

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 generate an income stream consistent with prevailing short-term interest rates while minimising the risk of capital loss and meeting our Ethical Criteria. The Fund aims to exceed the return of the Bloomberg AusBond Bank Bill after taking into account management costs over a 1 year period.

Price information

| | |
|--------------------|-------------|
| Pricing frequency: | Daily |
| Buy/Sell spread: | 0.00%/0.00% |

Fund facts

| | |
|-------------------------------|-----------------------------|
| Fund size: | \$1.38m |
| Benchmark: | Bloomberg AusBond Bank Bill |
| Asset class: | Money Market |
| Inception date: | 26/11/1997 |
| Minimum investment timeframe: | 1 year |
| Risk level: | Very low |

Identifiers

| | |
|------------|--------------|
| ISIN code: | AU60AUG00036 |
| APIR code: | AUG0003AU |

Distributions

| | |
|------------|--------------|
| Frequency: | 2 |
| Dates: | 30/06, 31/12 |

Fees

| | |
|---|---|
| Management costs - PDS: | 0.20% |
| Minimum initial investment: | \$1,000 \$500 with a Regular investor plan |
| 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

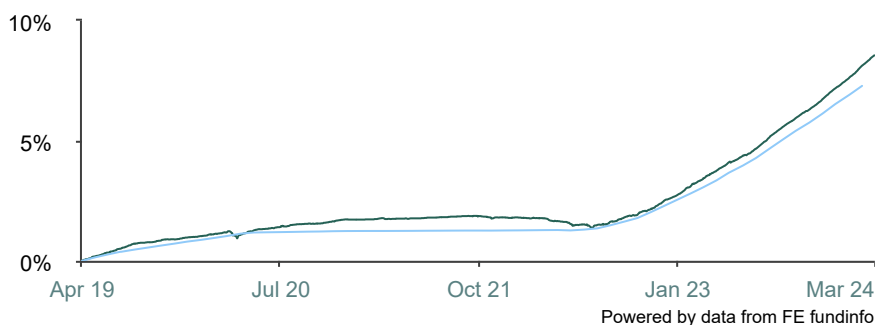
*(after tax, before bonus expense)

**The Benchmark was the Australian 90 Day Bank Bill from inception to 13 Aug 2019 and is the Bloomberg AusBond Bank Bill Index thereafter.

Investment strategy

The opportunity to invest in a diversified portfolio of interest-bearing investments generating income. The Fund is invested in short-dated deposits, high grade mortgage-backed securities, State and Commonwealth Government Bonds, and bank and other corporate bonds. As such, the returns of the Fund tend to move in line with the general level of interest rates.

Cumulative performance (as at 31/03/2024)



- Australian Ethical Income
- Composite Benchmark**

Performance (as at 31/03/2024)

| | 1m | 3m | 6m | 1y | 3y | 5y | 10y | Since inception (ann.) |
|-----------------------|------|------|------|------|------|------|------|------------------------|
| Fund | 0.4% | 1.3% | 2.5% | 4.6% | 2.2% | 1.7% | 1.7% | 3.5% |
| Composite Benchmark** | 0.4% | 1.1% | 2.2% | 4.2% | 2.1% | 1.5% | 1.8% | 3.9% |

Calendar Performance (as at end 2023)

| | CY2023 | CY2022 | CY2021 | CY2020 | CY2019 |
|-----------------------|--------|--------|--------|--------|--------|
| Fund | 4.3% | 0.9% | 0.1% | 0.7% | 1.7% |
| Composite Benchmark** | 3.9% | 1.3% | 0.0% | 0.4% | 1.4% |

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.

Top 10

| | |
|-----------------------------------|------|
| National Australia Bank Limited | 7.2% |
| Government of Australia | 6.3% |
| New South Wales Treasury Corp. | 6.2% |
| Queensland Treasury Corp. | 5.7% |
| Westpac Banking Corporation | 5.0% |
| Bank of Queensland Limited | 5.0% |
| Western Australian Treasury Corp. | 4.6% |
| Treasury Corporation of Victoria | 3.7% |
| Bank Australia Limited | 2.6% |
| Bendigo and Adelaide Bank Limited | 2.5% |

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?

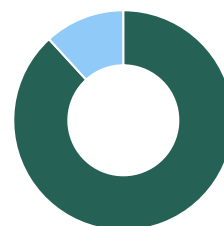
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Sector allocation

| | |
|--------------------|-------|
| Bank Senior Debt | 31.2% |
| State Government | 21.2% |
| Term Deposit | 13.9% |
| Bank Covered Bonds | 9.9% |
| Corporate Credit | 8.1% |
| Government | 6.3% |
| RMBS | 5.2% |
| SSA | 3.6% |
| ABS | 2.7% |
| Cash | -2.1% |

Asset allocation

| | |
|---|-------|
| Australian Interest Bearing Investments | 88.2% |
| Cash | 11.8% |



Commentary

The Australian Ethical Income Fund delivered a Gross return of 1.34% for the quarter ended March 29th. This was 0.25% ahead of the Bloomberg Ausbond Bank Bills Index at 1.09%. After fees, both retail and wholesale units delivered 1.29%.

Since raising the cash rate target to 4.35% at the November meeting, the RBA has remained on hold, with the explicit tightening bias dropped in the first two meeting decisions over the quarter. As a result, the 3mBBSW remained steady over the quarter at around the cash rate of 4.35%.

The Income Fund remains the most defensively positioned fund in the Australian Ethical offering, with a short modified duration. Yield above benchmark is achieved via credit allocations (primarily Senior Unsecured issuance from Australian ADI's) paying a spread above the benchmark. With spreads relatively steady across the quarter, the fund was able to generate outperformance.

The largest allocation of the fund is to Bank Senior Debt, with the holdings here primarily floating rate securities in line with the modified duration for this this group. Spreads to this sector have returned to pre-pandemic levels as issuers look to rebuild maturity profiles post the closure of the Term Funding Facility.

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