



Ethical Investment Australian Equities Portfolio

A portfolio of predominantly small and medium sized Australian companies which meet strict environmental and socially responsible standards.

Monthly Performance Update 31st May 2025

In May, the Australian share market continued to recover from the Liberation Day fallout and the Trump induced tariff turmoil. The S&P/ASX All Ordinaries Accumulation Index rose 4.20% for the month, influenced by an easing in global trade tensions and the recent announcement by the RBA to lower interest rates by 0.25% down to 3.85% which is the first time it's been below 4% in 2 years. Sectors that led the short-term recovery were the Technology (+18.83%), Energy (+8.68%) and Telecommunication (+5.55%) sectors.

Currently the market is maintaining some resilience even as America had a downgrade from Moody's during the month and passed its budget wrecking bill. On the tariff front it seems that investors are largely ignoring any tariff announcements from Trump as simply noise and less about uncertainty. This has been coined the TACO trade (Trump Always Chickens Out). The risk is that this term might trigger a more serious response from Trump.

The Ethical Investment Australian Equities Portfolio saw a strong gain of **4.47%** for the month, largely thanks to the technology sector mentioned above as investors re-entered growth opportunities as concerns over tariffs eased. The main contributors to performance in May included the investment platform operator **HUB24 (HUB)** which bounced back from a decent drop in March with a 15.69% gain that contributed 0.63% to the portfolio. The largest contributor was **Technology One (TNE)** that shot up 36.9%, contributing 1.35% to the performance of the portfolio on a profit upgrade announcement.

Other contributors included **Megaport** (+18.39%) and **NextDC** (+10.82%). Detractors to performance for the month included **IPD Group**, which was down 23.5%, detracting 0.92% from the portfolio and **Pilbara Minerals** (-17.61%), detracting 0.35% due to the stubbornly persistent low price of Lithium due to short term over supply and despite bullish demand for electric vehicles.

The overall performance of the portfolio compared with various benchmarks is outlined below:

Performance As at 31 st May 2025	Since Inception	5 years	3 years	1 year	3 months	1 month
Ethical Investment Australian Equities	+7.12%	+6.92%	+3.22%	+3.94%	+3.03%	+4.47%
Benchmark (All Ordinaries Accumulation Index)	+8.50%	+12.20%	+9.32%	+12.40%	+4.13%	+4.20%
Relative Performance	-1.38%	-5.28%	-6.10 %	-8.46%	-1.10%	+0.27%
Alternative Benchmark (Small Ordinaries Accumulation Index)	+6.69%	+6.77%	+4.68%	+9.76%	+3.83%	+5.76%
Relative Performance	+0.43%	+0.15%	-1.46%	-5.82%	-0.80%	-1.29%

Portfolio inception date: 25 May 2015. Returns greater than one year are annualised.

Portfolio News

Throughout the month of May we added to some of our core holdings including **Macquarie Technology** and **Data#3** to take advantage of recent sell offs. We also added to our **BCI Minerals** holding which is largely flying under the radar of investors even though it's annuity style income potential in the coming years and decades is significant. We trimmed **Technology One** to take some profits after its large bullish advance.

Company News

Hazer Group's stock is rebounding, having spiked 66% in the past three weeks on positive cash flow in the recent quarter to 31 March and increasing confidence in Hazer's hydrogen production via big corporate customers. The group has signed a contract with US US-listed engineering group, KBR to provide pyrolysis technology to customers in the ammonia and methanol markets.

KBR has a track record in commercialising breakthrough industrial technologies. The deal involves development of a design package of Hazer facilities targeting hydrogen capacities of 50,000+ tonnes a year. Hydrogen is critical to ammonia and methanol production, representing over 50% of global hydrogen demand, about 54m tonnes a year. Ammonia and methanol markets are valued at US\$120bn.

Hazer's technology delivers clean & affordable hydrogen as the feedstock, ammonia and methanol, replacing high-CO2 hydrogen. The process uses methane or biomethane and produces graphite as a by-product instead of CO2. Hazer's process is a 'bolt-on' low emissions low-cost alternative for both existing (brownfield) and new (greenfield) plants.



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The Ethical Investment Australian Equities Portfolio has been certified by the Responsible Investment Association Australasia according to the operational and disclosure practices required under the Responsible Investment Certification Program. See www.responsiblereturns.com.au for details.¹

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