



# ETHICAL INVESTMENT LARGE-CAP PORTFOLIO

A portfolio of the largest and most environmental and socially responsible Australian companies.

## Quarterly Performance Update – 30 June 2021

The Ethical Investment Large-Cap Portfolio rose 7.08% for the quarter, underperforming the ASX200 Index by 1.21%.

The Australian share market rose 8.29% for the quarter, buoyed by strong returns in the IT (12.13%), Consumer Discretionary (11.55%) and Property (10.46%) sectors. Lower returns were seen in the Utilities (-4.52%) and Energy (-2.25%) sectors, the latter of which this portfolio has no exposure to.

The main contributor to performance for the quarter was the investment and superannuation platform, **Hub24** which gained 37%. Other strong returns came from the investment manager, **Janus Henderson** (26%), health insurance company **NIB Holdings** (24%), property manager **Charter Hall Group** (22%), and the online real estate advertising company **REA Group** (19%). **Netwealth Group**, which was acquired during the quarter, also posted a strong return of 30% since it was purchased.

Among the main detractors to performance were **Appen** (-15%), which was sold during the quarter, as well as horticultural company **Costa Group Holdings** (-30%), and annuity provider **Challenger** (-15%).

The overall performance of the portfolio compared with the S&P/ASX200 Index is outlined below:

Periods to 30 June 2021	Since Inception	1 Year	6 Months	3 Months
Ethical Investment Large-Cap Portfolio	+7.33%	+18.99%	+6.92%	+7.08%
S&P/ASX200 Index	+8.68%	+27.80%	+12.90%	+8.29%
Relative Performance	-1.35%	-8.81%	-5.98%	-1.21%

## Portfolio Changes

As highlighted above, Appen was removed from the portfolio due to its continued poor performance, while Netwealth Group was added to the portfolio. We also added to other existing holdings in **Computershare**, **Spark Infrastructure**, and **Xero**.

**Netwealth Group** is an investment and superannuation platform, which provides investors with access to various financial services and products including managed funds, investor directed portfolio services, a superannuation master fund, separately managed accounts and self-managed superannuation administration service.

## Company News

15 Australian companies have signed up to RE100 and committed to achieve 100% renewable electricity across their entire operations by 2030.

Within the Large Cap portfolio, **Dexus Property Group**, **Bingo Industries** and **Mirvac Property** were among the 15 to sign up. RE100 is a global initiative bringing together the world's most influential businesses committed to 100% renewable power.

**Dexus Property Group** also announced that it has established a new healthcare platform relationship with Australian Unity to invest in certain aspects of Australian Unity's healthcare development pipeline. The establishment of this relationship and investment is consistent with Dexus's focus on increasing the resilience of its investment portfolio income streams.

**Mirvac Property** has returned \$10.5m of JobKeeper payments to government in a good will gesture.

**Bingo Industries** board of directors approved the takeover of Bingo by Macquarie Infrastructure. Shareholders will be paid \$3.45 per share with the takeover expected to be completed in July 2021.

**Cochlear** received expedited US Food and Drug Administration (FDA) approval of Remote Check which enables clinical professionals to virtually connect with recipients and provide support from the safety of their own home. It allows people with a Cochlear Nucleus 7 Sound Processor to complete a series of hearing checks from their compatible iOS device using the Nucleus Smart App.

**Spark Infrastructure** has continued its foray into generation, purchasing development rights to a string of new renewable energy projects with a collective capacity of 1.5 gigawatts. The announcement comes after the company opened its first 100 megawatt solar farm last year. Spark says it has earmarked \$1.15 billion to invest in new solar, wind and battery projects, and is even having "a look at" green hydrogen.

Until recently Spark was exclusively an investor in transmission and distribution. It owns 49 per cent of South Australia's distribution network operator SA Power Networks, a 15 per cent stake in transmission network operator Transgrid in NSW, and a 49 per cent stake in Victorian distribution operators Powercor and CitiPower.

But as the nation moves rapidly away from concentrated baseload power plants towards less centralised renewable generation, Spark decided to get a piece of the action through the Bomen Solar Farm, a 100 megawatt project near Wagga Wagga in NSW which it built from scratch. The solar farm, which is wholly owned by Spark, started feeding energy into the grid in June last year.

## Key Facts

### Platform Availability

Hub24 (Super & IDPS)  
WealthO2 (Super & IDPS)

### Portfolio Fee

0.41% pa

### Avoided Investments



Oil



Tobacco



Weapons



Heavy  
Polluters



Gambling



Coal

### Targeted investments



Healthcare



Recycling



Education



Sustainable  
Technologies



Clean Energy



Aged Care

### Investment Objective

The fund aims to outperform the S&P/ASX 200 Index over rolling five-year periods, while providing access to companies which meet strict environmental and socially responsible standards

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The Investment Management Fee shown includes GST and is net of any Reduced Input Tax Credits (RITC). Please also refer to the IDPS Guide/Super PDS and the relevant disclosure document for the managed portfolio for more information on the fees and other costs.

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