



# 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 June 2025

The Ethical Investment Growth Portfolio ended the quarter with a return of +7.96%, outperforming the benchmark which gained 7.13%.

The quarter was marked by a recovery in risk assets, driven by easing trade tensions, supportive central bank policies, and improving investor sentiment. While pockets of volatility persisted, particularly around geopolitical developments and commodity price swings, the broader trend was one of cautious optimism. Strong corporate earnings, especially in the technology sector, and stabilising macroeconomic indicators helped underpin performance across both domestic and global markets.

Global markets demonstrated resilience despite persistent geopolitical tensions and trade uncertainties. Optimism around potential interest rate cuts helped buoy investor sentiment and drive equity markets higher. The S&P 500 reached record levels, supported by strong earnings and robust performance in growth-oriented sectors. While European markets were more mixed, positive trade developments, especially between the US and China, helped stabilise sentiment.

In Australia, equity markets posted solid gains, supported by strong sector performance and monetary policy shifts. Rate-sensitive sectors such as Information Technology and Communications benefited from expectations of easing, while Energy stocks surged on the back of rising oil prices. The Reserve Bank of Australia cut interest rates in May and held steady in June, citing uncertainties, balanced inflation risks and subdued household consumption.

The main contributors to performance were several of the Australian share funds in the portfolio, including the *Ethical Investment Large Cap* (+11.79%), the *BetaShares Australian Sustainability Leaders ETF* (+11.60%) and the *Ethical Investment Australian Equities* (+11.46%). The currency hedged version of the *Nanuk New World Fund* also saw a very strong return of 14.28%, largely thanks to the falling US dollar during the quarter. The main detractor to performance was the small holding in the *Regnan Global Equity Impact Fund* (-6.45%) which was sold during the period.



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

Periods to 30 June 2025	Since Inception	5 years	3 years	1 year	6 months	3 months
<b>Ethical Investment Growth Portfolio</b>	<b>+6.91%</b>	<b>+8.35%</b>	<b>+10.14%</b>	<b>+9.39%</b>	<b>+3.51%</b>	<b>+7.96%</b>
<b>Benchmark*</b>	+8.95%	+11.57%	+14.01%	+13.99%	+5.30%	+7.13%
<b>Relative Performance</b>	-2.04%	-3.22%	-3.87%	-4.60%	-1.79%	+0.83%

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

## Portfolio Changes

In addition to the sale of the *Regnan Global Equity Impact Fund*, the investment committee have been busy also trimming several other global share holdings, including the *Pengana WHEB Sustainable Impact Fund* and the *Impax Sustainable Leaders Fund*. Proceeds from these sales were used to add to holdings in large Australian companies via the *Ethical Investment Large Cap* and *BetaShares Australian Sustainability Leaders ETF*.



## Portfolio News

NorthStar recently participated in three capital raisings, including Janus Electric, which came to the market to solve the heavy vehicle electrification challenge. The company successfully raised \$8.8mn to fund and scale their truck conversion operations and “battery and energy as a service” business model. The business model is built around patented swappable battery technology, specifically designed to meet the demands of Australia's heavy transport conditions and predominantly closed-loop routes. The company retrofits fleet operators' existing prime movers with low-capex swappable batteries and electric powertrains, supported by advanced charging infrastructure and smart energy management. This innovative solution provides fleet operators with lower costs, reduced downtime, extended fleet lifespans, and fast payback periods. – **Northstar Impact Funds**

The US Administration is allowing a \$5B offshore wind project to proceed. The project will use wind turbines from (Fund holding) Vestas Wind Systems. CATL, the world's largest EV battery maker (a Fund holding), is incentivising suppliers if they meet emission targets. Shares in companies benefiting from the accelerating investment in electricity generation and transmission infrastructure performed strongly. This included leading grid equipment and gas and steam turbine suppliers Siemens Energy AG and GE Vernova Inc. US transmission engineering and construction business MasTec, Inc and Italian company Prysmian S.p.A. a global leader in high voltage submarine and underground transmission cables. Demand has been further increased by the enormous energy requirements of the large data centres being constructed to support AI training and usage. – **Nanuk Asset Management**

## Key Facts

### Portfolio Fee

0.1025% pa GST Inclusive

### Estimated Costs of Underlying Investments

0.69% 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 39%
- AUSTRALIAN SHARES 36%
- PROPERTY & INFRASTRUCTURE 13%
- CASH 2%



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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.

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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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