# Australian Ethical Infrastructure Debt AUD

Fund Profile - 30/09/2026

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

The Fund aims to deliver returns of 3% above the RBA cash rate per annum (after fees and expenses) over 5-year periods.

## Investment strategy

To provide exposure to a diversified range of loans to renewable energy projects (such as solar, wind, and battery assets), decarbonisation assets (such as electric vehicle charging networks, energy efficiency or electrification upgrades), as well as loans for social infrastructure (such as schools and hospitals) and property projects with a social or environmental benefit (such as social housing). The Fund invests predominately in Australia but may also invest in foreign assets over time. These loans are typically privately originated and illiquid in nature.

## Price information

| | |
|---|---|
| **Pricing frequency:** | Monthly |
| **Buy/Sell spread:** | 0.05%/0.05% |

## Fund facts

| | |
|---|---|
| **Fund size:** | $50.51m |
| **Benchmark:** | RBA Cash Rate |
| **Asset class:** | Infrastructure Debt |
| **Inception date:** | 01/02/2024 |
| **Minimum investment timeframe:** | 5 years |
| **Distribution frequency:** | Quarterly |
| **Typical number of loans:** | 22 |
| **Risk level:** | Medium |

## Identifiers

| | |
|---|---|
| **ISIN code:** | AU60AUG49611 |
| **APIR code:** | AUG4961AU |

## Fees

| | |
|---|---|
| **Management costs:** | 0.85% |
| **Minimum initial investment:** | $100,000 |

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 Information Memorandum available from our website https://www.australianethical.com.au/investments/managed-funds/pds-forms-documents/

*(after tax, before bonus expense)

## Performance (as at 30/09/2026)

| | 1m | 3m | 6m | 1y | Since Inception (ann.) |
|---|---|---|---|---|---|
| Fund | 1.1% | 2.2% | 4.3% | 8.1% | 7.7% |
| RBA Cashrate | 0.4% | 1.1% | 2.2% | 4.0% | 4.1% |
| Excess Returns | 0.7% | 1.1% | 2.1% | 4.1% | 3.6% |

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.

| Investment Statistics | Portfolio Loans | Duration (yrs) | Effective Maturity (yrs) |
|---|---|---|---|
| Current Portfolio | 22 | 0.13 years | 2.5 years |

## Sector allocation

| | |
|---|---|
| Solar (Utility) | 24.7% |
| Hybrid Project | 23.9% |
| Wind | 17.4% |
| Property | 10.7% |
| Distributed Energy Systems | 6.6% |
| Storage | 6.6% |
| Social Infrastructure | 6.0% |
| Cash | 4.4% |
| Other | -0.3% |

Australian Ethical

## Platform availability

- Hub 24
- Netwealth

## 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

## Fund and Market Commentary

The Australian Ethical Infrastructure Debt Fund returned 2.2% net of fees for the quarter, outperformaning against its benchmark by 1.1%.

Performance was driven primarily by income from the Fund's underlying loans and securities. The benchmark, the RBA's Cash Rate Target, rose 25 basis points in September to reach 4.6%, bringing the total increase for the year to 75 basis points. This reflects continued pressure from renewed inflation concerns.

During the quarter, the Fund committed to two new investments, including a solar farm in New Zealand, diversifying the Fund's exposure to underlying infrastructure projects to 50 in total.

The Fund aims to support projects that deliver positive social and environmental outcomes alongside a financial return. Projects funded by loans within the portfolio generated over 230,000 megawatt hours of clean energy and helped avoid over 120,000 tonnes of carbon emissions, which is the equivalent to powering more than 170,000 households for the 3 months to 30 June 2026.1

In electricity markets, wholesale prices continued to remain subdued, averaging $63.26/MWh across the National Electricity Market. The combination of increasing renewable supply and flexible battery capacity continued to place downward pressure on prices which is consistent with our forecasts. In the medium to near term, until coal power plants shut, we do not expect wholesale electricity prices to rebound. We continue to maintain our investment discipline and structure loans accordingly, with over 70% of the portfolio's project revenues being contracted.

Overall, the portfolio continues to perform within expectations, with no loan payments in arrears and over 75% of the portfolio in operating phase.

## New Investments

Lightyears Solar Portfolio. The investment is a senior secured loan to the Lightyears Solar Portfolio of five solar farms across New Zealand's North and South Islands and will initially include approximately 55 MW of distribution-connected solar capacity. The projects are being developed and operated by Lightyears and benefits from long-term contracted revenues with investment-grade corporate customers, providing strong offtake support and diversifying the merchant risk exposure of the overall portfolio. The investment provides geographic diversification for the Fund and exposure to a market where solar penetration remains relatively low and hydro generation dominates the electricity mix. The Lightyears Solar portfolio is expected to displace higher-emissions thermal generation, particularly during dry years, and reduce approximately 66,000 tonnes of $CO_2$ emissions annually.

Powow EMC. The investment is a senior secured loan to finance a portfolio of greenfield Energy Management Contracts (EMC) with Australian local councils. Under the contracts, Powow installs and owns behind-the-meter solar and battery systems across eligible council buildings and provides a bundled, fixed-price energy supply arrangement, targeting approximately 90% of annual site electricity demand from on-site generation. Powow operates as part of the broader GTL/ Powow Group, a vertically integrated energy platform spanning equipment procurement, system installation, energy retailing and power purchase agreement (PPA) structures. The investment provides the Fund with exposure to distributed energy infrastructure backed by long-term contracted cashflows from local government counterparties and complements our existing loan with GTL Renewables (related entity) which is secured against a separate pool of residential rooftop solar PPAs and related receivables. The transaction reflects the benefits of long-term borrower relationships and being a lender of choice as borrowers' capital needs evolve.

## Project Updates

The portfolio continues to perform within expectations, with no credit downgrades or breaches of covenants to report. Last quarter we reported that two projects had breached loan covenants due to low merchant revenues. These issues were resolved during the quarter (and just after) via substantial loan paydowns. Following these paydowns, there are no loans with covenant breaches across the portfolio.

While the Fund had no direct exposure to the recently liquidated Zen Energy (renewables focused electricity retailer), one borrower in the portfolio had electricity purchase agreements for some of its generation with Zen Energy. The borrower is presently in the process of finding new customers to replace the Zen Energy contracts. Overall, the loan to this borrower (which includes a portfolio of eight projects) has relatively low leverage and so this, combined with the customer replacement strategy being executed, leaves us comfortable with the credit in respect to this loan.

Over 75% of the portfolio is in the operating phase, with the exception of the Fulham Solar Hybrid project, a bolt-on expansion of an asset within the Bright Energy Investments portfolio, and the new loan to the Lightyears Solar Portfolio in New Zealand.

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