

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:** \$261.97m

**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%

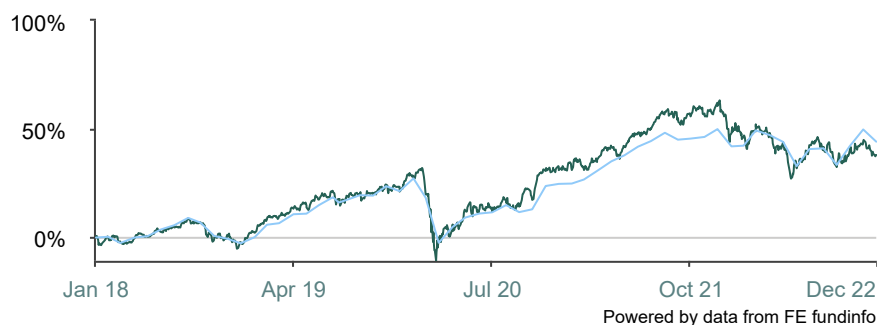
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website [australianethical.com.au](http://australianethical.com.au)

\*(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 31/12/2022)



■ Australian Ethical Diversified Shares  
■ Benchmark

## Performance (as at 31/12/2022)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	-4.3%	4.2%	4.7%	-14.0%	4.4%	6.7%	10.9%	11.5%
Benchmark	-3.8%	8.0%	8.5%	-3.9%	5.9%	7.6%	10.8%	11.9%

## 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 December 2022

Australian  
Ethical



## Top 10

CSL LIMITED	2.0%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	1.9%
NATIONAL AUSTRALIA BANK	1.8%
MACQUARIE GROUP LTD	1.6%
TELSTRA GROUP LIMITED	1.5%
WESFARMERS LIMITED ORD FULLY PAID SHARES	1.4%
WOOLWORTHS GROUP LIMITED	1.4%
GOODMAN GROUP	1.3%
QBE INSURANCE GROUP LIMITED	1.3%
PILBARA MINERALS LTD	1.3%

## 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

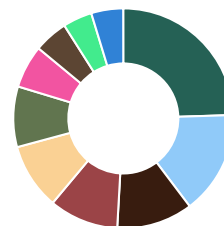
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

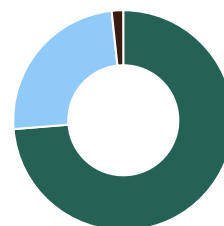
## Sector allocation

Financials	24.5%
Information Technology	15.2%
Health Care	11.2%
Industrials	10.2%
Real Estate	9.7%
Communication Services	8.9%
Materials	6.3%
Consumer Discretionary	5.0%
Consumer Staples	4.3%
Other	4.7%



## Asset allocation

Australian & NZ Shares	73.8%
International Shares	24.6%
Cash	1.7%



## Commentary

Global markets had a strong final quarter for 2022 after a volatile nine months, with the MSCI World index ex Australia rising 7.5% and the S&P ASX 300 rising 9.1%. Despite inflation remaining elevated, there were indications that prices could stabilize, as natural gas prices fell from a high of €340/MWh in August to pre-Ukraine levels near €70 by the end of the year. The US bond yield decreased dropping from 4.23% in October to 3.88% by the end of the year. The Australian bond market was more volatile, falling from 4.2% in October to 3.29% in December before finishing the year at 4.05%.

The Diversified Shares Fund increased by 4.1% (Wholesale 4.2%) over the December quarter relative to its benchmark which increased 8.0%, resulting in underperformance of -3.9% (Wholesale -3.8%). The domestic portfolio (75% of the total fund) increased by 4.92% versus its benchmark ASX200 which increased 9.4%, resulting in underperformance of -4.48% (before fees). The international portfolio underperformed its benchmark, returning 3.58% versus 3.95%.

In the domestic portfolio, performance was impacted by substantial underweight positions in Materials (mainly resource stocks) and Energy which strongly outperformed as commodity and oil prices increased. The other meaningful sector which contributed to the underperformance was Financials, which performed strongly, reflecting the increasing interest environment. The Fund is underweight banks due to our ethical selection criteria.

Offsetting this underperformance, the Fund is significantly overweight the IT sector which outperformed due to a recovery in the sector which was oversold in the previous period.

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