

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 supporting the Australian Ethical Charter.

Price information

Pricing frequency: Daily

Buy/Sell spread: 0.00%/0.00%

Fund facts

Fund size: \$1.44m

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

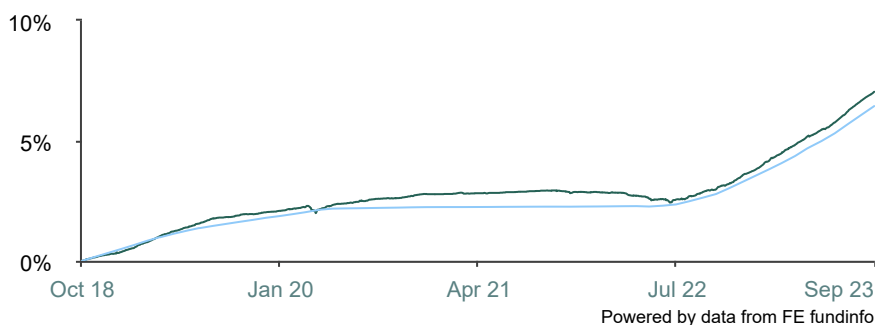
*(after tax, before bonus expense)

**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 30/09/2023)



■ Australian Ethical Income
■ Composite Benchmark**

Performance (as at 30/09/2023)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	0.3%	1.2%	2.1%	3.9%	1.4%	1.4%	1.6%	3.5%
Composite Benchmark**	0.3%	1.1%	2.0%	3.6%	1.4%	1.3%	1.7%	3.9%

Calendar Performance (as at end 2022)

	CY2022	CY2021	CY2020	CY2019	CY2018
Fund	0.9%	0.1%	0.7%	1.7%	1.3%
Composite Benchmark**	1.3%	0.0%	0.4%	1.4%	2.0%

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.

Australian Ethical Income Fund

Fund Profile - 30 September 2023

Australian
Ethical



Top 10

Bank of Queensland Limited	9.5%
National Australia Bank Limited	9.2%
Westpac Banking Corporation	7.1%
Queensland Treasury Corp.	6.5%
Government of Australia	5.9%
Western Australian Treasury Corp.	5.3%
Bendigo and Adelaide Bank Limited	5.2%
Suncorp-Metway Ltd.	3.7%
Ausgrid Finance Pty Ltd.	3.5%
Credit Union Australia Ltd.	3.1%

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?

Contact us Monday-Friday on:

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Australian Ethical Investment Ltd

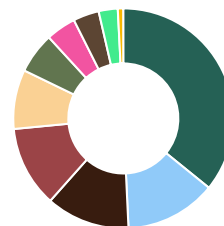
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

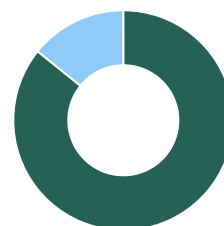
Sector allocation

Bank Senior Debt	35.8%
Term Deposit	13.4%
Bank Covered Bonds	12.3%
Corporate Credit	11.9%
State Government	8.7%
SSA	6.0%
Government	4.4%
RMBS	3.8%
ABS	2.8%
Cash	0.8%



Asset allocation

Australian Interest Bearing Investments	85.8%
Cash	14.2%



Commentary

The Australian Ethical Income Fund delivered a Gross return of 1.26% for the quarter ended September 30. This was 0.18% ahead of the Bloomberg Ausbond Bank Bills Index at 1.08%. After fees, both retail and wholesale units delivered 1.08%. Since raising the cash rate target to 4.1% at the June meeting, the RBA has held the cash rate steady, guiding only that there may be the need for some further tightening of policy in order to achieve the inflation outcome within a "reasonable timeframe". This is currently forecast to be back within the target band by the middle of 2025.

As a result there has been little movement in credit spreads over the quarter, and the 3mBBSW eased slightly from 4.35 at the beginning of the quarter to 4.14% as the prospect of continued near term hikes from the RBA began to be phased out of market pricing.

The Australian Ethical Income Fund remains a short duration fund that holds predominantly floating rate securities or fixed rate securities of less than 1y duration, holding a mix of term deposits, mortgage and other asset backed securities, bank covered and senior unsecured debt, government securities and corporate credit. The gross yield of the fund sat at 4.9% at the end of September.

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