

Australian Ethical Altius Bond Fund (Wholesale)

Fund Profile - 31 March 2026

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: \$88.43m
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: \$10,000
Additional transactional and operational costs: 0.00%

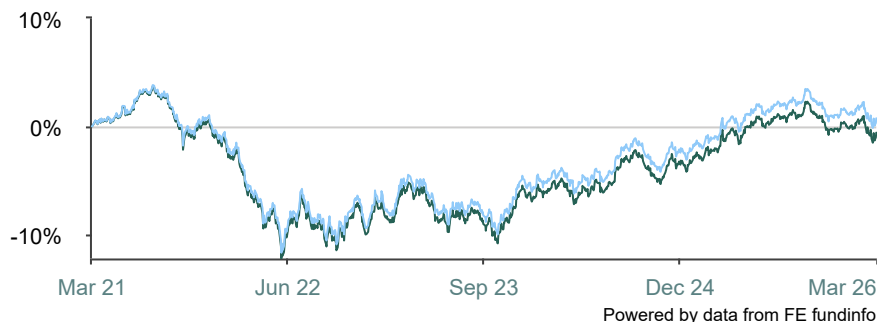
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(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 31/03/2026)



■ Australian Ethical Altius Bond
■ Bloomberg AusBond Composite Bond Index (0+Y)

Performance (as at 31/03/2026)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	-1.5%	-0.4%	-1.6%	1.3%	1.9%	-0.1%	1.4%	2.2%
Bloomberg AusBond Composite Bond Index (0+Y)	-1.4%	-0.3%	-1.5%	1.5%	2.1%	0.2%	1.8%	2.6%

Calendar Performance (as at end 2025)

	CY2025	CY2024	CY2023	CY2022	CY2021
Fund	3.1%	2.7%	4.7%	-10.0%	-3.3%
Bloomberg AusBond Composite Bond Index (0+Y)	3.2%	2.9%	5.1%	-9.7%	-2.9%

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.

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Top 10

Government of Australia	39.3%
New South Wales Treasury Corp.	11.5%
Treasury Corporation of Victoria	11.1%
Queensland Treasury Corp.	8.8%
South Australian Government Financing Authority	2.2%
Western Australian Treasury Corp.	2.2%
National Australia Bank Limited	1.3%
KfW	1.3%
International Finance Corp.	1.2%
Australian Capital Territory	1.1%

Ratings and awards

RIAA Certification:



Why invest ethically?

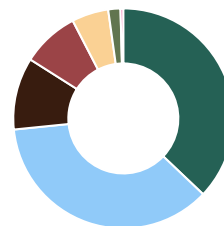
Portfolio diversification: Diversify your portfolio by investing in companies and sectors not well covered by other fund managers and brokers.
Help build a better world: Invest in the new, low-carbon economy, fund medical and technology breakthroughs, efficient transport and more.
Promote human rights: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

Government	37.1%
State Government	36.3%
Corporate Credit	10.6%
SSA	8.4%
Bank Senior Debt	5.4%
Bank Covered	1.8%
Agency	0.4%



Asset allocation

Australian Fixed Interest	100.0%
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Commentary

The dominant theme in fixed income for the March Quarter was rising yields. Markets that started the quarter pricing a 50/50% chance of an RBA rate hike, by the end of 2026 had fully priced it by the end of January after inflation continued to print persistently above the RBA target band and unemployment remained low. The RBA hiked at the start of February, after forecasting it was going to take longer to return to the target band and this was "not acceptable". Already poised to do "what it considers necessary" to return inflation to the target band, the Middle East conflict and its escalation throughout March brought an unwelcome rise in the price of oil, and with that, expectations of an additional burst of inflation globally. Market expectations of further monetary response from the RBA shifted higher, with the cash rate priced to increase twice more before year end. Three-year yields peaked 0.69% higher than they started the quarter and then eased back slightly in late March, closing 0.52% higher at 4.65%. Ten-year yields closed 0.25% higher than they started the quarter, at 4.97%.

As a result of the increase in yields, those funds with duration exposures saw declines over the quarter, with the Australian Ethical Altius Bond Fund -0.4% (net of fees) and the Australian Ethical Green & Sustainable Bond Fund -0.4% (net of fees) for the quarter compared to -0.3% for their benchmark, the Bloomberg Ausbond Composite Bond Index. The Short Duration Bond Fund was +0.1% for the quarter, compared to +0.3% for its benchmark.

In credit markets, the uncertainty in March initially drove up to 10 basis points of widening in major bank credit, though this calmed quickly to only a modest 4bps of widening, with single A and BBB rated corporates moving out 5 and 7bps respectively. As a result, the returns on the predominantly floating rate funds were each in line with their benchmarks, with the Australian Ethical Income Fund +0.9% for the quarter, and the Australian Ethical Altius Credit Income Fund +0.9% also, in line with their benchmark the Bloomberg Ausbond Bank Bill Index. Reflecting the tightening in credit that had preceded the most recent quarter, the Credit Income Fund remains +1.2% ahead of its benchmark (net of fees) over the last 12 months.

Looking ahead, markets are watching for whether the high energy costs that have resulted from the Middle East Conflict will continue to flow through into broader inflation, and how persistent this rise will be. This will dictate how much tighter monetary policy needs to be. Against these expectations of higher inflation, the possibility that the energy price shock will lead to a slowing of growth, or stresses jobs growth or credit, clouds the outlook for central bank policy and the degree to which they can look through the initial price impacts.

The duration exposed funds hold a small, long duration position.

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