

Australian Ethical Australian Shares Fund (Wholesale)

Fund Profile - 31 December 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 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: \$755.10m
Benchmark: Composite benchmark
Asset class: Equity
Inception date: 23/01/2012
Number of holdings:
Minimum investment timeframe: 7 Years
Risk level: High

Identifiers

ISIN code: AU60AUG00184
APIR code: AUG0018AU

Distributions

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

Fees

Management costs - PDS: 1.10%
Minimum initial investment: \$25,000 min. in the Fund and \$500k 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

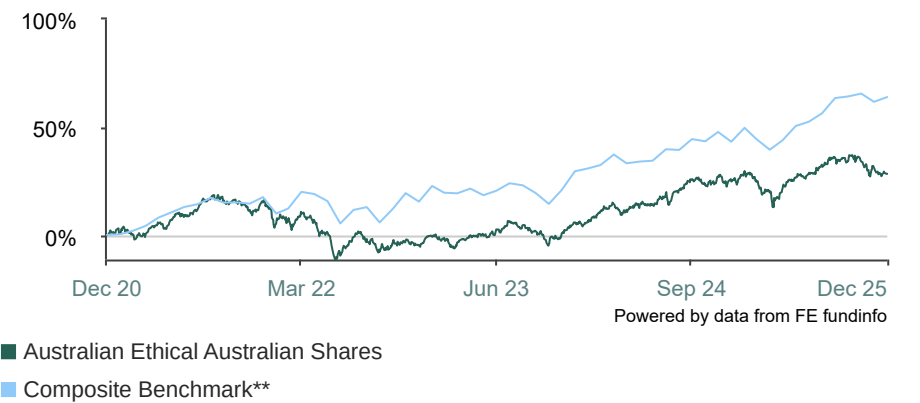
*(after tax, before bonus expense)

**The benchmark was the S&P/ASX Small Indust. from inception until 12/08/19, S&P/ASX 300 Accum. Index from 13/08/19 to 29/09/23, and a composite of 65% S&P/ASX 100 Accum. Index and 35% S&P/ASX Small Ord. Accum. 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 31/12/2025)



Performance (as at 31/12/2025)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	-2.8%	-4.3%	-0.1%	2.9%	10.4%	5.1%	8.9%	11.9%
Composite Benchmark**	1.4%	-0.2%	7.5%	14.5%	12.4%	10.4%	8.9%	10.6%
S&P/ASX Small Indust.	-2.0%	-4.0%	6.7%	8.8%	10.8%	3.9%	6.2%	8.2%

Calendar Performance (as at end 2025)

	CY2025	CY2024	CY2023	CY2022	CY2021
Fund	2.9%	17.9%	11.0%	-17.1%	15.0%
Composite Benchmark**	14.5%	10.6%	12.2%	-1.8%	17.5%
S&P/ASX Small Indust.	8.8%	12.1%	11.4%	-21.8%	13.7%

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

NATIONAL AUSTRALIA BANK	3.5%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	3.5%
CONTACT ENERGY LTD	3.2%
CSL LIMITED	3.2%
QUBE HOLDINGS LTD	3.1%
INSURANCE AUSTRALIA GROUP LTD	3.0%
MACQUARIE GROUP LTD	2.9%
BENDIGO AND ADELAIDE BANK LIMITED	2.7%
PEXA GROUP LTD	2.7%
MIRVAC GROUP STAPLED SECURITIES	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?

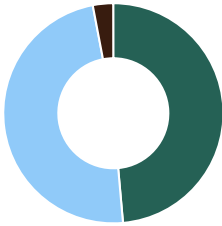
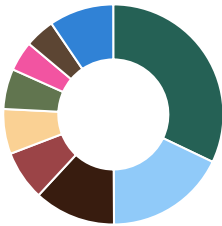
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Sector allocation

Financials	32.1%
Health Care	17.8%
Information Technology	12.0%
Utilities	7.3%
Industrials	6.6%
Real Estate	5.9%
Materials	4.4%
Consumer Staples	4.4%
Other	9.5%

Asset allocation

Australian & NZ Large Cap	48.6%
Australian & NZ Small Cap	48.4%
Cash	3.0%



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Commentary

The Australian Shares Fund (Fund) entered a more testing market landscape in 2025 after outperforming in the previous 12 months. The Fund rose 2.8% (net of fees) compared to the benchmark of 14.5% for the 12 months to 31 December 2025. Significant sector rotation in 2025 saw Materials significantly outperform the broader index. Within the Materials sector, investor appetite was heavily concentrated in gold-related exposures early in the year, supported by heightened macro uncertainty and a renewed search for defensive inflation hedges. As the year progressed, this momentum broadened across commodities, with rising interest extending to diversified miners and bulk commodity names. While the previous year's environment rewarded structural growth, balance sheet quality, and idiosyncratic stock drivers, 2025 was dominated by a more cyclical, resource-led advance.

To illustrate the shift in market sentiment, the S&P ASX 200 Materials index rose by 36% in the last 6 months, compared to the S&P ASX 200 Industrials index declining 4%. The fund is perpetually underweight Materials due to the high carbon intensity of the mining and energy companies that dominate the sector. Correspondingly, the fund has maintained overweight positions to technology and healthcare. Whilst these sector positions have detracted value over the last year, they have added significantly more value over the 31-year history of the Fund (Since September 1994, the Information Technology GICs (Global Industry Classification Standard) sector has returned 19.2% per annum. This is almost twice as much as the Materials GICs (+9.7%) and three times more than Energy GICs (6.32%) in this period).

Despite these headwinds, the consumer sector emerged as a key area of strength for the Fund aided by fundamental stock picks. The Fund's positioning in quality consumer names—supported by resilient demand profiles and strong competitive positioning—provided a partial offset to the commodity-driven skew of the broader market. Disciplined cost management, strong execution and steady earnings delivery helped these positions contribute positively to an otherwise challenging style environment.

As we head into 2026, the portfolio remains anchored in disciplined stock selection, with focus maintained on long-term fundamentals. As sector leadership gradually broadens and macro conditions begin to normalise, the Fund is well positioned to benefit from a more balanced market, supported by its strong focus on fundamental analysis and its commitment to maintaining quality and resilience across holdings. We also remain disciplined in avoiding over-valued stocks driven by short-term sentiment. Our team of experienced analysts is instead focussed on unearthing under-valued opportunities in the Australian or New Zealand market. This approach has endured the test of times over the long term, enabling the Fund to outperform the benchmark 70% of the time over the past 10 years (based on calendar year relative to benchmark returns net of fees).

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