
Factsheet

Apostle People and Planet
Diversified Fund (APPDF)

January 2024

Apostle People And Planet Diversified Fund



Monthly Report - January 2024

Guided by the United Nations Sustainable Development Goals (SDGs), The Apostle People and Planet Diversified Fund aims to positively impact people in the areas of Good Health and Wellbeing (SDG 3) and Gender Equality (SDG 5) and positively impact the planet in the areas of Affordable and Clean Energy (SDG 7) and Climate Action (SDG 13).

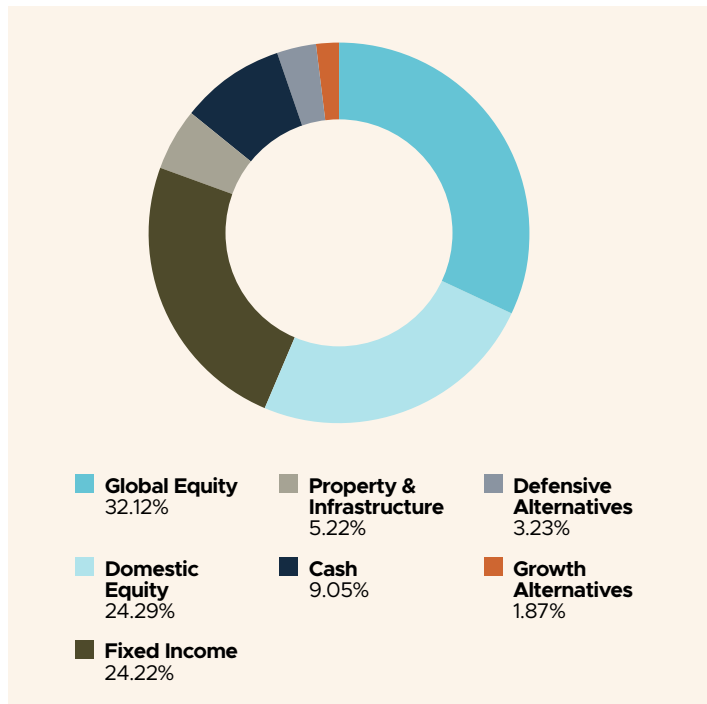
Investment Objective

To create positive real-world outcomes for people and the planet while providing investors with good financial returns.

Fund Overview

Unit Price (NAV)	A\$1.0418
Fund Size (AUD)	\$100,816,870.95
Benchmark	CPI + 3% p.a. net of fees over rolling 5 year periods
Asset Class	Diversified
Portfolio Inception Date	10 March 2022
Investment Manager	Apostle Funds Management
Management Fee	1.20% p.a. excl GST
Buy/Sell Spread	0.15%/0.15%
Minimum Investment	\$500,000
APIR Code	KAM0194AU
Portfolio Team	Joe Unwin - Portfolio Manager Kylie Parkyn - Portfolio Manager
Responsible Entity	K2 Asset Management
Custodian/Registry	State Street Australia Limited

Asset Allocation



As at 31 January 2024. Source: State Street, Bloomberg. *Actual allocation based on NAV excluding FX hedge valuation to reflect actual investment exposure.

Performance

Return (%)	1 mth	3 mth	6 mth	1 year	Since inception (p.a.)
Total (gross)	0.42	8.73	1.12	3.70	2.31
Total (net)	0.32	8.40	0.51	2.47	1.09
Market Index*	1.15	10.67	4.57	9.59	4.94
Relative (net)	(0.83)	(2.27)	(4.06)	(7.12)	(3.85)

As at 31 January 2024. Source: State Street, Bloomberg. *Market Index based on the asset class benchmarks determined by the Australian Government's Your Future, Your Super Regulations. NOTE: Net returns are based on the Fund's full management fee of 1.2% p.a. and do not account for fee rebates.

Asset Class Performance

Net Monthly Return (%)	Portfolio Return	Weighted Return	Attribution*
Total Portfolio	0.32	0.32	(0.83)
Domestic Equity	0.52	0.09	(0.11)
Global Equity	1.68	0.57	(0.41)
Property & Infrastructure	(3.16)	(0.18)	(0.01)
Growth Alternatives	(3.76)	(0.07)	(0.10)
Fixed income	(0.13)	(0.02)	0.03
Defensive Alternatives	0.55	0.02	0.00

As at 31 January 2024. Source: State Street, Bloomberg. *Market Index based on the asset class benchmarks determined by the Australian Government's Your Future, Your Super Regulations.

Top Ten Holdings by Capital

Holding	Asset Class	Weight (%)
Kayne Anderson Real Estate Debt Fund	Defensive Alternatives	3.23%
Kayne Anderson Core Real Estate Fund LP	Property & Infrastructure	3.16%
Kayne Anderson Multifamily Impact Housing Fund	Property & Infrastructure	1.46%
Apostle Carbon Credit Fund	Growth Alternatives	1.39%
Microsoft Corp	Global Equity	1.36%
Apple Inc.	Domestic Equity	1.16%
Fortescue Metals Group	Domestic Equity	1.08%
Salt Investment Carbon Fund	Global Equity	1.02%
CSL Ltd	Domestic Equity	1.01%
Macquarie Group	Domestic Equity	1.00%

As at 31 January 2024. Source: State Street

Portfolio Commentary

The first month of 2024 saw varied returns across asset classes. Equity markets produced positive returns as the Australian and US indices touched record highs, whereas bond markets grappled with mixed investor sentiment as the US Federal Reserve struck a more hawkish tone than expected at their January meeting, which led to dwindling investor hopes for a March rate cut. Real estate assets posted positive returns in Australia but experienced markdowns overseas, notably in the US. Commodities ended the month in positive territory as geopolitical tension worsened with the Israel-Hamas conflict evolving into a complex regional dispute, further disrupting trade in the Red Sea. Drone attacks on Russian energy infrastructure further accelerated uncertainty in the global oil market.

The Fund returned 0.32% (net) for the month with mixed returns across asset classes. Global Equity had the strongest contribution to returns as the rally in growth/tech stocks continued into 2024. Emerging Market equities ended the month with negative returns with China leading the fall as instability in the property market continues to weaken investor confidence in both the financial market and the wider economy. Domestic Equity also had a positive contribution to returns as the ASX 300 Index climbed around 1.20% over January, touching a record high towards the end of the month. As the Energy sector was the main driver, the Fund's return didn't see the full effect of the rally due to its full exclusion of companies that produce fossil fuel energy. The Fund's Real Assets and Growth Alternatives allocations saw negative returns over the month due to a markdowns in the US unlisted real estate market as well as a sell-off in compliance carbon markets.

Portfolio Changes

The Asset Allocation Committee left the Fund's DAA unchanged at a Growth/Defensive split of 68/32, maintaining their defensive tilt to the Fund's 70/30 SAA. Although there is cause for optimism in the economy with potential rate cuts on the cards for 2024, equity valuations continue to remain overly optimistic given that both inflation and interest rates are still high by 21st century standards. Although core inflation and financial conditions are both easing and a soft economic landing appears to be the base case scenario, the risk of sticky inflation and slower growth is still meaningful and appears to be generally underestimated by market pricing. Until valuations reflect a more balanced risk outlook, the Committee believes that the path of least regret is to maintain a defensive DAA, particularly while government bonds, credit and real assets are all offering yields above their historical averages.

Target Impact Themes

Our investments aim to support progress to at least one of the four SDGs below, with the majority of capital allocated to Climate Change and Gender Equality goals.



Member of:



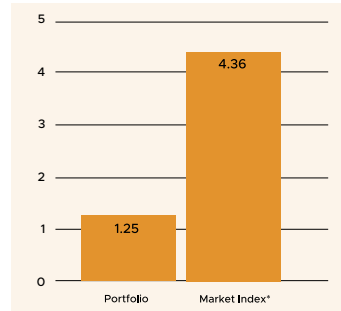
Contact us

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Impact Performance

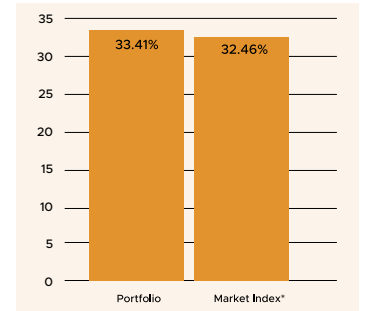
Estimated monthly carbon footprint per \$1m invested (Scope 1&2)

Your investment's monthly carbon footprint was approximately 71.40% lower than the broad market.



% Women in Board and executive management positions

Your investments had approximately 2.94% more female representations in executive leadership than the broad market.



As at 31 January 2024. *Market Index based on the asset class benchmarks determined by the Australian Government's Your Future, Your Super Regulations. Source: ISS, Bloomberg. Executive leadership refers to female representation in board and executive management positions.

Apostle's Exclusions

All investments that have direct exposure to any of the following activities are strictly excluded:

- Fossil fuels (extraction and production of coal, oil, or natural gas)
- Weapons and armaments production
- Gambling production
- Alcohol production
- Tobacco production
- Adult Entertainment production
- Deforestation (non-forestry purposes & deforestation/clearing for palm oil production)
- Animal cruelty and testing (violations of animal welfare, unless legally required and testing is based on the principles of the 3R's - replacement, reduction and refinement)
- Nuclear Power - direct revenue from uranium mining or from the production of conventional nuclear power. Allows investment in 'new' nuclear technologies, such as nuclear fusion.

We qualitatively assess companies and may choose to exclude companies that do not comply with our corporate governance standards where they have operational involvement in any of the following activities:

- Human rights violations - disrespectful and unequal treatment of citizens, including modern slavery, human trafficking, and child labour
- Unethical corporate governance - unsatisfactory treatment of employees, customers, other stakeholders, and the environment.

For more details, please refer to Apostle's Ethical and Impact Investment Policy.

Signatory of:



Member of:



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