

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: \$1.61m

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%

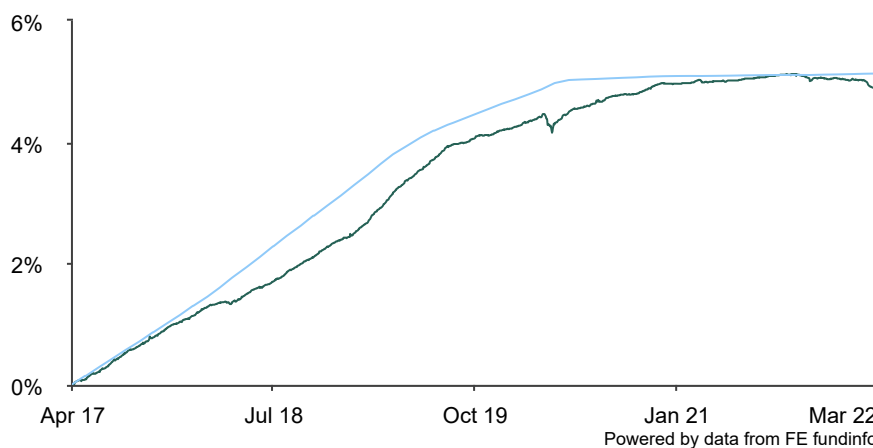
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website [australianethical.com.au](http://australianethical.com.au)

\*(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 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 31/03/2022)



■ Australian Ethical Income

■ Benchmark

Powered by data from FE fundinfo

## Performance (as at 31/03/2022)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	-0.1%	-0.1%	-0.2%	-0.1%	0.6%	1.0%	1.9%	3.5%
Benchmark	0.0%	0.0%	0.0%	0.0%	0.4%	1.0%	1.8%	3.9%

## Calendar Performance (as at end 2021)

	CY2021	CY2020	CY2019	CY2018	CY2017
Fund	0.1%	0.7%	1.7%	1.3%	1.6%
Benchmark	0.0%	0.4%	1.4%	2.0%	1.8%

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.

## Top 10

Government of Australia	25.9%
Australian Capital Territory	6.7%
Westpac Banking Corporation	5.6%
Queensland Treasury Corp.	5.2%
Bank of Queensland Limited	4.1%
Bendigo and Adelaide Bank Limited	3.8%
Treasury Corporation of Victoria	3.2%
ETSA Utilities Finance Pty Ltd.	3.0%
National Australia Bank Limited	2.9%
European Investment Bank	2.6%

## 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:

**T** 1800 021 227

**F** 02 9252 1987

**E** [investors@australianethical.com.au](mailto:investors@australianethical.com.au)

**W** [australianethical.com.au](http://australianethical.com.au)

Australian Ethical Investment Ltd

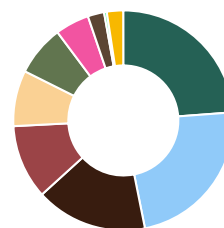
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

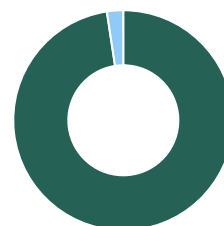
## Sector allocation

Bank Senior Debt	23.8%
Government	23.0%
State Government	16.4%
Corporate Credit	10.9%
Bank Covered Bonds	8.2%
SSA	7.4%
Term Deposit	5.0%
ABS	2.4%
RMBS	0.4%
Cash	2.4%



## Asset allocation

Australian Interest Bearing Investments	97.6%
Cash	2.4%



## Commentary

March Quarter the gross return of the Australian Ethical Income Fund were -0.10%, which was below the 0.01% return of the Bloomberg Ausbond Bank Bills Index. After fees, the Income Fund return was -0.14%.

The 3 month Bank Bill Swap rate increased from 0.067% at the end of December to 0.232%, as bank bills began to anticipate a move in the cash rate away from the emergency level of 0.10% that was adopted at the start of the pandemic.

The negative return for the quarter reflects this upward shift in front end yields, in addition to widening credit spreads as markets began to price in increased issuance activity from the banks following the end of the Term Funding Facility last year. Widening spreads on bank senior debt detracted -0.06% from fund performance.

In addition to Floating Rate securities, which will capture this move in the 3 month bank bills rate at their next coupon reset, the fund holds highly rated, highly liquid securities which can have fixed rates of up to 1 year to maturity. The November 2022 Government Bond, 16% of Fund assets over the quarter, increased in yield from 0.25% to 0.59% and detracted 0.02%.

The increase in yields and spreads has seen the portfolio yield to maturity lift over the quarter from 0.44% to 0.75%. The fund will continue to target a mix of high quality liquid bonds and floating rate credit exposures in the period ahead. Fund average modified duration sits at 0.3.

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