

# Australian Ethical Balanced Fund (Wholesale)

Fund Profile - 31 December 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:** \$385.14m  
**Benchmark:** Australian Ethical Balanced Composite  
**Asset class:** Mixed Asset  
**Inception date:** 28/03/2018  
**Minimum investment timeframe:** 8 Years  
**Risk level:** Medium-High

## Identifiers

**ISIN code:** AU60AUG00176  
**APIR code:** AUG0017AU

## Distributions

**Frequency:** 2  
**Dates:** 30/06, 31/12

## Fees

**Management costs - PDS:** 1.56%  
**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%

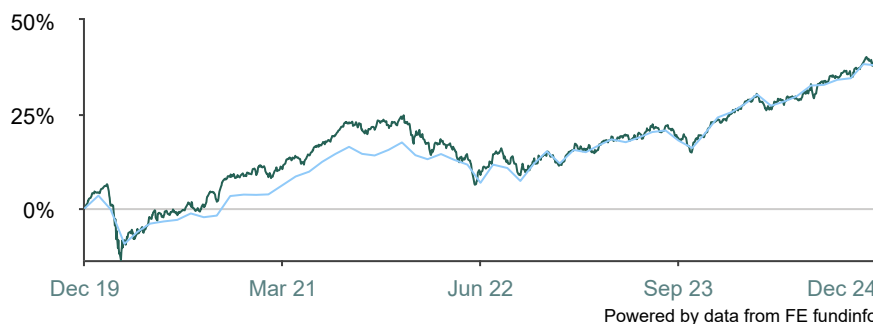
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website [australianethical.com.au](http://australianethical.com.au)

\*(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 31/12/2024)



■ Australian Ethical Balanced  
■ Benchmark

## Performance (as at 31/12/2024)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	0.1%	3.0%	7.6%	12.4%	3.9%	6.8%	-	7.8%
Benchmark	-0.3%	2.8%	6.3%	11.1%	5.5%	6.6%	-	7.7%

## Calendar Performance (as at end 2024)

	CY2024	CY2023	CY2022	CY2021	CY2020
Fund	12.4%	10.8%	-9.8%	14.0%	8.5%
Benchmark	11.1%	10.9%	-4.8%	13.4%	3.6%

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 UIT	3.6%
COMMONWEALTH BANK OF AUSTRALIA	2.1%
INVESTA COMMERCIAL PROPERTY FD COMMON STOCK UNIT	1.8%
APPLE INC	1.6%
RENAISSANCERE MEDICI FD S A 1	1.6%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	1.5%
NATIONAL AUSTRALIA BANK	1.5%
NVIDIA CORPORATION	1.4%
MICROSOFT CORP	1.4%
MACQUARIE GROUP LTD	1.2%

## 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:

**T** 1800 021 227

**F** 02 9252 1987

**E** [investors@australianethical.com.au](mailto:investors@australianethical.com.au)

**W** [australianethical.com.au](http://australianethical.com.au)

Australian Ethical Investment Ltd

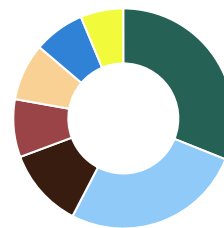
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

## Asset allocation

International Shares	31.1%
Australian & NZ Shares	26.6%
Australian Fixed Interest	11.7%
International Fixed Interest	8.5%
Alternative Assets	8.4%
Other	7.5%
Cash and short-term interest bearing securities	6.3%



## Commentary

The Balanced Fund (Wholesale) (the 'Fund') rose 3.0% net of fees in the quarter ended 31 December 2024, outperforming its SAA benchmark which rose 2.8%. The Balanced Fund (Retail) rose 2.8% net of fees in the quarter.

Following a strong period for equity markets, the quarter ending December 31, 2024 saw some pullback in domestic equities. Domestic ASX 300 TR fell -0.81%.

However, the Balanced Fund experienced some outperformance within the domestic equity sleeve due to under allocation to Materials as large cap resource stocks continued their weakness on the back of Chinese economic concerns.

Global Listed Real Estate was an added area of benchmark outperformance for the period. International equities, particularly large cap US stocks provided double digit returns as the MSCI World Ex Australia returned 12.1% for the quarter. The Balanced fund's international equity sleeve performed roughly in-line with this benchmark. Equity market valuations on a historical basis are stretched and credit spreads globally are the tightest in decades. Markets are certainly discounting the probability of hard landing for the economy, instead inflation remains a key concern.

Both domestic and international fixed income markets faced a volatile quarter as interest rate cut expectations were modified from September's initial optimism. Inflation rates remain above central bank targets for Australia and the US. President Trump's election in November raised considerable question of potential policy impact on inflation and fiscal deficits. Longer dated bonds saw yields rise in the US and Australia from September's lows. Australia's RBA continues to reiterate the need to, "remain vigilant to upside risks to inflation" with markets only expecting the first rate cut sometime in early CY2025.

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