

Australian Ethical Diversified 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 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: \$303.34m
Benchmark: Australian Ethical Diversified Shares Composite
Asset class: Equity
Inception date: 23/01/2012
Minimum investment timeframe: 7 Years
Risk level: High

Identifiers

ISIN code: AU60AUG00192
APIR code: AUG0019AU

Distributions

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

Fees

Management costs - PDS: 0.95%
Minimum initial investment: \$25,000
Additional transactional and operational costs: 0.01%

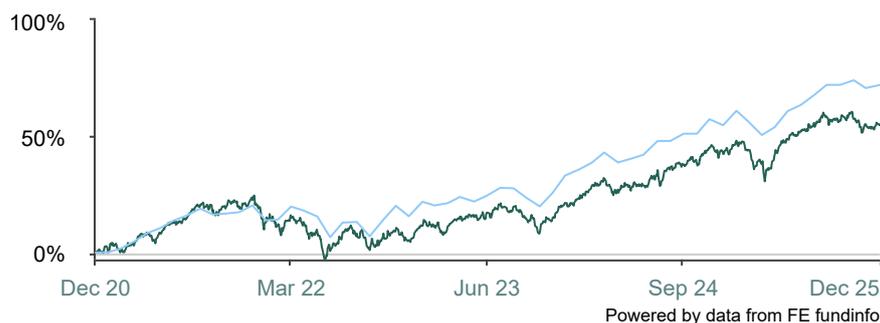
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(after tax, before bonus expense)

Investment strategy

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 31/12/2025)



■ Australian Ethical Diversified Shares
■ Benchmark

Performance (as at 31/12/2025)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	-0.2%	-1.2%	1.7%	8.8%	13.7%	9.1%	9.5%	12.0%
Benchmark	0.8%	0.0%	5.3%	11.2%	14.2%	11.5%	9.7%	12.4%

Calendar Performance (as at end 2025)

	CY2025	CY2024	CY2023	CY2022	CY2021
Fund	8.8%	17.4%	15.1%	-14.0%	22.6%
Benchmark	11.2%	16.3%	15.1%	-3.9%	20.3%

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	4.5%
WESFARMERS LIMITED ORD FULLY PAID SHARES	2.8%
MACQUARIE GROUP LTD	2.6%
TELSTRA GROUP LIMITED	2.5%
CSL LIMITED	2.5%
PILBARA MINERALS LTD	2.1%
GOODMAN GROUP	2.1%
WOOLWORTHS GROUP LIMITED	1.7%

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?

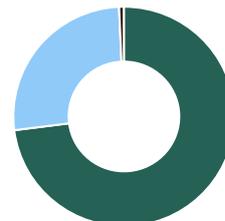
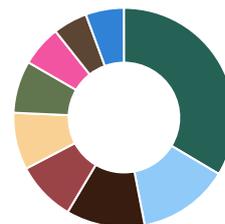
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Sector allocation

Financials	33.6%
Information Technology	13.4%
Industrials	11.5%
Real Estate	8.8%
Communication Services	8.4%
Health Care	7.7%
Materials	6.0%
Consumer Discretionary	5.0%
Other	5.6%

Asset allocation

Australian & NZ Shares	73.0%
International Shares	26.3%
Cash	0.7%



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Commentary

Global and Australian equity markets delivered another strong year in 2025, with both markets delivering double-digit returns and finishing the year near their highs. The S&P/ASX 300 index returned 10.66% in 2025, and the MSCI World ex Australia index returned 12.53%. The Diversified Shares Fund also delivered a solid result, closely tracking its benchmark while maintaining strict adherence to Australian Ethical's investment charter. The Diversified Shares Fund (Wholesale) (the 'Fund') returned 8.76% over 2025.

The year was marked by sharp swings: early optimism following President Trump's policy agenda gave way to a steep correction in February and March as aggressive tariff announcements triggered risk-off sentiment and an unwind in momentum trades. In April, a V-shaped recovery was staged as a 90-day tariff pause helped sentiment. Middle East tensions lifted energy prices in June and Australia lagged the US in September amid shifting rate-cut expectations and domestic inflation. Into year-end, a more stable backdrop and earnings recovery supported prices, capping a constructive calendar year.

From an Australian-style perspective, Value outperformed Growth driven by the strong returns for the Mining sector, while Technology and Healthcare lagged. Small Caps delivered a notably stronger performance in 2025, outperforming Large Caps. This strength was largely driven by exceptional gains in gold-related stocks, highlighting the influence of Australia's index composition. In contrast, US factor returns continued to favour Growth and Large Caps, underscoring the divergence in market leadership across regions. Globally, the Technology sector again led the market, with AI (artificial intelligence) remaining the defining theme.

In the domestic component of the portfolio, performance was impacted by the strength of the Materials sector. Ethical screening leads to a natural underweight in the Materials sector (due to the high carbon intensity of the mining and energy companies that dominate the sector), which detracted from performance in 2025. Stock selection in the Consumer Discretionary and Staples sectors assisted performance, partly due to our zero exposure to Aristocrat Leisure and Treasury Wine Estates for ethical reasons. Stock selection in the Real Estate sector positively contributed driven by our overweight exposure to Charter Hall Group which outperformed on the back of strong operational delivery, earnings upgrades and strategic positioning for future growth.

In the international component of the portfolio, our underweight exposure to Consumer Discretionary and Staples assisted performance. In particular, Amazon Inc, which is not held by the Fund for ethical reasons, underperformed the broader market as investors favoured higher-growth AI names. The Fund's overweight exposure to Financials also assisted performance with stocks such as Societe Generale SA and ING NV posting strong returns as Europe's continuing recovery led investors to seek cyclical value stocks. Meanwhile, stock selection in Industrials and IT negatively contributed to performance, partly due to our position in Fiserv Inc, which announced an earnings downgrade under new management.

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