

Apostle People and Planet Diversified Fund

Monthly Report – May 2024



Guided by the United Nations Sustainable Development Goals (SDGs), The Apostle People and Planet Diversified Fund (APPDF) 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).

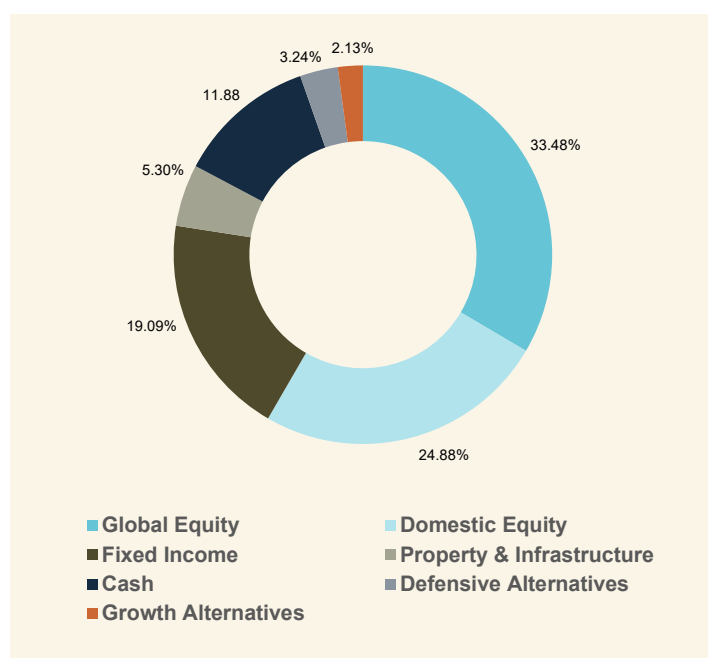
Investment Objective

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

Fund Overview

Unit Price (NAV)	A\$1.0606
Fund Size (AUD)	\$105,883,467.37
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 – Head of Portfolio Management Kylie Parkyn – Head of Sustainable Investment
Responsible Entity	K2 Asset Management
Custodian/Registry	State Street Australia Limited

Asset Allocation



As at 31 May 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)	0.99	0.83	6.46	6.05	2.96
Total (net)	0.89	0.53	5.83	4.79	1.74
Benchmark	1.47	1.33	9.36	12.50	5.88
Relative (net)	(0.58)	(0.80)	(3.53)	(7.71)	(4.14)

As at 31 May 2024. Source: State Street, Bloomberg. *Market Index based on the asset class benchmarks determined by the Australian Government's Your Future, Your Super (YFYS) Regulations. To track the performance of the YFYS benchmark, we may use indices that are similar but not identical. This could result in a slight difference in performance between the Market Index and the YFYS benchmark.

Asset Class Performance

Net Monthly Return (%)	Portfolio Return	Weighted Return	Attribution*
Total Portfolio	0.89	0.89	(0.58)
Domestic Equity	(0.81)	(0.20)	(0.42)
Global Equity	2.51	0.83	0.05
Property & Infrastructure	(0.97)	(0.05)	(0.30)
Growth Alternatives	4.56	0.09	0.04
Fixed income	1.26	0.32	0.20
Defensive Alternatives	1.09	0.04	0.00

As at 31 May 2024. Source: State Street, Bloomberg. *Market Index based on the asset class benchmarks determined by the Australian Government's Your Future, Your Super (YFYS) Regulations. To track the performance of the YFYS benchmark, we may use indices that are similar but not identical. This could result in a slight difference in performance between the Market Index and the YFYS benchmark.

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	Property & Infrastructure	3.10
Microsoft Corp	Global Equity	1.85
Kayne Anderson Multifamily Impact Housing Fund	Property & Infrastructure	1.68
Apostle Carbon Credit Fund	Growth Alternatives	1.58
Apple Inc.	Global Equity	1.56
Nvidia Corporation	Global Equity	1.40
Alphabet Inc.	Global Equity	1.18
Wesfarmers Ltd	Domestic Equity	1.07
National Australia Bank	Domestic Equity	1.05

As at 31 May 2024. Source: State Street

Portfolio Commentary

May delivered positive returns across asset classes as inflation data softened and expectations of rate cuts from central banks increased, which led to falling bond yields. In the US, both headline inflation and core Personal Consumption Expenditures (PCE) inflation came in lower than the market consensus while the unemployment rate climbed to 3.9%, which was 0.1% higher than previous month. Furthermore, the ISM Manufacturing and Service Purchasing Managers' Index (PMI), non-farm payrolls and retail sales all fell sharply for the month, raising hopes that the US Federal Reserve would cut rates this year. Although economic data suggested a softening growth outlook, the S&P 500 Index gained 4.8% while the US 10yr Treasury yield fell 18 basis points to end the month at 4.5%. Outside of the US, Global Equity markets experience more modest performance but generally followed the US market higher to end the month with positive returns. (Note: all economic data in this paragraph is sourced from Bloomberg as at 31 May 2024.)

The Fund returned 0.89% (net) for the month with mixed returns across asset classes. Global Equity had the strongest contribution to returns, gaining 2.51% for the month. Nvidia was once again the standout contributor to both portfolio and Index returns, gaining ~30% for the month. The Growth Alternatives portfolio had the strongest performance on an absolute basis, gaining 4.56% for the month on the back of a broad-based rally in carbon allowance prices. The Fixed Income portfolio had the strongest relative performance as its overweight exposure to USD duration benefited from softer-than-expected US inflation data, which drove bond yields lower.

Portfolio Changes

The Asset Allocation Committee left the Fund's Dynamic Asset Allocation (DAA) unchanged at a Growth/Defensive split of 68/32, maintaining their defensive tilt to the Fund's 70/30 Strategic Asset Allocation (SAA). Although inflation data softened in May, risk assets are still pricing in a relatively optimistic macroeconomic outlook in the context of above-target inflation and the potential for interest rates staying higher for longer. Whilst key indicators continue to point towards a soft landing for the economy and policy easing from central banks as the base-case scenario, the Committee believes that the path of least regret is to maintain a defensive DAA until valuations reflect a more balanced risk outlook.

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:



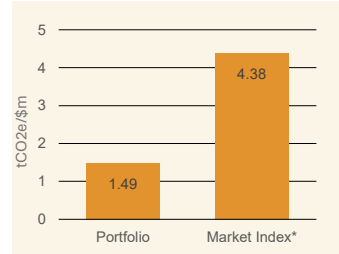
Contact us

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Impact Performance

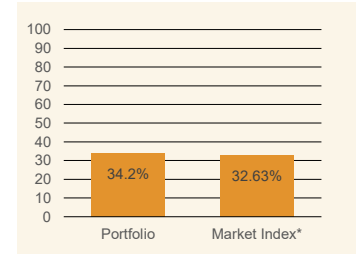
Estimated monthly carbon footprint per \$1m invested (Scope 1&2)

Your investment's monthly carbon footprint was approximately 65.98% lower, on a relative basis, than the broad market.



% Women in Board and executive management positions

Your investments had approximately 4.82% more female representation, on a relative basis, in executive leadership than the broad market.



As at 31 May 2024. Impact performance covers listed equities. *Market Index based on the asset class benchmarks determined by the Australian Government's Your Future, Your Super Regulations. To track the performance of the YFYS benchmark, we may use indices that are similar but not identical. This could result in a slight difference in performance between the Market Index and the YFYS benchmark. Source: ISS, EMMI, 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.

For general-purpose securities, direct revenue exposure is defined as direct revenue from a company's operations or from any of its wholly owned subsidiaries. For special-purpose securities, defined as direct revenue from the investment's use of proceeds.

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.

Signatory of:



Member of:



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