

Australian Ethical Balanced Fund (Wholesale)

Fund Profile - 31 March 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 investors with a balance between capital growth and a moderate level of income through a diversified portfolio of assets that meet our Ethical Criteria. The Retail Fund aims to achieve returns 3.00% above inflation after management costs over a 10 year period. The Wholesale Fund aims to achieve returns 3.50% above inflation after management costs over a 10 year period.

Price information

Pricing frequency: Daily

Buy/Sell spread: 0.10%/0.10%

Fund facts

Fund size: \$290.85m

Benchmark: Australian Ethical Balanced Composite

Asset class: Mixed Asset

Inception date: 28/03/2018

Minimum investment timeframe: 5 years

Risk level: Medium-High

Identifiers

ISIN code: AU60AUG00176

APIR code: AUG0017AU

Distributions

Frequency: 2

Dates: 30/06, 31/12

Fees

Management costs - PDS: 0.89%

Minimum initial investment: \$25,000 minimum in the Fund and \$200,000 investment across Australian Ethical's managed funds.

Additional transactional and operational costs: 0.02%

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)

Investment strategy

The opportunity to invest in a diversified portfolio of asset types and markets to reduce the volatility of returns. Asset classes include, but are not limited to, Australian and international shares, property and fixed income securities.

Cumulative performance (as at 31/03/2024)



■ Australian Ethical Balanced

■ Benchmark

Performance (as at 31/03/2024)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	1.9%	5.5%	9.9%	11.5%	5.6%	7.4%	-	7.7%
Benchmark	2.0%	4.9%	10.3%	11.5%	7.1%	7.4%	-	7.6%

Calendar Performance (as at end 2023)

	CY2023	CY2022	CY2021	CY2020	CY2019
Fund	10.8%	-9.8%	14.0%	8.5%	18.4%
Benchmark	10.9%	-4.8%	13.4%	3.6%	17.4%

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.

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Top 10

DEXUS HEALTHCARE PROPERTY FUND ORDINARY UNITS	3.6%
INVESTA PROPERTY GROUP	2.2%
BALANCED TM	2.2%
MICROSOFT CORP	1.4%
APPLE INC	1.2%
NVIDIA CORPORATION	1.0%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	0.9%
NATIONAL AUSTRALIA BANK	0.9%
SOFR 3M INDEX FUTURE EXP 18/06/2024	0.8%
ALPHABET INC-CL A	0.8%

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:

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Australian Ethical Investment Ltd

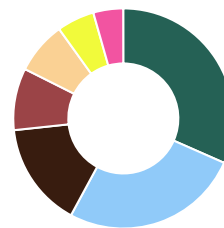
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

Asset allocation

Australian & NZ Shares	31.6%
International Shares	26.3%
Australian Fixed Interest	15.4%
International Fixed Interest	9.1%
Property	7.7%
Alternative Assets	5.5%
Cash, FRN's and short duration fixed interest	4.4%



Commentary

Equity markets have continued their rally over the quarter, appearing to reflect expectations of a soft-landing outcome, with the MSCI World Index up 9.7% over the quarter. The strong equity market performance was seen across markets, where the S&P 500 was up 10.2%, MSCI Europe up 10.1% and Japan's TOPIX index up 17% over the 3-month period. The domestic ASX 200 index lagged, delivering 4%, though still strong by normal standards.

The Balanced Fund (Wholesale) (the 'Fund') rose 5.5% net of fees in the quarter ended 31 March 2024, outperforming its SAA weighted benchmark by 0.5%. The Balanced Fund (Retail) rose 5.3% net of fees in the quarter, also outperforming the benchmark.

There was positive performance across all asset classes in the portfolio over the quarter, with the exception of unlisted property. Our global equities portfolio led returns over the quarter, up 14.02%, while our domestic equities portfolio delivered 8.7%. Domestic yields remained relatively flat over the quarter, with the higher yield level delivering 1.04% over the quarter (4.2% annualized), while offshore the higher yield levels were offset by falling US bond prices as strong economic data pushed down the number of rate cuts expected from the Fed over 2024. Despite underperformance in our international equities portfolio, global equities were the largest driver of performance, while outperformance in our domestic equities portfolio drove the relative outperformance of the fund.

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