

Australian Ethical Emerging Companies (Wholesale) Fund

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 by investing in small capitalisation companies that meet the Australian Ethical Charter. The fund aims to significantly exceed the return of the S&P/ASX Small Industrials 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: \$265.97m
Benchmark: S&P ASX Small Industrials
Asset class: Equity
Inception date: 30/06/2015
Minimum investment timeframe: 7 Years
Risk level: Very high

Identifiers

ISIN code: AU60AUG00275
APIR code: AUG0027AU

Distributions

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

Fees

Management costs - PDS: 1.20%
Performance fee: 0.29%
Minimum initial investment: \$25,000
Additional transactional and operational costs: 0.04%

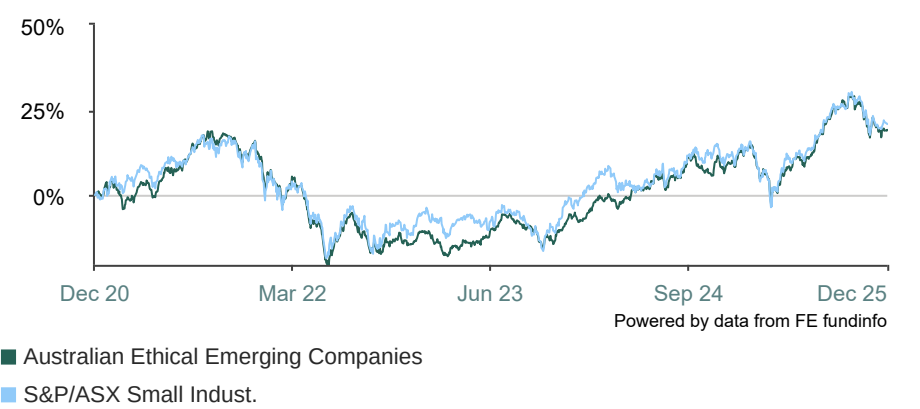
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund’s Product Disclosure Statements available from our website australianethical.com.au

*(after tax, before bonus expense)

Investment strategy

The opportunity to invest in a diversified portfolio of shares in small capitalisation companies on the basis of their social, environmental and financial credentials. The Fund utilises an active stock-picking management style with stocks selected for growth rather than income. 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	-3.0%	-5.1%	7.2%	8.9%	11.6%	3.6%	11.2%	12.3%
S&P/ASX Small Indust.	-2.0%	-4.0%	6.7%	8.8%	10.8%	3.9%	6.2%	7.1%

Calendar Performance (as at end 2025)

	CY2025	CY2024	CY2023	CY2022	CY2021
Fund	8.9%	15.9%	10.2%	-25.4%	14.9%
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

PEPPER MONEY LTD/AU	4.8%
SITEMINDER LTD	4.4%
CONTACT ENERGY LTD	3.9%
TYRO PAYMENTS LTD	3.8%
WEB TRAVEL GROUP LIMITED	3.7%
AUSTRALIAN FINANCE GROUP LTD	3.7%
AROA BIOSURGERY LTD	3.7%
MACH7 TECHNOLOGIES LTD	3.2%
COGSTATE LIMITED	2.9%
NANOSONICS LIMITED	2.7%

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.

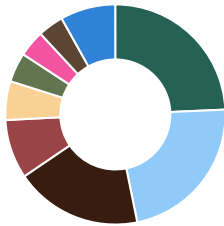
Promote human rights: We strive to avoid any investment in companies involved in the poor treatment of asylum seekers or the exploitation of workers through poor working conditions.

Need Help?

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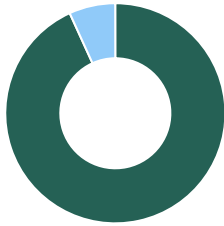
Sector allocation

Health Care	24.3%
Information Technology	22.5%
Financials	18.7%
Utilities	8.7%
Consumer Discretionary	5.7%
Industrials	4.3%
Consumer Staples	3.9%
Communication Services	3.8%
Other	8.1%



Asset allocation

Australian & NZ Small Cap	93.2%
Cash	6.8%



Commentary

Markets hit their 2025 lows during April's Liberation Day tariff announcements in the United States, but rebounded strongly between April and October amidst solid company profit results and clarity that tariffs were either manageable, or were wound back or delayed. Resilient economic conditions toward year end precipitated above-trend inflation and heralded potential interest rate hikes, which shook the confidence of equity markets in the final quarter. But despite this weakness, markets ended the year with strong gains, especially in the small cap sector.

The Emerging Companies (Wholesale) Fund slightly outperformed its ASX Small Industrials benchmark (8.9%, net of fees, vs. 8.8%), over the 12 months to 31 December 2025 and on a three year basis the fund (11.6% pa, net of fees) is ahead of benchmark (10.8% pa).

The Emerging Companies Fund's holdings in the Financials and Healthcare sectors were the strongest contributors to relative investment performance with non-bank lenders Pepper Money (+79%) and Australian Finance Group (+51%) reporting solid profit results amidst a better competitive environment. Meanwhile, cognitive testing company Cogstate's (+119%) re-rating with good revenue growth, and medical imaging company turnaround, Mach7 (+54%) all contributed to the Fund's returns.

The sectoral laggards included Technology company Nuix (-72%) underperforming with an unexpected change in management coupled with uncertainty around future client wins, foreign exchange services company OFX Group (-66%) fell as it contemplates a difficult year for profit in FY26 with heavy investment in a new client platform and utilities software company Gentrack (-36%), which fell as its outlook softened in an aggressive competitive environment for new clients.

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