

Australian Ethical Balanced Fund (Wholesale)

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 investors with a balance between capital growth and a moderate level of income through a diversified portfolio of assets that meet our Ethical Criteria. The Retail Fund aims to achieve returns 3.00% above inflation after management costs over a 10 year period. The Wholesale Fund aims to achieve returns 3.50% above inflation after management costs over a 10 year period.

Price information

Pricing frequency:	Daily
Buy/Sell spread:	0.10%/0.10%

Fund facts

Class size:	\$415.11m
Benchmark:	Australian Ethical Balanced Composite
Asset class:	Mixed Asset
Inception date:	28/03/2018
Minimum investment timeframe:	8 Years
Risk level:	Medium-High

Identifiers

ISIN code:	AU60AUG00176
APIR code:	AUG0017AU

Distributions

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

Fees

Management costs - PDS:	0.91%
Minimum initial investment:	\$25,000 minimum in the Fund and \$200,000 investment across Australian Ethical's managed funds.
Additional transactional and operational costs:	0.04%

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 portfolio of asset types and markets to reduce the volatility of returns. Asset classes include, but are not limited to, Australian and international shares, property and fixed income securities.

Cumulative performance (as at 30/09/2025)



Performance (as at 30/09/2025)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	0.2%	3.1%	8.4%	10.3%	11.0%	8.2%	-	8.0%
Benchmark	0.5%	3.5%	8.8%	11.6%	11.8%	8.9%	-	8.1%

Calendar Performance (as at end 2024)

	CY2024	CY2023	CY2022	CY2021	CY2020
Fund	12.4%	10.8%	-9.8%	14.0%	8.5%
Benchmark	11.1%	10.9%	-4.8%	13.4%	3.6%

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

DEXUS HEALTHCARE PROPERTY FUND UIT	2.8%
COMMONWEALTH BANK OF AUSTRALIA	1.9%
NVIDIA CORPORATION	1.9%
MICROSOFT CORP	1.7%
NATIONAL AUSTRALIA BANK	1.6%
APPLE INC	1.6%
INVESTA COMMERCIAL PROPERTY FD COMMON STOCK UNIT	1.5%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	1.5%
CSL LIMITED	1.2%
MACQUARIE GROUP LTD	1.2%

Ratings and awards

RIAA Certification:



Why invest ethically?

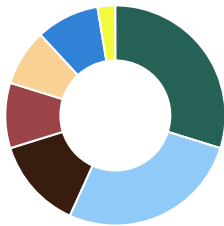
Portfolio diversification: Diversify your portfolio by investing in companies and sectors not well covered by other fund managers and brokers. Help build a better world: Invest in the new, low-carbon economy, fund medical and technology breakthroughs, efficient transport and more. Promote human rights: 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

Asset allocation

International Shares	29.8%
Australian & NZ Shares	27.0%
Australian Fixed Interest	13.4%
Alternative Assets	9.6%
International Fixed Interest	8.3%
Property and Infrastructure	9.3%
Cash and short-term interest bearing securities	2.6%



Commentary

Defensive-focused funds performed slightly better and in line with benchmarks, while growth-focused funds slightly underperformed. This was in large part due to the relative outperformance of defensive asset classes, like International Fixed Income against its benchmark, compared to underperformance from Domestic and International Equities allocations against their benchmark.

In local currency terms, global equity markets delivered another impressive quarter (MSCI ACWI +8.0%). US markets performed well thanks to somewhat resilient macroeconomic data, and a September rate cut (S&P 500 +8.0%). Artificial intelligence optimism drove gains in not only in the US but Asia as well, with the likes of Alibaba more than doubling in share price (CSI 300 +19%). The United Kingdom recorded solid gains across various sectors like Financials, Healthcare, and Materials, while broader European markets trailed (FTSE 100 +7.5%, MSCI Europe +3.9%), due to fiscal concerns causing European yields to spike e.g. 30-year German and Italian government bond yields hit their highest in more than a decade. The Funds' own active tilt to Asian equities was a beneficiary of the broader rally in Asia, however this was offset by the Funds' positioning in Information Technology and its lack of exposure to the Energy and Materials sector which also posted significant gains.

Domestically, the local equity market followed a similar theme, with Materials (and to a lesser extent Energy) being a detractor to relative performance (S&P ASX 300 +5.0%). Gold miners continued their run, with the price of gold continuing to break new records. Mitigating this, however, was renewed interest in small cap companies which benefited the Funds' active domestic equities strategies in the quarter. Small caps broadly outperformed their large cap peers as investors began to refocus on areas of the market where valuations remain attractive.

Central banks globally are now over a year into their cutting cycles and as such the last quarter saw more muted monetary policy activity. Europe was largely unchanged (apart from the UK with one cut), while dollar economies like US, Australia and Canada all pushed out one rate cut. In tandem with equities, corporate bonds performed well, outperforming government bonds, while medium-term bonds (5-10yr) outperformed longer-term bonds (+10yrs), due to both fiscal and political uncertainty globally. The Funds' overweight international corporate bonds as well as active duration positioning all added relative value over the quarter.

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