

Australian Ethical Altius Bond Fund (Wholesale)

Fund Profile - 30 September 2025

Australian Ethical



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 meet our Ethical Criteria, generating income with some capital growth potential over the medium to long term. The Fund aims to track the return of the Bloomberg AusBond Composite 0+ years Index before taking into account management costs over a 3 year period.

Price information

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

Fund facts

Class size:	\$29.21m
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:	0.30%
Minimum initial investment:	\$25,000
Additional transactional and operational costs:	0.00%

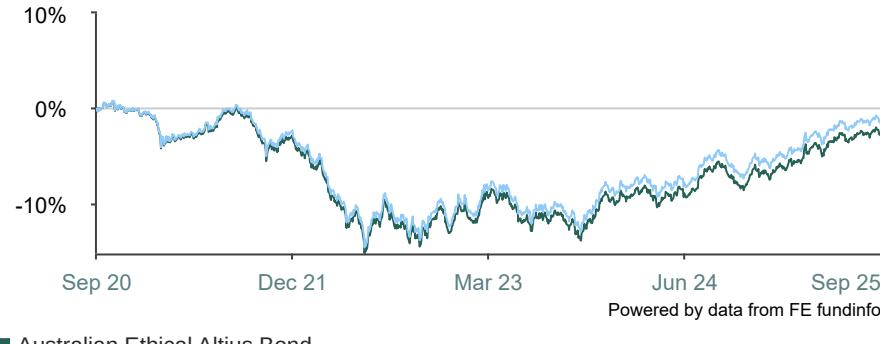
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(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 30/09/2025)



Powered by data from FE fundinfo

Performance (as at 30/09/2025)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	0.1%	0.4%	3.0%	4.0%	4.1%	-0.5%	1.7%	2.5%
Bloomberg AusBond Composite Bond Index (0+Y)	0.1%	0.4%	3.0%	4.1%	4.2%	-0.2%	2.1%	2.9%

Calendar Performance (as at end 2024)

	CY2024	CY2023	CY2022	CY2021	CY2020
Fund	2.7%	4.7%	-10.0%	-3.3%	4.2%
Bloomberg AusBond Composite Bond Index (0+Y)	2.9%	5.1%	-9.7%	-2.9%	4.5%

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	39.2%
Treasury Corporation of Victoria	14.8%
New South Wales Treasury Corp.	13.9%
Queensland Treasury Corp.	11.0%
Western Australian Treasury Corp.	3.1%
South Australian Government Financing Authority	3.1%
International Bank for Reconstruction & Development	2.1%
Commonwealth Bank of Australia	1.9%
NBN Co Limited	1.8%
Asian Development Bank	1.8%

Sector allocation

State Government	38.9%
Government	31.1%
Corporate Credit	11.6%
SSA	10.4%
Bank Senior Debt	6.2%
Bank Covered	2.2%
Agency	0.7%
Cash	-1.2%

Asset allocation

■ Australian Fixed Interest	101.2%
Cash	-1.2%



Ratings and awards

RIAA Certification:



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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Commentary

The Australian bond market generated a return of 0.40% over the September quarter as measured by the Aust Bond Composite index. Credit markets were again the best performing sector generating a return of just under 1% compared to a return of 0.09% from treasuries.

US tariffs remained one of the biggest themes through Q3, with several key developments shaping global trade dynamics. Initially set to expire on July 9, the 90-day tariff extension was postponed to August 1, after which President Trump outlined new tariff rates for multiple economies. Deals with the EU and Japan resulted in a moderate 15% tariff, below earlier proposals. However, Canada faced higher tariffs on non-USMCA goods, rising from 25% to 35%, while new sectoral tariffs were introduced — including 50% on copper and 100% on branded pharmaceuticals effective October 1. These measures reinforced inflationary pressures and sustained investor focus on trade policy as a critical economic driver.

In the Global bond market, weaker US labor data pushed the Federal Reserve to adopt a more dovish stance, culminating in a 25bps rate cut in September, lowering the federal funds rate to a range of 4.00–4.25%. Expectations of further easing supported bond prices broadly, with the 10-year Treasury yield down 8bps and the Bloomberg Global Aggregate Bond Index up 0.6% for the quarter. However, long-end yields in Europe rose sharply due to fiscal instability, particularly in France, where a government confidence loss and credit downgrade drove 30-year yields to post-2009 highs. Germany and the UK experienced similar upward moves, contrasting the relative stability in US long-duration bonds.

Closer to home the RBA cut cash rates by 25bps at the August meeting to 3.60% after surprising the market by leaving them unchanged the month prior. September saw a notable shift in tone from the RBA with the September meeting statement acknowledging a strong consumer, reliant labour market and sticker inflation following consecutive monthly surprise print. By the end of the quarter the market had removed one policy easing leaving only 35 basis points of easing priced over the coming 12 months.

Credit markets performed strongly over the quarter supported by strong equity performance, further global monetary policy easing and a strong technical backdrop. On a duration adjusted basis local credit significantly outperformed the Treasury market generating 0.92% as measured by the Bloomberg All Credit index versus 0.09% from the Bloomberg All Treasury Index. Single A and BBB credit both tightened around 15 basis points to bond to finish at 100 and 127 basis points respectively.

Portfolio outperformance was driven by a combination of our overweight to credit assets including semi govt, major and regional banks, corporates and asset backed securities. Active duration management also added performance as we maintained a neutral or long duration positions throughout the quarter.

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