

Australian Ethical Diversified Shares Fund

Fund Profile - 30 September 2025

Australian Ethical



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 through investment in listed companies on Australian and international stock exchanges that meet our Ethical Criteria. The Fund aims to track the blended index, before taking into account fees and expenses over a 7 year period.

Price information

Pricing frequency: Daily
Buy/Sell spread: 0.05%/0.05%

Fund facts

Class size: \$14.02m
Benchmark: Australian Ethical Diversified Shares Composite
Asset class: Equity
Inception date: 03/11/1997
Minimum investment timeframe: 7 Years
Risk level: High

Identifiers

ISIN code: AU60AUG00044
APIR code: AUG0004AU

Distributions

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

Fees

Management costs - PDS: 1.39%
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)

Investment strategy

The opportunity to invest in a diversified share portfolio of Australian and international companies on the basis of their social, environmental and financial credentials. Generally, all Australian investments will have a market capitalisation greater than the 200th ranked stock listed on the ASX. The Fund has a low level of turnover and aims to be fully invested at all times.

Cumulative performance (as at 30/09/2025)



Performance (as at 30/09/2025)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	-1.1%	2.8%	13.3%	13.1%	15.2%	11.9%	9.4%	8.5%
Benchmark	0.0%	5.3%	14.4%	13.9%	17.2%	14.0%	10.6%	8.7%

Calendar Performance (as at end 2024)

	CY2024	CY2023	CY2022	CY2021	CY2020
Fund	16.9%	14.6%	-14.4%	21.8%	7.1%
Benchmark	16.3%	15.1%	-3.9%	20.3%	2.7%

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

COMMONWEALTH BANK OF AUSTRALIA	7.9%
NATIONAL AUSTRALIA BANK	4.8%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	4.3%
MACQUARIE GROUP LTD	3.2%
WESFARMERS LIMITED ORD FULLY PAID SHARES	3.1%
CSL LIMITED	2.7%
TELSTRA GROUP LIMITED	2.4%
GOODMAN GROUP	2.2%
NVIDIA CORPORATION	1.5%
WOOLWORTHS GROUP LIMITED	1.5%

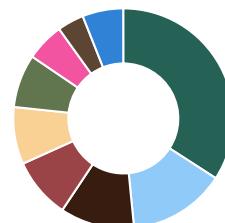
Ratings and awards

RIAA Certification:



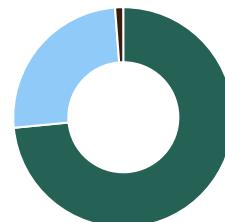
Sector allocation

Financials	34.1%
Information Technology	14.3%
Industrials	10.9%
Real Estate	8.9%
Communication Services	8.4%
Health Care	7.8%
Consumer Discretionary	5.6%
Materials	3.9%
Other	6.0%



Asset allocation

Australian & NZ Shares	73.4%
International Shares	25.3%
Cash	1.2%



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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Commentary

The Diversified Shares Fund (Retail) (the "Fund") returned 2.8% net of fees for the September quarter.

The standout theme was the Federal Reserve's first rate cut of 2025, reducing the policy rate to 4.00–4.25%. This dovish pivot helped sustain investor optimism, even as US consumer confidence softened and inflation remained above target. In contrast, the Reserve Bank of Australia held rates steady at 3.60%, citing hotter-than-expected CPI data and a cautious outlook for domestic growth.

From a sector perspective, global technology stocks continued to lead, with the Nasdaq 100 posting its best September since 2010. The "Magnificent 7" contributed nearly two-thirds of the S&P 500's gains, underscoring the market's concentration risk. AI-related themes remained dominant, with chipmakers and cloud infrastructure providers benefiting from strong demand and investor enthusiasm.

Australian equities saw a divergence in performance. While the broader ASX 200 fell 0.8% in September, the Small Ordinaries Index rallied 3.4%, driven by a 25% surge in gold prices and renewed interest in resource stocks. Materials outperformed, while Energy and listed property lagged. The rally in gold was particularly notable, reflecting investor demand for inflation hedges and safe-haven assets amid global uncertainty. Reporting season in August saw many companies push to new highs. However, earnings guidance upgrades were limited, and valuations expanded further.

In the domestic component of the portfolio, performance was impacted by the strength in the Materials sector, particularly within the gold subsector. Ethical screening led to a natural underweight in gold miners, which detracted from performance. Our stock selection in REITs and Information Technology assisted performance. Within Information Technology, our holding in SiteMinder increased more than 60% driven by strong product traction, improving financial metrics and positive sentiment.

In the International component of the portfolio, stock selection in Information Technology and Financials negatively impacted relative performance, while our underweight exposure to Consumer Staples and our overweight exposure to Communication Services assisted performance. The performance of the "Magnificent 7" was mixed with Alphabet, Apple, NVIDIA and Tesla (not held) outperforming the benchmark, while Meta, Microsoft and Amazon (not held) posted below-benchmark returns. Alphabet's share price rose 14% in September alone, and over 35% for the quarter overall, marking its best quarterly performance since 2005. The company's share price surged due to strong earnings growth, momentum in AI products like Gemini, a favorable antitrust ruling, and increased investor returns through dividends and buybacks.

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