Australian Ethical Australian Shares Fund

Fund Profile - 30 September 2025

Australian Ethical is one of Australia's leading ethical fund managers. By investing responsibly in well-managed ethical companies, we deliver competitive financial performance to our clients and positive change to society and the environment. Since our inception in 1986, our Ethical Charter has guided all investment decisions and underpinned our business practices. Every year 10 per cent of our profits* are distributed to charitable organisations and social impact initiatives through The Australian Ethical Foundation.

Investment objective

To provide long-term growth focusing on Australian companies that meet our Ethical Criteria. The Fund aims to significantly exceed the return of the blended index after taking into account management costs over a 7 year period.

Price information

Pricing frequency:	Daily
Buy/Sell spread:	0.15%/0.15%

Fund facts

Class size:	$187.74m
Benchmark:	Composite benchmark
Asset class:	Equity
Inception date:	19/09/1994
Number of holdings:	
Minimum investment timeframe:	7 Years
Risk level:	Very high

Identifiers

ISIN code:	AU60AUG00028
APIR code:	AUG0002AU

Distributions

Frequency:	2
Dates:	30/06, 31/12

Fees

Management costs - PDS:	1.69%
Minimum initial investment:	$1,000 $500 with a Regular investor plan
Additional transactional and operational costs:	0.00%

A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

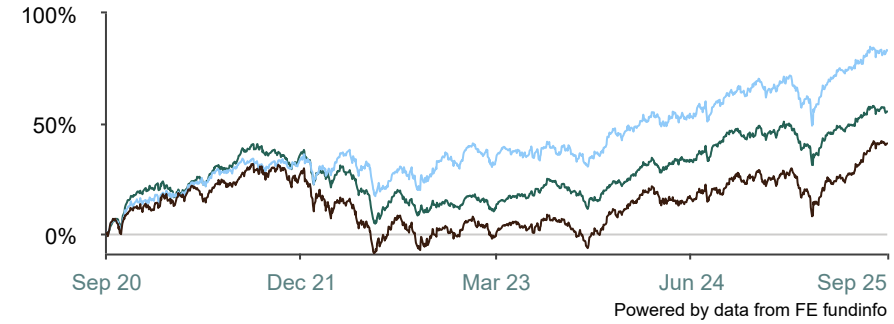
*(after tax, before bonus expense)

**The benchmark was the S&P/ASX Small Industrials Index from inception until 12 August 2019, the S&P/ASX 300 Accumulation Index from 13 August 2019 to 29 September 2023, and a composite of 65% S&P/ASX 100 Accumulation Index and 35% S&P/ASX Small Ordinaries Accumulation Index thereafter.

Investment strategy

The opportunity to invest in a diversified share portfolio of companies predominately listed on the ASX and selected on the basis of their social, environmental and financial credentials. The Fund utilises an active stock-picking management style with stocks generally selected for growth rather than income, with a bias towards smaller capitalisation stocks listed on the ASX. All stocks are chosen on the basis of relative value where we deem the risks are being adequately priced.

Cumulative performance (as at 30/09/2025)



Performance (as at 30/09/2025)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	-1.6%	4.2%	11.7%	5.9%	12.6%	9.2%	9.5%	9.7%
Composite Benchmark**	-0.7%	5.0%	14.9%	10.8%	15.0%	12.9%	9.9%	7.7%
S&P/ASX Small Indust.	-0.7%	11.2%	20.6%	12.9%	14.7%	7.1%	7.9%	7.0%

Calendar Performance (as at end 2024)

	CY2024	CY2023	CY2022	CY2021	CY2020
Fund	17.2%	10.3%	-17.6%	14.2%	19.9%
Composite Benchmark**	11.4%	12.1%	-1.8%	17.5%	1.7%
S&P/ASX Small Indust.	12.1%	11.4%	-21.8%	13.7%	5.9%

Source: FE fundinfo.

Total returns are calculated using the sell (exit) price, net of management fees and gross of tax as if distributions of income have been reinvested at the actual distribution reinvestment price. The actual returns received by an investor will depend on the timing, buy and exit prices of individual transactions. Return of capital and the performance of your investment in the fund are not guaranteed. Past performance is not a reliable indicator of future performance. Figures showing a period of less than one year have not been adjusted to show an annual total return. Figures for periods of greater than one year are on a per annum compound basis. The current benchmark may not have been the benchmark over all periods shown in the above chart and tables. The calculation of the benchmark performance links the performance of previous benchmarks and the current benchmark over the relevant time periods.

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Top 10

NATIONAL AUSTRALIA BANK	3.6%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	3.6%
CSL LIMITED	3.4%
CONTACT ENERGY LTD	3.1%
BENDIGO AND ADELAIDE BANK LIMITED	3.0%
PEXA GROUP LIMITED	3.0%
MACQUARIE GROUP LTD	2.9%
INSURANCE AUSTRALIA GROUP LTD	2.8%
MIRVAC GROUP STAPLED SECURITIES	2.7%
SITEMINDER LTD	2.6%

Ratings and awards

RIAA Certification:

Why invest ethically?

Portfolio diversification: Diversify your portfolio by investing in companies and sectors not well covered by other fund managers and brokers. Help build a better world: Invest in the new, low-carbon economy, fund medical and technology breakthroughs, efficient transport and more. Promote human rights: We strive to avoid any investment in companies involved in the poor treatment of asylum seekers or the exploitation of workers through poor working conditions.

Need Help?

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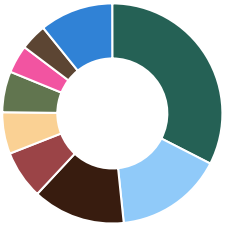
Sydney NSW 2001

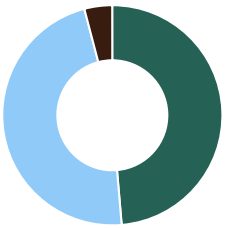
Sector allocation

Financials	32.5%
Health Care	15.8%
Information Technology	13.6%
Utilities	7.1%
Industrials	6.1%
Real Estate	6.0%
Consumer Staples	4.1%
Materials	3.9%
Other	10.8%



Asset allocation

Australian & NZ Large Cap	48.6%
Australian & NZ Small Cap	47.2%
Cash	4.1%



Commentary

The Australian Shares Fund (Retail) delivered a +4.2% return (net of fees) for the September quarter. The Materials sector detracted from performance, as the sector performed well and we are underweight the sector due to our Ethical screen. The Fund performed ahead of the S&P ASX Industrials benchmark (which excludes the Materials sector and more closely aligns with our investment universe) which was up 3.9%.

A feature of the September quarter was the investor interest return to resource and mining companies, with the Materials sector significantly outperforming the rest. The big miners benefited, while a strong rally in the gold price driving gold miners higher. Gold miners collectively account for ~15% of the Small Ordinaries and gold doesn't meet criteria for investment under our Ethical Charter. This was a material headwind for the portfolio (260bps) given our natural underweight position to these companies.

There was also renewed interest in small cap companies in the quarter, with the cohort outperforming their large cap peers, as investors began to refocus on areas of the market where valuations remain attractive. Reflecting this, the Fund's stock selection in small to mid-cap technology companies like Pexa, Siteminder, Nuix, Cuscal and ERoad contributed to strong performance over the quarter.

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