% (9.4% Wholesale Fund) against the fund's benchmark, the S&P/ASX 300 Index, which declined 0.1%. The Australian Shares Fund's 12-month performance was 1.5% (2.4% wholesale) against negative 10% for the benchmark.

The Australian market started the quarter strongly, with August particularly strong (ASX 200 up 2.2%) boosted by some better-than-expected earnings in the reporting season, solid economic data and renewed hopes for a vaccine. However, September saw the five-month rally end with the ASX 200 falling 4% as investors became nervous about fears of a second global COVID-19 wave, poor sentiment regarding the US Presidential election and growth concerns.

Locally, the effects of the lockdown in Victoria became more apparent, with a higher level of unemployment and Federal Treasurer Josh Frydenberg warning the Australian economy was set to contract by 6% more than forecast by the end of 2021. The quarterly outperformance is attributed to both the fund being tilted towards small companies (which outperformed large companies) and very strong stock selection in our small-cap names.

The key sector contributors were IT and healthcare with PDF and e-signature software company Nitro Software appreciating +88% while sales enablement software-as-a-service company Bigtincan was up 82%. Other good contributors included educational technology company 3PL, the owner of Mathletics, which appreciated +55% benefiting from a takeover offer.

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