Australian Ethical Income 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 generate an income stream consistent with prevailing short-term interest rates while minimising the risk of capital loss and meeting our Ethical Criteria. The Fund aims to exceed the return of the Bloomberg AusBond Bank Bill after taking into account management costs over a 1 year period.

Price information

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

Fund facts

Class size:	$10.72m
Benchmark:	Bloomberg AusBond Bank Bill
Asset class:	Money Market
Inception date:	30/06/2015
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:	0.20%
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

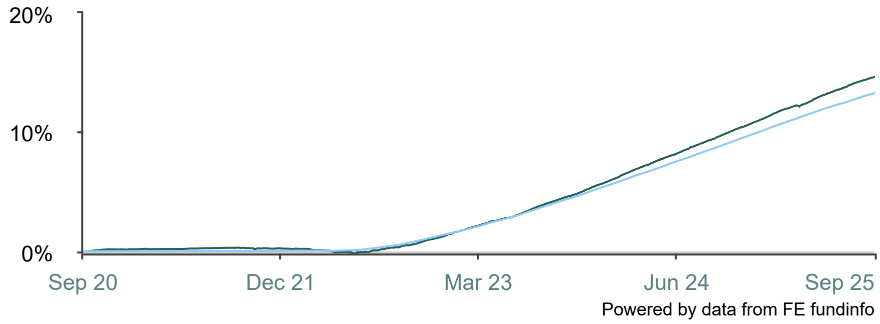
*(after tax, before bonus expense)

**The Benchmark was the Australian 90 Day Bank Bill from inception to 13 Aug 2019 and is the Bloomberg AusBond Bank Bill Index thereafter.

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 30/09/2025)



Performance (as at 30/09/2025)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	0.3%	1.0%	2.2%	4.6%	4.5%	2.8%	2.3%	2.3%
Composite Benchmark**	0.3%	0.9%	1.9%	4.2%	4.1%	2.5%	2.1%	2.1%

Calendar Performance (as at end 2024)

	CY2024	CY2023	CY2022	CY2021	CY2020
Fund	5.1%	4.3%	0.9%	0.1%	0.8%
Composite Benchmark**	4.5%	3.9%	1.3%	0.0%	0.4%

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 Income Fund (Wholesale)

Fund Profile - 30 September 2025

Top 10

Government of Australia	17.0%
IMB Ltd. (Australia)	9.6%
National Australia Bank Limited	8.3%
Westpac Banking Corporation	8.0%
Commonwealth Bank of Australia	7.5%
Bendigo and Adelaide Bank Limited	7.3%
Treasury Corporation of Victoria	5.5%
ING Bank (Australia) Limited	5.3%
Norfina Limited	5.2%
Queensland Treasury Corp.	4.9%

Ratings and awards

RIAA Certification:

Why invest ethically?

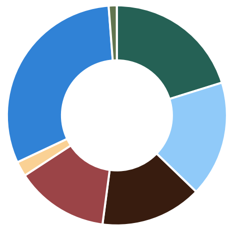
Portfolio diversification: Diversify your portfolio by investing in companies and sectors not well covered by other fund managers and brokers. Help build a better world: Invest in the new, low-carbon economy, fund medical and technology breakthroughs, efficient transport and more. Promote human rights: 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?

Contact us Monday-Friday on:
T 1800 021 227
F 02 9252 1987
E investors@australianethical.com.au
W australianethical.com.au
Australian Ethical Investment Ltd
c/o Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

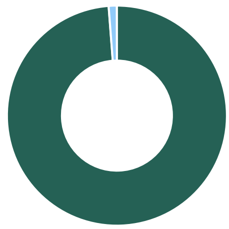
Sector allocation

Bank Senior Debt	20.2%
Government	17.0%
Bank Covered Bonds	14.9%
State Government	13.7%
RMBS	2.2%
Other	30.8%
Cash	1.2%



Asset allocation

Australian Interest Bearing Investments	98.8%
Cash	1.2%



Australian Ethical Income Fund (Wholesale)

Fund Profile - 30 September 2025

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.