

Australian Ethical Diversified 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 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: \$278.13m
Benchmark: Australian Ethical Diversified Shares Composite

Asset class: Equity
Inception date: 23/01/2012

Number of holdings: 10

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%

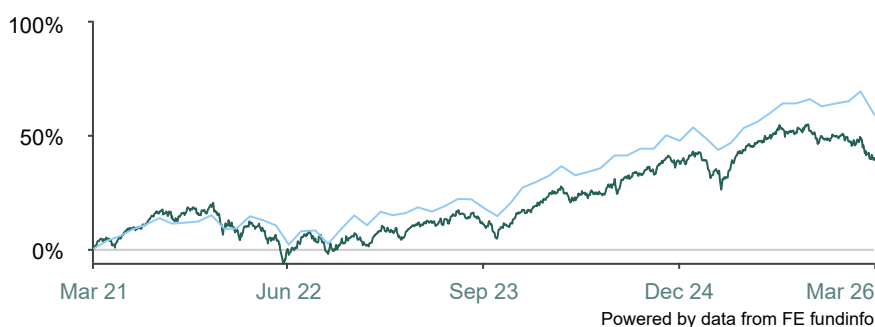
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(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 31/03/2026)



■ Australian Ethical Diversified Shares
■ Benchmark

Performance (as at 31/03/2026)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	-6.0%	-6.3%	-7.3%	5.2%	9.2%	7.0%	8.8%	11.3%
Benchmark	-6.1%	-3.0%	-3.1%	10.9%	11.2%	9.8%	9.9%	11.9%

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	8.0%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	4.9%
NATIONAL AUSTRALIA BANK	4.7%
TELSTRA GROUP LIMITED	3.0%
MACQUARIE GROUP LTD	2.6%
PILBARA MINERALS LTD	2.3%
WESFARMERS LIMITED ORD FULLY PAID SHARES	2.3%
CSL LIMITED	2.0%
WOOLWORTHS GROUP LIMITED	1.9%
GOODMAN GROUP	1.9%

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?

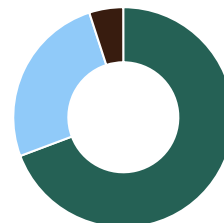
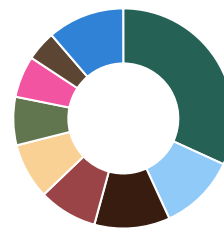
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Sector allocation

Financials	31.8%
Industrials	11.3%
Information Technology	11.1%
Real Estate	8.6%
Communication Services	8.2%
Health Care	7.1%
Materials	6.1%
Consumer Discretionary	4.4%
Other	11.3%

Asset allocation

Australian & NZ Shares	69.3%
International Shares	25.7%
Cash	5.0%



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Commentary

Equity markets experienced a challenging March quarter, as a volatile macro environment drove a broad repricing of risk assets. Inflation concerns resurfaced, geopolitical tensions escalated, and expectations for interest-rate cuts were reassessed. These dynamics weighed on both Australian and global equity markets, with performance increasingly shaped by sector composition and rapid rotations in market leadership. The S&P/ASX 300 index fell by -2.04%, and the MSCI World ex Australia index fell by -6.22% (in AUD terms). The Diversified Shares Fund returned -6.04%, while maintaining strict adherence to Australian Ethical's investment charter. The Diversified Shares Fund (Wholesale) (the "Fund") returned -6.26% over the quarter. The Diversified Shares Fund (Retail) returned -6.36% net of fees over the quarter.

The escalation of conflict in the Middle East emerged as a key macro influence over the quarter. Higher energy prices introduced a renewed inflationary impulse, disrupting earlier expectations of a smooth disinflationary path. In response, markets recalibrated expectations for central-bank policy, particularly in the United States, where optimism around near-term easing gave way to a more cautious outlook. Rising bond yields reduced support for equity valuations globally and contributed to increased volatility across markets.

The domestic market experienced heightened dispersion as higher oil prices supported strength in the Energy sector, while most other sectors delivered weaker returns. Defensive characteristics outperformed on a relative basis as uncertainty increased, while growth oriented and interest rate-sensitive sectors faced valuation pressure. The combination of rising input costs, elevated discount rates and a more cautious global risk backdrop weighed on sentiment across the broader market.

A prominent feature of the quarter was the sharp divergence within technology. Software stocks experienced widespread weakness as investors reassessed earnings sustainability, competitive pressures and valuation levels in a higher-for-longer rate environment. This sell-off contrasted with more resilient performance in hardware and semiconductor-related companies, where demand linked to AI infrastructure investment continued to provide support. The divergence was reflected in both domestic and international holdings and highlighted the increasingly selective nature of technology-related market leadership.

Style performance shifted materially during the quarter. Momentum and growth factors reversed sharply, particularly in March, while lower-risk and more defensive characteristics regained favour. Value-oriented exposures benefited from the rotation away from crowded growth trades and stronger performance in energy-exposed areas.

For the Fund, performance over the quarter was influenced by its diversified exposure across domestic and global equities. Structural underweights to Energy and exposure to growth-oriented sectors, particularly software, detracted amid the sharp style rotation. On the positive side, stock selection in Consumer Staples assisted performance as Woolworths rallied 25% after demonstrating improved execution and stronger customer momentum from investment in value, fresh and convenience, alongside signs that market share was stabilising in Australian Food. Our stock selection in the Consumer Discretionary sector also boosted performance due to not owning (on Ethical grounds) Aristocrat Leisure, Light & Wonder, Amazon and Telsa, which underperformed over the quarter.

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