

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 exposure to primarily Australian fixed interest securities that support the Australian Ethical Charter, generating income with some capital growth potential over the medium to long term.

Price information

Pricing frequency:	Daily
Buy/Sell spread:	0.00%/0.00%

Fund facts

Fund size:	\$32.36m
Benchmark:	Bloomberg AusBond Composite 0+ Years
Asset class:	Fixed Interest
Inception date:	15/01/2014
Minimum investment timeframe:	3 years
Risk level:	Low-Medium

Identifiers

ISIN code:	AU60AUG00234
APIR code:	AUG0023AU

Distributions

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

Fees

Management costs - PDS:	0.45%
Minimum initial investment:	\$25,000
Additional transactional and operational costs:	0.00%

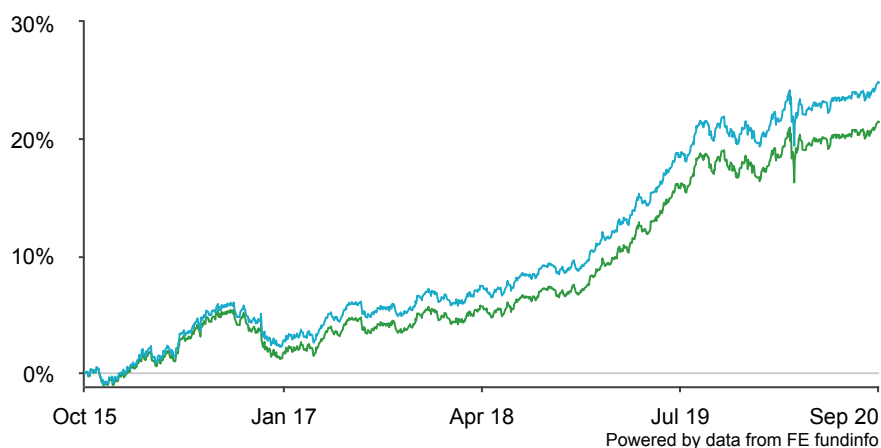
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(after tax, before bonus expense)

Investment strategy

The opportunity to invest in a diversified portfolio of interest-bearing investments generating income. The Fund is invested in primarily fixed rate bonds, from issuers such as the Commonwealth and State Governments, banks and other corporate issuers that meet the Australian Ethical Charter.

Cumulative performance (as at 30/09/2020)



■ Australian Ethical Fixed Interest
■ Benchmark

Performance (as at 30/09/2020)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	1.0%	0.9%	1.3%	2.9%	5.5%	4.0%	-	4.7%
Benchmark	1.1%	1.0%	1.6%	3.2%	6.0%	4.5%	-	5.2%

Calendar Performance (as at end 2019)

	CY2019	CY2018	CY2017	CY2016	CY2015
Fund	6.7%	4.0%	3.2%	2.1%	2.1%
Benchmark	7.3%	4.5%	3.7%	2.9%	2.6%

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.

Australian Ethical Fixed Interest Fund (Wholesale)

FUND PROFILE - 30 SEPTEMBER 2020

Top 10

Government of Australia	56.3%
Queensland Treasury Corp.	7.5%
New South Wales Treasury Corp.	5.6%
Treasury Corporation of Victoria	4.9%
Western Australian Treasury Corp.	3.3%
South Australian Government Financing Authority	1.7%
European Investment Bank	1.2%
International Bank for Reconstruction & Development	1.2%
Rentenbank	1.2%
International Finance Corporation	1.1%

Ratings and awards

RIAA rating:



CERTIFIED BY RIAA

UNPRI signatory:

Signatory of:



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 between 9:00am-5:00pm

AEST Monday-Friday on:

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Australian Ethical Investment Ltd

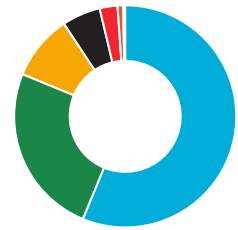
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

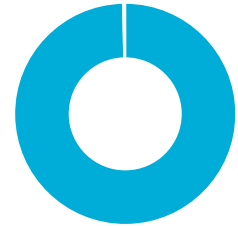
Sector allocation

Government	56.3%
State Government	25.0%
SSA	9.5%
Corporate Credit	5.6%
Bank Senior Debt	2.6%
Bank Covered	0.8%
Cash	0.3%



Asset allocation

Australian Fixed Interest	99.7%
Cash	0.3%



Commentary

The Fixed Interest Fund performed slightly behind the benchmark index after fees over the September quarter, rising 0.8% (0.9% Wholesale Fund) against the 1.02% return of the Bloomberg Ausbond Composite Bond Index.

In the wake of the economic disruptions caused by COVID-19, the performance of fixed income has been determined by the capacity and outlook for central banks and governments to continue to provide support.

Over the September quarter both the Governor and Deputy Governor of the Reserve Bank of Australia (RBA) have suggested that a further small cut to the official cash rate may yet be in the RBA's toolkit. Towards the end of the quarter markets had begun to price in expectations that this cut would be applied to the cash rate, the target rate for 3-year government bonds under yield curve control operations and the rate at which funding is made available to banks under the Term Funding Facility.

The Fixed Interest Fund retained its neutral duration position throughout the quarter, delivering in-line performance before fees.

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