

Australian Ethical Balanced Fund (Wholesale)

Fund Profile - 30 June 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: \$293.25m

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%

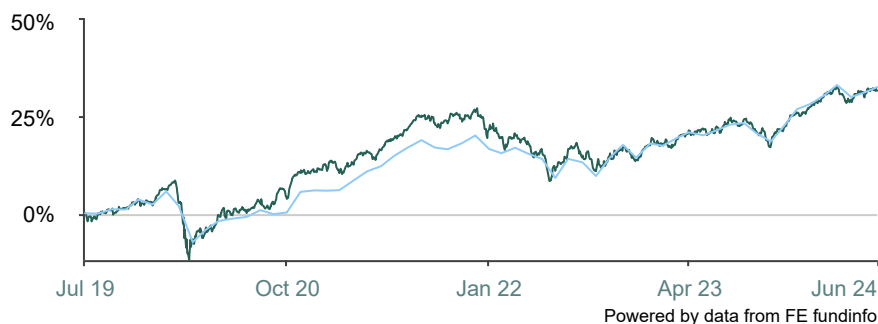
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(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 30/06/2024)



■ Australian Ethical Balanced

■ Benchmark

Performance (as at 30/06/2024)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	0.8%	-1.0%	4.5%	7.6%	3.3%	6.2%	-	7.2%
Benchmark	1.0%	-0.4%	4.5%	9.2%	4.9%	6.2%	-	7.3%

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	3.5%
BALANCED TM	2.2%
ICPF GROUP	2.2%
APPLE INC	1.4%
MICROSOFT CORP	1.4%
NVIDIA CORPORATION	1.3%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	1.0%
ALPHABET INC-CL A	0.9%
NATIONAL AUSTRALIA BANK	0.9%
SUNCORP GROUP LIMITED	0.7%

Ratings and awards

RIAA

Certification:



Why invest ethically?

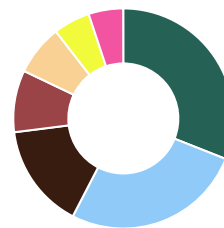
Portfolio diversification: Diversify your portfolio by investing in companies and sectors not well covered by other fund managers and brokers.
Help build a better world: Invest in the new, low-carbon economy, fund medical and technology breakthroughs, efficient transport and more.
Promote human rights: 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?

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Asset allocation

Australian & NZ Shares	31.0%
International Shares	26.6%
Australian Fixed Interest	15.4%
International Fixed Interest	9.1%
Property	7.4%
Alternative Assets	5.4%
Cash, FRN's and short duration fixed interest	5.1%



Commentary

On a gross basis, the Balanced Fund rose 8.4% in the financial year ended 30 June 2024, underperforming its benchmark which rose 9.2%. Net of fees, the Balanced Fund (Wholesale) rose 7.6% and the Balanced Fund (Retail) rose 6.9% underperforming the same benchmark over the same period.

The fund underperformed compared to its benchmark due to below-market returns on equity holdings, especially in Australian large-cap stocks. Being underweight in financials coupled with stock specific detractor within materials, hurt performance. However, underweight direct property was beneficial as market valuations continued to be revised lower over the period. Active global fixed income and cash allocations outperformed the benchmark.

Despite the lower-than-benchmark performance of our equity holdings, all asset classes except property contributed positively to the fund's total return. Equity markets saw strong double-digit returns for a second year, with the S&P 500 leading the S&P/ASX200, driven by large-cap momentum, particularly in the AI sector. Bond markets were mixed in terms of where they ended the year but overall delivered modest positive returns, helped by compression of credit spreads in the risk-positive environment.

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