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**

<table>
<thead>
<tr>
<th>Pricing</th>
<th>Daily</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy/Sell spread</td>
<td>0.00%/0.00%</td>
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</tbody>
</table>

**Fund facts**

| Fund size: | $6.95m |
| Benchmark: | Bloomberg AusBond Bank Bill |
| Asset class: | Money Market |
| Inception date: | 01/07/2015 |
| Minimum investment timeframe: | 1 year |
| Risk level: | Very low |

**Identifiers**

| ISIN code: | AU60AUG00242 |
| APIR code: | AUG0024AU |

**Distributions**

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

**Fees**

| Management costs - PDS: | 0.35% |
| Minimum initial investment: | $25,000 |
| Additional transactional and operational costs: | 0.00% |

*An 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*
Australian Ethical Income Fund (Wholesale)

FUND PROFILE - 30 SEPTEMBER 2019

Top 10

- Australian Government Bond: 11.1%
- Westpac Banking Corporation: 8.0%
- Western Australia Treasury Corporation: 7.9%
- National Australia Bank Limited: 7.3%
- Queensland Treasury Corporation: 6.9%
- New South Wales Treasury Corporation: 5.3%
- Treasury Corporation of Victoria: 5.3%
- Suncorp Metway Ltd: 4.9%
- Bank of Queensland: 4.5%
- Bendigo and Adelaide Bank Limited: 4.2%

Ratings and awards

- RIAA rating: Certified by RIAA
- UNPRI signatory: Signatory of Principles for Responsible Investment (PRI)

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.

Sector allocation

- State Government: 54.4%
- Bank Senior Debt: 19.0%
- Term Deposit: 4.6%
- Bank Covered Bonds: 4.0%
- RMBS: 4.0%
- Corporate Credit: 3.9%
- Commercial Paper/Bank Bills: 10.0%

Asset allocation

- Australian Interest Bearing Investments: 99.4%
- Cash: 0.6%

Commentary

The Australian Ethical Income Fund returned 0.3% (0.4% for the wholesale fund) for the September quarter, approximately in line with the benchmark which returned 0.3% for the quarter.

As has been the theme over 2019, the benchmark rate has continued to decline and fell from 1.20% at the end of June to 0.95% at the end of September. Fixed rate securities in the fund, purchased with up to 12 months to maturity, saw the fund benefit from these declines.

The decline in the 90-day bills rate comes as markets expect the Reserve Bank to continue to loosen monetary policy to support the economy. With a rate cut delivered in July, the unemployment rate moving higher and a very low level of GDP growth for the year to June reported over the quarter, there is little reason to doubt short-term rates will continue to move lower in the near term.

The fund continues to preference high-quality liquid assets, with the top 10 securities dominated by State and Commonwealth Government issues with up to 12 months to maturity. Bank positions held consist of a combination of floating rate notes, short-dated discount securities and term deposits.

Need Help?

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