

Australian Ethical Moderate Fund (Wholesale)

Australian
Ethical



Fund Profile - 31 December 2023

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

The fund aims to achieve return 2.50% above inflation after management costs over rolling 10 year period.

Price information

Pricing frequency: Daily

Buy/Sell spread: 0.10%/0.10%

Fund facts

Fund size: \$0.19m

Asset class: Mixed Asset

Inception date: 15/09/2023

Minimum investment timeframe: 6 Years

Risk level: Medium

Identifiers

ISIN code: AU60AUG74544

APIR code: AUG7454AU

Distributions

Frequency: 2

Dates: 30/06, 29/12

Fees

Management costs - PDS: 0.72%

Minimum initial investment: \$25,000

Additional transactional and operational costs: 0.00%

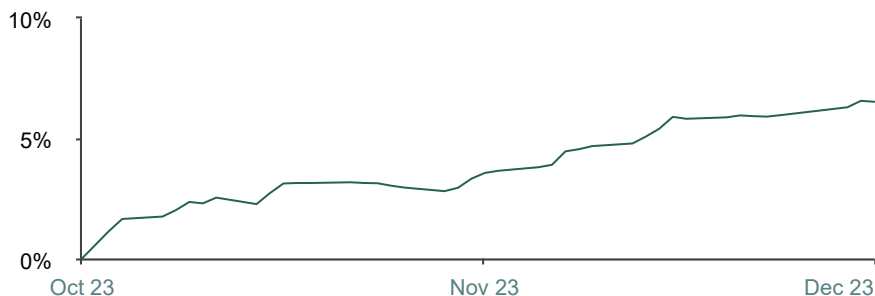
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(after tax, before bonus expense)

Investment strategy

The opportunity to invest in a diversified portfolio with exposure of around 50% growth and 50% defensive assets. Asset classes include, but are not limited to, Australian and international shares, unlisted property, alternative assets and fixed income securities.

Cumulative performance (as at 31/12/2023)



Powered by data from FE fundinfo

■ Australian Ethical Moderate

Performance (as at 31/12/2023)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	2.9%	-	-	-	-	-	-	46.1%

Calendar Performance (as at end 2023)

	CY2023	CY2022	CY2021	CY2020	CY2019
Fund	-	-	-	-	-

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 WHOLESALE PROPERTY FUND	2.4%
U/K REPO FV 48-1M US TREAS 3-5 0128 MTY 31/01/28	1.4%
MODERATE FUND TM	1.4%
U/K REPO FV 48-3M US TREAS 3-25 0629 MTY 02/01/24	1.4%
GPT WHOLESALE OFFICE FUND	1.3%
CHARTER HALL PRIME INDUSTRIAL FUND	1.2%
APPLE INC	1.1%
MIRVAC WHOLESALE OFFICE FUND - STAPLED	1.1%
MICROSOFT CORP	1.0%
US 2YR T-NOTE FUTURE EXP 28/03/2024	0.8%

Ratings and awards

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.

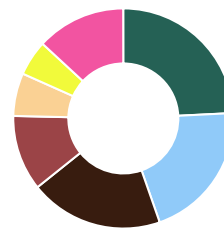
Promote human rights: We strive to avoid any investment in companies involved in the poor treatment of asylum seekers or the exploitation of workers through poor working conditions.

Need Help?

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Asset allocation

Australian & NZ Shares	24.2%
International Shares	20.4%
Australian Fixed Interest	19.6%
International Fixed Interest	11.1%
Property	6.3%
Alternative Assets	5.2%
Cash, FRN's and short duration fixed interest	13.1%



Commentary

Equity markets continued to rise over the quarter, with the MSCI World index returning 9.8% (as measured in local currency). Markets were buoyed by an anticipated start to a rate cutting cycle, in particular by the Fed, with a series of rate cuts priced in for 2024. The Australian 10-year Government bond fell 53bps over the quarter to 3.96%, while the US 10-year fell 69bps to 3.88%. So far, a soft landing, while historically unlikely, remains a possibility, with inflation in much of the developed world approaching their target ranges, while employment has remained resilient. The rate sensitive information technology sector led equity markets, appreciating 11.0% over the quarter to finish up 55.9% for the full year. The Moderate Fund (Wholesale) returned 6.9% over the two months to December (Fund inception 30/10/2023) against its SAA weighted benchmark return of 6.4%. Both the domestic and global equities portfolio drove the absolute performance, with our domestic equities portfolio rising 12.8%, and international equities portfolio 8.2%. From a relative performance perspective, our international equities portfolio was the main contributor, outperforming its MSCI World ex AU Index benchmark by 1.8%. The fixed income portfolios performed well over the quarter, with the domestic fixed income portfolio returning 5.8%, slightly above the return of its benchmark, and the international fixed income portfolio returning 7.0%, outperforming its benchmark by 68bps.

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