

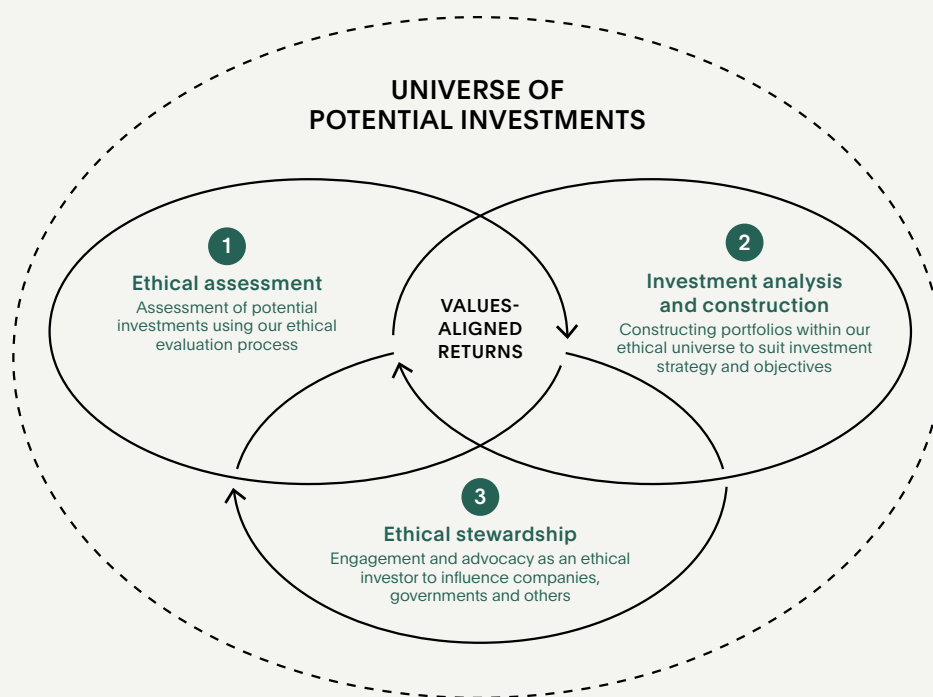


High Conviction SMA Portfolio

We've been investing ethically – and only ethically – since 1986. Our distinct approach combines rigorous ethical screening with deep fundamental analysis, setting us apart from mainstream equity portfolios. It's how we aim to deliver long-term, risk-adjusted returns and drive positive outcomes for people and the planet.

Our unique investment approach

Our dual-materiality approach to investment research goes beyond traditional investment strategies by considering both financial value creation and outcomes created for people, planet and animals.



- 1 Our in-house Impact & Ethics team assess possible investments according to the 23 principles of our Ethical Charter, using our ethical evaluation process and applying a mix of rules and judgement.
- 2 Our Investment team then constructs portfolios suitable for the investment strategies and objectives of our active funds/portfolios.
- 3 We don't just set and forget. Monitoring our investee companies and engaging to influence companies, governments and others is an important part of our process.

We make good investments in:

- ✓ Clean energy
- ✓ Sustainable products
- ✓ Medical solutions
- ✓ Innovative technology
- ✓ Responsible banking
- ✓ Healthcare
- ✓ Recycling
- ✓ Energy efficiency
- ✓ Education
- ✓ Aged care

We avoid companies involved in:

- ✗ Coal
- ✗ Coal seam gas
- ✗ Oil
- ✗ Weapons
- ✗ Tobacco
- ✗ Old growth forest logging
- ✗ Exploitation
- ✗ Gambling
- ✗ Human rights abuses
- ✗ Harmful products

To find out more, visit: australianethical.com.au/why-ae/ethics

High Conviction SMA strategy

Our High Conviction Separately Managed Account (SMA) Portfolio offers clients the opportunity to invest in a portfolio of Australian companies that aligns with their values.

Leveraging the expertise and experience of our award-winning investment team, it provides a concentrated portfolio of between 15 to 30 holdings with a mix of quality growth stocks and traditional yielding stocks shaped by our Ethical Charter.

Comprising many of the companies we already hold in our Australian Ethical High Conviction Fund, the SMA strategy has a large cap bias in sectors such as health care, technology, utilities (renewables) and finance.

Together with our time-tested, bottom-up valuation process, our objective is to deliver outperformance for investors who prefer the transparency and flexibility of an SMA strategy.



Ethical approach

Our investment philosophy is centred around the 23 principles of our Ethical Charter which helps us determine what we support, avoid or restrict¹. These principles guide the development of our more detailed Ethical Criteria.



Award-winning active management

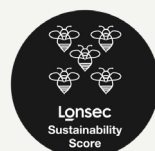
This model leverages the team behind our award-winning Australian Shares Fund.



A portfolio that aligns with client values

Suitable for investors looking for an ethically-screened, active investment approach. We restrict¹ investments in negative activities like fossil fuels, nuclear, tobacco, and support positive ones in renewables, healthcare, information technology and more.

Ratings²



Platform availability



Ethical credentials



RIAA Responsible Investment Leader since 2021



Named 1 of only 8 global 'Leaders' for ESG Commitment by Morningstar³

At a glance

Ethically-screened
Leveraging the team behind our award-winning Australian Shares Fund
A portfolio of 15 to 30 stocks with a large cap bias
We restrict ¹ investments in fossil fuel companies, nuclear, gambling and tobacco companies.
Higher allocations to health care, renewables, financials & IT
Transparency and flexibility of an SMA strategy

Top holdings

As at 31 March 2025

Company	Sector
Contact Energy Ltd	Utilities
Qube Holdings Ltd	Industrials
Mirvac Group	Real Estate
Insurance Australia Group Ltd	Financials
Westpac Banking Corporation	Financials
Meridian Energy Ltd	Utilities
Cochlear Ltd	Health Care
Suncorp Group Ltd	Financials
PEXA Group Ltd	Information Technology
Bank of Queensland Ltd	Financials

Key facts

Benchmark
S&P/ASX 300
Total Return Index

Suggested investment timeframe
7 years

Suggested minimum investment
\$25,000

MER
0.69% pa

Asset allocation range
90-100% Australian equities
and 0-10% Cash

Typical number of stocks
15 - 30

Risk level
High

Platforms

- HUB24
- Netwealth
- Praemium

**Australian
Ethical**



1. Our investment restrictions include some thresholds. Thresholds may be in the form of an amount of revenue that a business derives from a particular activity, but there are other tolerance thresholds we can use depending on the nature of the investment. We apply a range of qualitative and quantitative analysis to the way we apply thresholds. For example, we may make an investment where we assess that the positive aspects of the investment outweigh its negative aspects. For information on how we make these assessments for a range of investment sectors and issues such as fossil fuels, nuclear power, gambling, tobacco, human rights, and many others, please read our [Ethical Guide](#).

2. The ratings issued 10/2024 - Australian Ethical Australian Shares Portfolio & 01/2025 - Australian Ethical Australian Shares Portfolio (Sustainability Report) are published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only, and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2025 Lonsec. All rights reserved.

3. Morningstar ESG Commitment Level: Report: 1 February 2024. Australian Ethical was the only Australian organisation to achieve this recognition. 97 asset managers covered.

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The information in this report is general information only and does not take into account your personal financial situation, objectives or needs. You should consider obtaining financial advice that is tailored to suit your personal circumstances before making an investment decision. Please read the Financial Services Guide and the relevant Product Disclosure Statement(s) and Target Market Determination as well as other important available on our website for information about our products.

Past performance is not a reliable indicator of future performance.

Find out more

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