



Ethical Investment Growth Portfolio

A diversified multi-asset portfolio of growth assets which include environmental and socially responsible investments in Australian and international shares, property, and infrastructure investments.

Quarterly Performance Update

30 September 2023

Australian and global share markets ended the quarter slightly lower during a particularly volatile period. Strong performance in July was followed by the Australian share market falling almost 3.5% in August and September, and global markets close to 5%.

The market performance was largely due to stubbornly high inflation figures, rising oil prices, and soft economic growth and property woes in China. Bond yields also soared with US treasury yields jumping to 16-year highs and Australian government bond yields ending the quarter above 4%, putting further pressure on growth assets.

While inflation levels in Australia are still too high at 5.2%, it is much lower than the peak of around 8% earlier in the year, and the Reserve Bank of Australia (RBA) has now kept rates on hold for the past four months. Markets are now expecting an 'extended pause' by the RBA due to policy lag concerns, but 'higher for longer' interest rates.

This all resulted in a return of -4.44% for the *Ethical Investment Growth Portfolio* over the past three months.

Within the Growth portfolio, most investments saw small negative returns for the quarter, with the notable exceptions of the *Ingenia Communities Group* (+6.98%) and the *Australian Ethical Emerging Companies Fund* (+0.99%).

Among the main detractors to performance were international managed funds, the *Stewart Investors Worldwide Sustainability Fund* (-8.49%) and the *Pengana WHEB Sustainable Impact Fund* (-5.92%).

The overall performance of the portfolio compared with the benchmark, the Morningstar Aggressive Target Allocation Index, is outlined below:

Periods to 30 September 2023	Since Inception	3 years	1 year	6 months	3 months
Ethical Investment Growth Portfolio	+4.26%	+4.27%	+10.12%	-0.85%	-4.44%
Benchmark*	+5.56%	+8.70%	+14.37%	+2.41%	-1.03%
Relative Performance	-1.30%	-4.43%	-4.25%	-3.26%	-3.41%

* Morningstar Australian Aggressive Target Allocation Net Return in AUD Index. Inception date: 11 November 2019. Returns greater than one year are annualised.



Portfolio Changes

No major changes were made to the portfolio during the quarter, however holdings in global shares were reduced by trimming investments in the *Impax Sustainable Leaders Fund*, the *Stewart Investors Worldwide Sustainability Fund* and the *Pengana WHEB Sustainable Impact Fund*.

Holdings in existing Australian share funds were added to, including the *Perennial Better Futures Fund* and *Australian Ethical Emerging Companies Fund*, both of which invest in small Australian companies, as well as the *BetaShares Australian Sustainability Leaders Fund* which invests predominantly in larger Australian companies.

Managers we Invest in



Australian Ethical



Stewart Investors



PERENNIAL



NANUK
ASSET MANAGEMENT



WHEB



Key Facts

Platform Availability

Hub24 (Super & IDPS, Core & Choice)
Dash (Super & IDPS)

Portfolio Fee

0.308% pa GST Inclusive

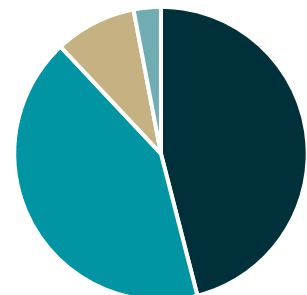
Estimated Costs of Underlying Investments

0.85% pa GST Inclusive

Investment Objective

The fund aims to provide a well-diversified exposure to growth assets which meets the benchmark of the Morningstar Australia Multi-sector Aggressive (TR) AUD Index, after fees, over rolling five-year periods.

Asset Allocation



- INTERNATIONAL SHARES 46%
- AUSTRALIAN SHARES 42%
- PROPERTY & INFRASTRUCTURE 9%
- CASH 3%



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The performance table sets out the investment performance returns (AFTER investment management fees, but BEFORE administration fees, performance based fees and taxes) for the Portfolio. The performance returns have been calculated on a daily basis taking into account brokerage costs, and are accumulated for the period shown. Returns are shown as annualised if the period is over 1 year, or as total returns otherwise. Inception date is 11 November 2019.

Investment in securities and other financial products involves risk. Information, opinions, historical performance, calculations, or assessments of performance of financial products or markets rely on assumptions about tax, reinvestment, market performance, liquidity and other factors that will be important and may fluctuate over time.

The Investment Management Fee shown includes GST and is net of any Reduced Input Tax Credits (RITC). Please also refer to the IDPS Guide/Super PDS and the relevant disclosure document for the managed portfolio for more information on the fees and other costs.

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