

AAN Sustainable Growth - AC0006

As at 31 Mar 2025

Investment Manager	AAN Asset Management Pty Ltd
Model Code	AC0006
Investment Fee	0.40% p.a.
Performance Fee	Nil
Less AAN Client Model Fee Discount	0.21% p.a.
Commencement	17 Dec 2020
ICR and Transaction Cost	0.59% p.a.
Indicative No. of Holdings	

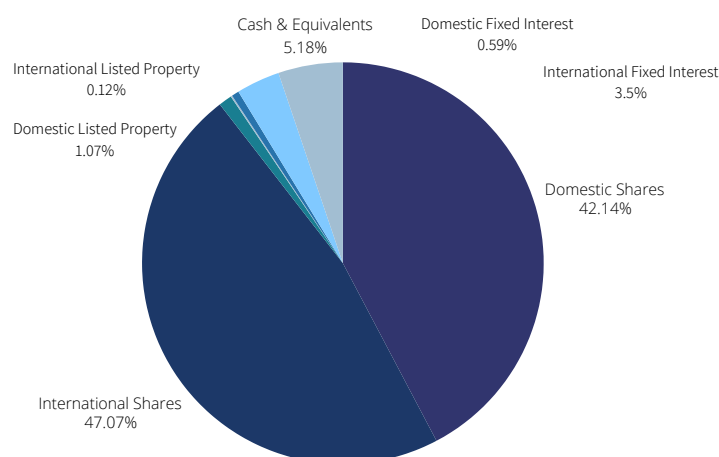
Investment description

The model caters for investors seeking a portfolio of predominantly growth assets that aligns with their preference for sustainable investments with potential for making a positive contribution to society. The model has a strategic allocation of 90% to growth assets and 10% to defensive assets via investing in managed funds, ETFs and/or Australian equity model portfolios, that will each employ their own sustainable investment approach. The overall model is managed according to the manager's Sustainable Investment Policy which seeks to avoid tobacco and tobacco products, gambling, alcohol, pornography, armaments manufacture or distribution, high impact fossil fuels and predatory lending. A company with a minor or indirect exposure to one of the sectors will not be automatically excluded, although may be subject to ongoing review by the manager.

Investment objective

The AAN Sustainable Growth Model has an objective to outperform CPI by 4% p.a before fees over rolling 7-year periods, through investing in a diversified portfolio of growth and income assets that meet the manager's ESG requirements.

Asset Allocation



Top 5 holdings

AXA IM Sustainable Equity	11.52%
Perpetual ESG Australia Share	11.52%
Stewart Investors Worldwide Sustainability	11.10%
Alphinity Sustainable Share	11.09%
iShares Core MSCI World EX Aus ESG (AUD HED) ETF	10.83%

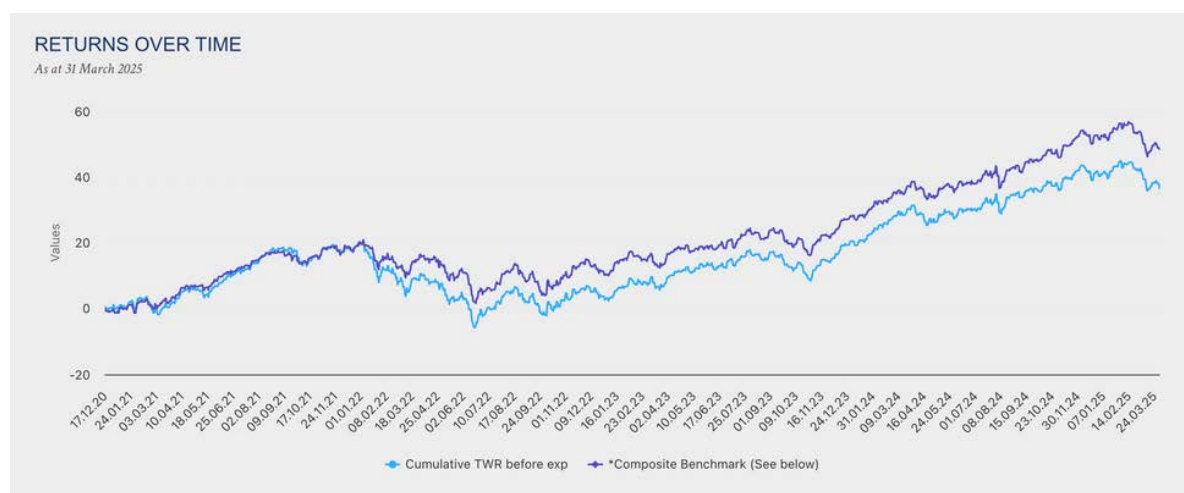
Top 5 holdings represent 56.06% of total fund

Performance

As at 31 Mar 2025

	1 mth	3 mths	6 mths	1 yr	3 yrs p.a.	5 yrs p.a.	Since inception p.a.
Total Gross Return	-3.84%	-2.71%	0.16%	3.70%	6.84%	N/A	7.13%

Returns over time



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The Model

There were no material changes to the portfolio this quarter other than reweighting back to benchmark allocations.

Notable Investments

Perpetual ESG Real Return Fund:

- The Perpetual ESG fund returned 2.16%(gross) for the Quarter, 1 Jan 2025 – 31 Mar 2025. Over the rolling twelve months, 1 April 2024 – 31 March 2025, it has returned 5.20% (gross). The funds value bias in global equities protected capital, as growth stocks, especially in the tech sector, reversed some of their recent gains. Explicit downside protection positions in US Equity put options, allocations to US 2-year bonds, emerging market fixed income and elevated cash allocations, all contributed to the positive return in a difficult quarter for equity markets.

Alphinity Sustainable Share Fund:

- Alphinity outperformed the ASX 300 Index over the quarter 1 Jan 2025 to 31 March 2025 by 0.05% with a return of -2.4%. Over the twelve months to 31 March 2025, the outperformance was 2.5% with a return of 5.15%. The fund remains modestly underweight Banks as the earnings upgrade cycle is coming to an end. Valuations are less stretched after the recent pullback which does provide some opportunity. Commodities are facing headwinds which has led to an underweight position.

Performance

The AAN Sustainable Growth model returned -2.69% this quarter (before fees) whilst over 12 months the model returned 3.91% (before fees).

Key Quarterly Contributors:

- Perpetual ESG Australian Share Fund ((-0.140.67%%)
- Alphinity Sustainable Share fund (-2.4%)

Key Quarterly Detractors:

- IDP AXA IM Sustainable Equity (-5.24%)
- BetaShares Global Sustainability Leaders ETF (-3.81%)
- Stewart Investors Worldwide All Cap (-3.06%)

AAN Sustainable Growth Disclaimer

General Advice Warning

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Performance is based on a model portfolio and is gross of investment management and administration fees, but net of transaction costs. The total return performance figures quoted are historical and do not allow for the effects of income tax or inflation. Total returns assume the reinvestment of all portfolio income. Past performance is not a reliable indicator of future performance. Portfolio holdings may not be representative of current or future recommendations for the portfolio. The securities listed may not represent all of the recommended portfolio's holdings.

*Total net returns represent past performance only. Past performance is not a reliable indicator of future performance. Returns of the Fund can be volatile and in some periods may be negative. The return of capital is not guaranteed. Composite Benchmark: 42.5% S&P/ASX 300 TR Index || 5% Bloomberg AusBond Composite Index || 42.5% MSCI World Index (AUD) || 5% Bloomberg Barclays Global Aggregate TR Hedged AUD || 5% FTSE EPRA Nareit Developed TR Hedged AUD. This Model Portfolio is subject to the risk of stock market fluctuations. Investors accessing the Model Portfolio through a master trust or wrap account will also bear any fees charged by the operator of such master trust or wrap account. Any apparent discrepancies in the numbers are due to rounding. Management costs and buy/sell spread are current as at the date of publication of this website. These fees may be subject to change in the future. Total returns (net) have been calculated using exit prices and take into account the applicable buy/sell spread and are net of AANAM's management costs, transactional and operational costs and assumes reinvestment of distributions. No allowance has been made for tax. Returns of more than one year are annualised. The return of capital is not guaranteed. If you want more information on the benchmarks used for each model please visit the AANAM website at www.aanam.com.au.