

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:	\$20.49m
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%

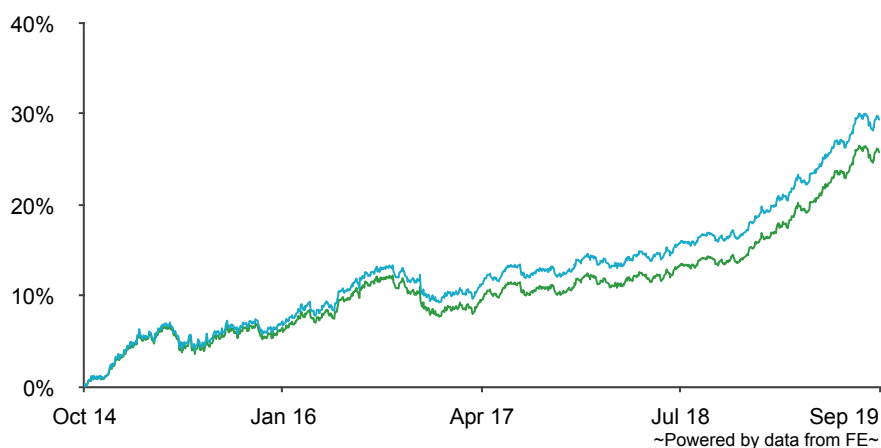
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(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 30/09/2019)



■ Australian Ethical Fixed Interest
■ Benchmark

Performance (as at 30/09/2019)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	-0.5%	1.9%	4.8%	10.6%	4.0%	4.7%	-	5.0%
Benchmark	-0.5%	2.0%	5.1%	11.1%	4.6%	5.3%	-	5.6%

Calendar Performance (as at end 2018)

	CY2018	CY2017	CY2016	CY2015	CY2014
Fund	4.0%	3.2%	2.1%	2.1%	-
Benchmark	4.5%	3.7%	2.9%	2.6%	-

Source: FE.

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.

Top 10

Australian Government Bond	51.5%
Queensland Treasury Corporation	8.2%
New South Wales Treasury Corporation	5.7%
Western Australia Treasury Corporation	4.5%
Treasury Corporation of Victoria	3.9%
Kreditanstalt Fuer Wier	2.2%
South Australian Financing Authority	1.8%
European Investment Bank	1.6%
Landwirtschaftliche Rentenbank	1.3%
National Australia Bank Limited	1.3%

Ratings and awards

RIAA rating:



CERTIFIED BY RIAA

UNPRI signatory:



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

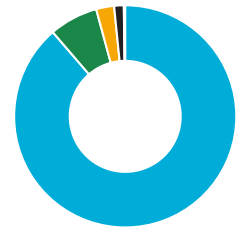
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

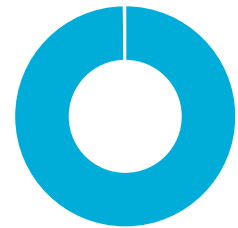
Sector allocation

■ Government	88.6%
■ Corporate Credit	7.1%
■ Bank Senior Debt	2.6%
■ Bank Covered	1.4%
■ Cash	0.2%



Asset allocation

■ Australian Fixed Interest	99.8%
■ Cash	0.2%



Commentary

The Australian Ethical Fixed Interest Fund returned 1.7% (1.9% for the wholesale fund) for the September quarter, slightly behind the benchmark index which returned 2.0% over the quarter.

The fund held a neutral duration through the September quarter relative to that of the Bloomberg Ausbond Composite Bond Index 0+. Declines in long bond yields pushed fixed income returns higher over July and August. The RBA delivered a rate cut in July, and markets continued to price in more central bank support action both domestically and in other developed markets. After starting the quarter at 1.32%, the Australian 10-year yield declined as much as 0.54% to a historic low of 0.88%. However, September saw the global decline in yields reverse on hopes of calming US/China trade relations as a resumption of trade talks in October was announced.

Domestic markets continue to expect further support to come from the RBA, with many in the market now looking to what other measures they could potentially employ to support the economy as the cash rate approaches zero, with unconventional measures expected to be applied if the cash rate reaches 0.5%. The RBA's guidance is that it would not expect to see upward pressure on inflation without full employment. The fund remains in a neutral duration position.

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