



ETHICAL INVESTMENT GROWTH PORTFOLIO

A diversified portfolio of growth assets, obtained through investments in **Lonsec approved** funds which include environmental and socially responsible investments in Australian and international shares and property investments.

Quarterly Performance Update – 30 June 2021

The Ethical Investment Growth Portfolio rose **9.66%** for the quarter, outperforming the benchmark, the Morningstar Multi-Sector Aggressive Index, by 1.59%.

Global share markets continued to perform strongly for a fifth consecutive quarter, thanks to the continued rollouts of Covid-19 vaccines and higher company earnings, particularly in the US. However, concerns regarding higher inflation and a tapering of the global monetary stimulus by central banks continue to create uncertainties for global markets.

The Australian share market rose around 8.29% for the quarter, buoyed by strong returns in the IT (12.13%) and Consumer Discretionary (11.55%) sectors. Australian listed property (10.46%) and US markets (8.17%) also saw strong performance, while Asian (5.11%) and Japanese (-1.33%) markets were among the lower performers.

The strongest returns over the past three months were from the **BetaShares Global Sustainability Leaders Fund** which saw a return of 13.31% for the quarter, and the **Perennial Better Future Fund** which gained 11.71%. Many of the listed property investments also performed well, including **Ingenia Communities Group** (21.34%), **Mirvac Group** (17.41%) and **Arena REIT** (15.47%).

Each of the underlying investments saw positive returns this quarter, with the lowest performing managed funds being the **Nanuk New World Fund** (7.00%), and the **Impax Sustainable Leaders Fund** (7.59%).

The overall performance of the portfolio compared with the Morningstar Australian Multi-Sector Aggressive Index is outlined below:

Periods to 30 June 2021	Since Inception	1 Year	6 months	3 months
Ethical Investment Growth Portfolio	+16.13%	+30.59%	+11.74%	+9.66%
Morningstar MS Aggressive Index	+11.45%	+24.69%	+12.87%	+8.07%
Relative Performance	+4.68%	+5.90%	-1.13%	+1.59%

Managers we Invest in



Portfolio Changes

No major changes were made to the portfolio during the quarter. Positions in a few of the listed property investments were trimmed, including **GPT Group**, **Mirvac Group** and **Stockland**, while we added to the holding in the **Charter Hall Social Infrastructure Fund**.

The **BNP Paribas Environmental Equity Trust** has been renamed the **Impax Sustainable Leaders Fund**, following BNP's decision to cease distribution of the fund in Australia. Impax Asset Management, based in London, have been managing this investment on behalf of BNP and will continue to manage the fund.

Sustainability and Impact Updates

This section highlights the positive ethical and sustainable impacts generated within the portfolio.

Nanuk has expanded its Sustainability and ESG-based Negative Screening Framework and has added new exclusions covering animal welfare, predatory lending, cannabis, palm oil, hazardous pesticides, deforestation, and more detailed evaluation of violations of responsible business practices, covering areas such as modern slavery and breaches of human rights.

The **BetaShares Global Sustainability Leaders Fund** was recently rebalanced, with a total of 39 stocks removed and 40 stocks added to the fund. Of note, three new renewable energy investments were added. These were Vestas Wind Systems, a Danish wind turbine manufacturer, Plug Power, which develops hydrogen fuel cells, and Sunrun, which manufactures residential solar panels and batteries.

Companies removed from the portfolio included Tesla, which has been involved in controversy surrounding reopening its Fremont (U.S. based) production facility contrary to relevant government Covid-19 related orders, concerns regarding the potential environment impacts of its new production facility in Brandenburg (Germany) and implication in forced labour issues within its supply chain.

The **Pengana WHEB Sustainable Impact Fund** released their latest 'Impact Report', detailing the positive impact the fund had in 2020. The fund was associated with a positive impact equivalent to:

- 315,000 tones of CO2e avoided
- 204,000 MWh renewable energy generated
- 82,000 tonnes of waste recovered or recycled
- 2.8bn litres of waste water treated
- 750m litres of water use avoided
- 515,000 people reached with healthcare
- 340,000 days of education provided

These impacts stem from the use of the products and services supplied by companies held in the portfolio.

Key Facts

Platform Availability

Hub24 (Super & IDPS, Core & Choice)
WealthO2 (Super & IDPS)

Portfolio Fee

0.308% pa GST Inclusive

Estimated Costs of Underlying Investments

0.85% pa GST Inclusive

Avoided Investments



Oil



Tobacco



Weapons



Heavy
Polluters



Gambling



Coal

Targeted investments



Healthcare



Recycling



Education



Sustainable
Technologies



Clean Energy

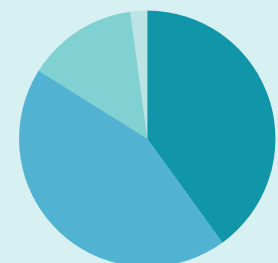


Aged Care

Investment Objective

The fund aims to provide a well-diversified exposure to growth assets which meets the benchmark of the Morningstar Australia Multisector Aggressive (TR) AUD Index, after fees, over rolling five-year periods.

Asset Allocation



- INTERNATIONAL SHARES 49%
- AUSTRALIAN SHARES 39%
- PROPERTY & INFRASTRUCTURE 10%
- CASH 2%

Disclaimers

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The performance table sets out the investment performance returns (AFTER investment management fees, but BEFORE administration fees, performance based fees and taxes) for the Portfolio. The performance returns have been calculated on a daily basis taking into account brokerage costs, and are accumulated for the period shown. Returns are shown as annualised if the period is over 1 year, or as total returns otherwise. Inception date is 11 November 2019.

Investment in securities and other financial products involves risk. Information, opinions, historical performance, calculations or assessments of performance of financial products or markets rely on assumptions about tax, reinvestment, market performance, liquidity and other factors that will be important and may fluctuate over time.

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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