

Australian Ethical Australian Shares Fund (Wholesale)

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 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: \$645.18m
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

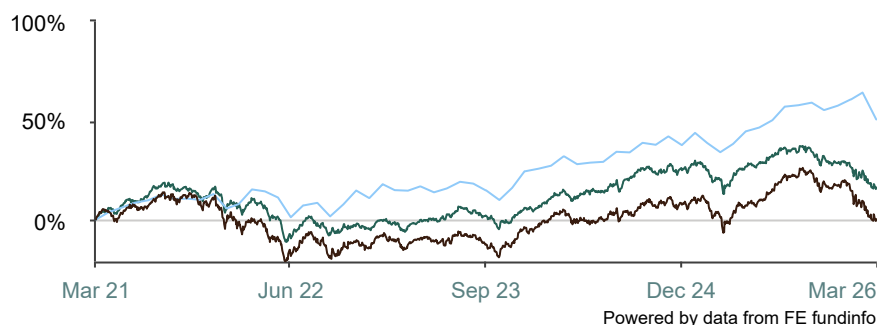
*(after tax, before bonus expense)

**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 31/03/2026)



- Australian Ethical Australian Shares
- Composite Benchmark**
- S&P/ASX Small Indust.

Performance (as at 31/03/2026)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	-6.8%	-9.5%	-13.4%	-3.0%	6.3%	3.0%	8.3%	10.9%
Composite Benchmark**	-8.3%	-4.4%	-4.6%	12.3%	9.5%	8.5%	8.5%	10.0%
S&P/ASX Small Indust.	-8.4%	-14.3%	-17.8%	-0.8%	4.7%	0.0%	4.7%	6.9%

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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Australian
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Top 10

QUBE HOLDINGS LTD	3.5%
INSURANCE AUSTRALIA GROUP LTD	3.4%
CONTACT ENERGY LTD	3.3%
PEXA GROUP LTD	3.2%
MACQUARIE GROUP LTD	3.1%
CSL LIMITED	3.1%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	3.0%
NATIONAL AUSTRALIA BANK	2.9%
BENDIGO AND ADELAIDE BANK LIMITED	2.7%
NIB HOLDINGS LTD	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?

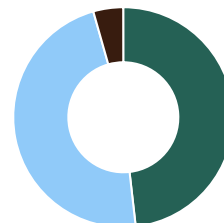
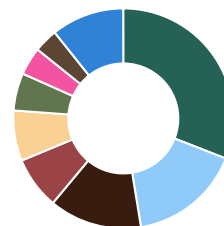
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Sydney NSW 2001

Sector allocation

Financials	30.9%
Health Care	16.5%
Information Technology	13.6%
Utilities	7.7%
Industrials	7.4%
Real Estate	5.5%
Consumer Staples	4.1%
Communication Services	3.5%
Other	10.7%

Asset allocation

Australian & NZ Large Cap	48.2%
Australian & NZ Small Cap	47.4%
Cash	4.4%



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Commentary

The Australian Shares Fund (Fund) declined by 9.2% during the March quarter, compared with a benchmark fall of 4.4%. The March quarter was a challenging period for equity markets, with investor sentiment undermined by escalating geopolitical tensions in the Middle East. Market leadership was narrow, driven by strong outperformance from the Materials and Energy sectors, which account for approximately 30% of the benchmark, while Industrials companies (representing all other sectors of the economy) lagged. The rotation into diversified miners and bulk commodity producers reflects the perceived role of these sectors as effective inflation hedges and realization of higher commodity prices.

The Materials sector outperformed Industrials by nearly 10% over the quarter and energy stocks were supported by rising oil prices. This pronounced sector rotation, which has also been evident since 2025, detracted from relative Fund performance given our structural bias towards future focused sectors like healthcare and IT and underweight position in Materials. This positioning remains consistent with our Ethical framework, which limits exposure to the carbon-intensive mining and energy companies that dominate the Materials sector. The Fund's overweight position in small cap names also detracted as small capitalisation stocks weakened, as investors favoured larger, more liquid names. While this dynamic represented a short-term headwind to our investment style, we view it as cyclical rather than reflective of underlying company fundamentals and continue to see attractive value opportunities within high-quality businesses.

Defensive exposures provided resilience in the portfolio, particularly within the supermarket sector. Strong operational execution, improving customer metrics and earnings upgrades helped deliver downside protection in a volatile market environment. Our overweight positions in Coles and Woolworths contributed positively to returns over the period.

Another key theme during the quarter was a sharp sell-off in technology stocks, particularly software names. Sentiment deteriorated as concerns emerged around the potential for artificial intelligence to erode the durability of certain business models, leading to broad valuation compression across the sector. The sectoral laggards included Siteminder, a travel technology company we own. PEXA was our strongest-performing technology holding, which we view as a high-quality, domestic digital infrastructure asset enabling secure property settlement, with additional upside optionality from its UK investment.

As we navigate this uncertainty, what is clear to us is that equity valuations in selective pockets of the market are now very attractive. At the end of March, the portfolio held minimal cash, reflecting the active deployment of capital at attractive valuations. Our investment process remains focused on disciplined stock selection, focusing on businesses trading at attractive valuations, supported by strong balance sheets and durable long-term earnings profiles. We believe this positioning provides a solid foundation as volatility subsides, sector leadership broadens and returns increasingly reflect underlying company fundamentals rather than macro-driven rotations.

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