

# Australian Ethical Australian Shares Fund (Wholesale)

Fund Profile - 30 September 2024

Australian Ethical



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. The Fund aims to significantly exceed the return of the blended index after taking into account management costs over a 7 year period.

## Price information

Pricing frequency: Daily

Buy/Sell spread: 0.15%/0.15%

## Fund facts

Fund size: \$783.92m

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

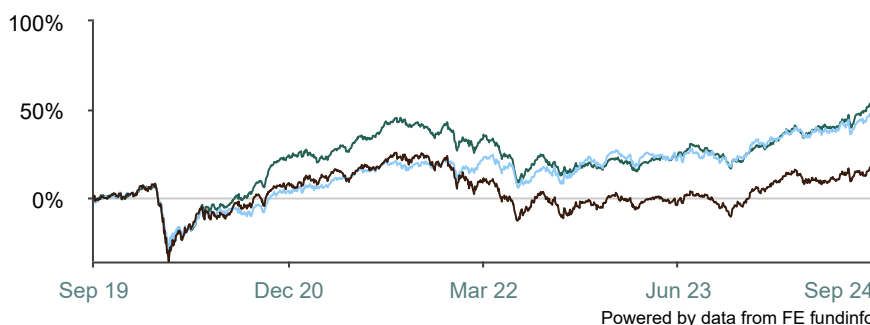
minimum in the Fund and \$500,000 investment across Australian Ethical's managed funds.

Additional transactional and operational costs: 0.00%

## 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 30/09/2024)



■ Australian Ethical Australian Shares

■ Composite Benchmark\*\*

■ S&P/ASX Small Indust.

## Performance (as at 30/09/2024)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	4.2%	10.0%	9.4%	23.4%	2.7%	9.1%	11.1%	13.0%
Composite Benchmark**	3.1%	7.8%	6.5%	21.7%	8.1%	8.3%	9.2%	10.2%
S&P/ASX Small Indust.	4.3%	7.5%	2.7%	23.3%	-1.0%	3.6%	6.9%	8.4%

## Calendar Performance (as at end 2023)

	CY2023	CY2022	CY2021	CY2020	CY2019
Fund	11.0%	-17.1%	15.0%	21.0%	28.1%
Composite Benchmark**	12.1%	-1.8%	17.5%	1.7%	22.5%
S&P/ASX Small Indust.	11.4%	-21.8%	13.7%	5.9%	24.5%

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.

\*(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.

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## Top 10

NUIX LTD	4.2%
SUNCORP GROUP LIMITED	3.8%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	3.6%
INSURANCE AUSTRALIA GROUP LTD	3.2%
NATIONAL AUSTRALIA BANK	3.1%
CONTACT ENERGY LTD	3.1%
BENDIGO AND ADELAIDE BANK LIMITED	2.9%
QUBE HOLDINGS LTD	2.8%
PEXA GROUP LTD	2.7%
BANK OF QUEENSLAND LIMITED	2.6%

## Ratings and awards

RIAA

Certification:



## 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

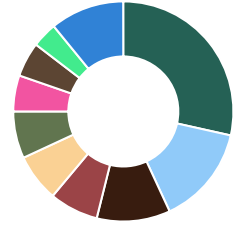
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

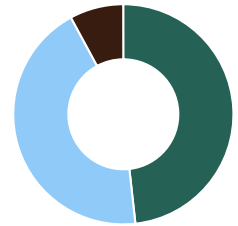
## Sector allocation

Financials	28.5%
Health Care	14.6%
Information Technology	10.8%
Utilities	7.2%
Real Estate	7.0%
Industrials	6.9%
Materials	5.3%
Communication Services	5.1%
Consumer Discretionary	3.7%
Other	10.9%



## Asset allocation

Australian & NZ Small Cap	48.2%
Australian & NZ Large Cap	43.8%
Cash	7.9%



## Commentary

The Australian Shares Fund (Wholesale) (the 'Fund') climbed 10.3% net of fees in the quarter ended 30 September 2024, outperforming its benchmark which rose 7.5%.

Renewed enthusiasm for equity markets pushed the broader market index to a record high, with the S&P ASX 300 notching up its strongest quarterly start to a financial year since 2010.

News of the first US interest rate cut in four years and economic stimulus measures in China helped sentiment, triggering some sector rotation out of defensive names and into economic sensitive sectors.

During the September quarter, Australian investors digested reporting season, which led to aggregate earnings downgrades across the market and a subdued outlook for FY25. Expectations for an interest rate cut in Australia have now been pushed out to early next calendar year and consensus forecasts are poised for an earnings recovery in FY26.

Stock selection was a key contributor to the Fund performance during the September quarter, with alpha generation in the Information Technology and Healthcare sectors, while the Financials sector was a drag on performance.

Software company, Nuix was a stand-out performer, with the share price doubling in the quarter, following a positive financial update and inclusion in the S&P ASX300 index, alongside other portfolio names Opthea and Immutep. Australian Clinical Labs also performed well, after delivering margin improvement in the second half.

In the financials sector, NIB Holdings detracted from performance as higher than expected claims inflation led to a surprise decline in insurance margins. The Fund bid to raise its position in the share price weakness, as the stock is trading at a 30% discount to the ASX 200 compared to its historical premium.

The Fund's large cap and small cap names outperformed over the quarter, benefiting from stock selection. The mid-cap exposure in the Fund had a modest negative impact relative to the S&P ASX300 benchmark, largely due to Domain which weakened on concerns of market share losses.

The Fund benefited from takeover interest, with the receipt of proceeds from the Anarada Scheme, while Orolia and Bigtunnel attracted takeover interest. The Fund participated in capital raisings for IPH and Fletcher Building and added new names to the portfolio - Hansen Technologies, Macquarie Group and QBE insurance.