

Australian Ethical High Conviction Fund

Fund ticker: AEAE
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

The Fund aims to provide long term capital growth and income from focusing on a relatively concentrated portfolio of Australian and NZ companies that meet our Ethical Criteria. The Fund aims to exceed the return of the ASX300 Total Return 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: \$9.38m
Benchmark: S&P/ASX 300 Accumulation
Asset class: Equity
Inception date: 01/10/2021
Minimum investment timeframe: 7 Years
Risk level: Very High

Identifiers

ISIN code: AU60AUG79196
APIR code: AUG7919AU

Distributions

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

Fees

Management costs - PDS: 0.69%
Performance fee: 15.00%
Minimum initial investment: \$25,000
No minimum applies for the AEAE ETF
Additional transactional and operational costs: 0.01%

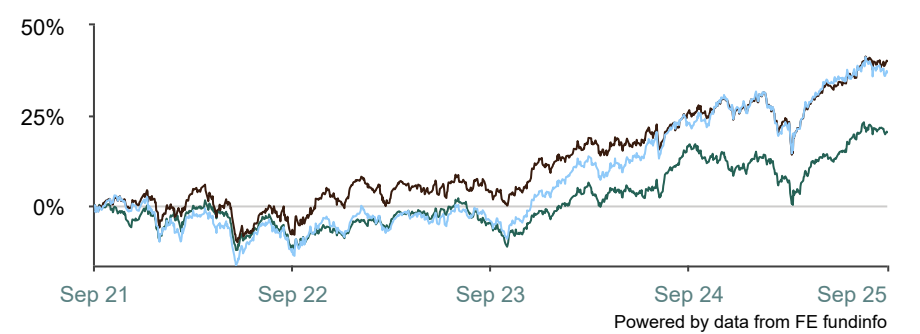
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund’s Product Disclosure Statements available from our website australianethical.com.au

*(after tax, before bonus expense)

Investment strategy

An actively-managed, focused share portfolio leveraging our ethical investing philosophy & capability. Invested in 20-35 select shares, predominantly from the S&P ASX300, on the basis of their social, environmental and financial credentials. Benchmark unaware, with a concentration on larger capitalisation stocks.

Cumulative performance (as at 30/09/2025)



■ Australian Ethical High Conviction
■ S&P/ASX 300 Acc.
■ S&P/ASX 300 Indust.s Acc.

Performance (as at 30/09/2025)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	-1.7%	5.7%	13.2%	2.9%	11.0%	-	-	4.7%
S&P/ASX 300 Acc.	-0.7%	5.0%	14.9%	10.8%	15.0%	-	-	8.8%
S&P/ASX 300 Indust.s Acc.	-2.1%	1.2%	13.2%	11.3%	16.7%	-	-	8.2%

Calendar Performance (as at end 2024)

	CY2024	CY2023	CY2022	CY2021	CY2020
Fund	11.7%	7.0%	-6.5%	-	-
S&P/ASX 300 Acc.	11.4%	12.1%	-1.8%	-	-
S&P/ASX 300 Indust.s Acc.	21.2%	12.2%	-8.0%	-	-

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

CSL LIMITED	5.9%
CONTACT ENERGY LTD	4.9%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	4.6%
MACQUARIE GROUP LTD	4.6%
RESMED INC.	4.4%
NATIONAL AUSTRALIA BANK	4.4%
CAR GROUP LIMITED	4.2%
WEB TRAVEL GROUP LIMITED	3.9%
RELIANCE WORLDWIDE CORP LTD	3.8%
Dexus	3.7%

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?

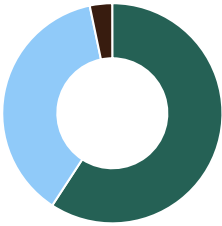
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Sector allocation

Financials	23.4%
Health Care	16.2%
Information Technology	10.4%
Utilities	7.9%
Industrials	7.6%
Communication Services	7.5%
Real Estate	7.3%
Materials	6.8%
Other	12.9%

Asset allocation

Australian & NZ Large Cap	59.2%
Australian & NZ Small Cap	37.5%
Cash	3.3%



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Commentary

The High Conviction Fund delivered a +5.7% return (net of fees) for the September quarter, outperforming its benchmark, the ASX 300 Index, which recorded a return of +5.0%. Stock selection was a key contributor to the outperformance during the quarter.

With equity market valuations remaining elevated, particularly in some of the largest cap names, the September quarter saw small cap indices outperform their larger cap peers as investors began to refocus on areas of the market where valuations remain more attractive. The High Conviction Fund has been well positioned for this, with the Fund's investments in attractive small to mid-cap technology companies like Pexa (+15%), Siteminder (+63%), and Nuix (+34%) delivering strong performance during the quarter, while their larger cap tech peers underperformed. Similarly, the Fund's decision not to own CBA (-8%) on valuation grounds paid off as the stock underperformed following a strong year in FY25. In telecommunications, Aussie Broadband (+49%) outperformed its larger peers after announcing a big contract win.

Within Consumer Staples, the recent addition of Graincorp (+19%) to the portfolio during the quarter paid dividends as conditions appear favourable for upcoming harvests, while owning Coles (+13%) and not Woolworths (-13%) contributed positively as Coles continues to execute strongly.

The broader market saw interest return to resource and mining companies, with the Materials sector (+21%) significantly outperforming the rest during the quarter. The big miners benefited, while a strong rally in the gold price drove gold miners higher. This was a material headwind for the portfolio given our natural underweight position to these companies, so it was pleasing to outperform the broader market despite this market dynamic. Excluding the impact of the resource sector, the Fund outperformed the ASX 300 Industrials index by +4.4%.

The Fund's overweight position in the Healthcare sector (-10%) was a detractor during the quarter, with the sector the worst performing in the market. We attribute some of this to the uncertainty caused by possible tariffs and other costs imposed in the US market, however CSL (-16%) was a surprising disappointment during earnings result season that negatively impacted the Fund. Nevertheless, we believe earnings growth will accelerate and with the stock now trading at a discount to the market, CSL is fundamentally too cheap in our view and we have continued to build our position.

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