Australian Ethical Balanced Fund

Fund Profile - 31 March 2026

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:	$76.91m
Benchmark:	Australian Ethical Balanced Composite
Asset class:	Mixed Asset
Inception date:	16/10/1989
Minimum investment timeframe:	8 Years
Risk level:	Medium

Identifiers

ISIN code:	AU60AUG00010
APIR code:	AUG0001AU

Distributions

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

Fees

Management costs - PDS:	1.57%
Minimum initial investment:	$1,000 $500 with a Regular investor plan
Additional transactional and operational costs:	0.06%

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 31/03/2026)

■ Australian Ethical Balanced

■ Benchmark

Performance (as at 31/03/2026)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	-2.7%	-3.7%	-3.6%	4.2%	6.4%	4.7%	6.3%	6.5%
Benchmark	-3.1%	-1.4%	-0.7%	8.1%	8.4%	7.0%	7.6%	7.4%

Calendar Performance (as at end 2025)

	CY2025	CY2024	CY2023	CY2022	CY2021
Fund	6.7%	11.6%	10.0%	-10.3%	13.2%
Benchmark	9.3%	11.1%	10.9%	-4.8%	13.4%

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	2.7%
COMMONWEALTH BANK OF AUSTRALIA	1.9%
NVIDIA CORPORATION	1.9%
Sandstone	1.7%
INVESTA COMMERCIAL PROPERTY FD COMMON STOCK UNIT	1.6%
APPLE INC	1.6%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	1.6%
NATIONAL AUSTRALIA BANK	1.5%
10Y Australia T-Bond (SFE) Jun 26	1.3%
ALPHABET INC-CL A	1.3%

Ratings and awards

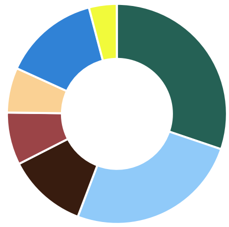
RIAA Certification:

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.

Asset allocation

International Shares	30.2%
Australian & NZ Shares	25.6%
Australian Fixed Interest	11.7%
Alternative Assets	7.7%
International Fixed Interest	6.6%
Property and Infrastructure	14.1%
Cash and short-term interest bearing securities	4.1%



Commentary

Performance for the quarter was negative, reflecting weaker returns from growth-oriented assets across listed markets as the escalation of the Middle East conflict disrupted commodity markets and led to an inflationary shock and heightened uncertainty around the future pathways for economic growth. Defensive-focused funds, including the Conservative Fund and Moderate Fund performed relatively better given their lower exposure to risk assets. One year returns for the multi-asset funds were positive, ranging between 4.5% and 5.5%.

Prior to the shock, the market context had been improving with earnings growth broadening out, and a clear rotation both at the sector and country level, with markets outside the US performing quite strongly. In particular Japanese equities returned 15% and Emerging Markets 13% in the first two months of the year. However, the month of March saw a broad convergence in returns with all markets struggling in the context of oil prices doubling, and concerns around security of supply for many net energy importers. Early market assumptions that the conflict would be short-lived were revised as the evolving dynamics and the nature of strikes raised the prospect that normal supply could take considerably longer to restore, even if a ceasefire or agreement were reached.

In this environment, bonds were less effective as an anchor, declining in value during this risk off period, as higher oil prices generated an inflationary impulse and prompted a reassessment of interest rate expectations. Domestically, expectations for the Reserve Bank of Australia shifted quickly, with markets moving from pricing 1.5 rate hikes at the start of the year to four hikes for the calendar year, two of which have already been delivered, reflecting higher-than-expected inflation and the effects of geopolitical tension.

The biggest contributor to relative underperformance during the quarter was sector positioning across the domestic and global equity sleeves, with underweight exposure to energy and materials and overweight exposure to software and technology relative to the benchmark. Oil shortages drove energy and materials prices up whilst concerns about AI disrupting some software companies resulted in indiscriminate selling across the entire software sector.

Despite these market headwinds, the Growth Alternatives portfolio had a particularly strong quarter, returning 25.2%, comfortably exceeding its benchmark by 22.8%. Growth Alternatives investments are targeted at growth opportunities like unlisted infrastructure, which are lowly correlated to equities and designed to perform well in varying market conditions, thus insulating some of the sell-off in shares.

Need Help?

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