Australian Ethical Emerging Companies (Wholesale) 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 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:	$218.05m
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%

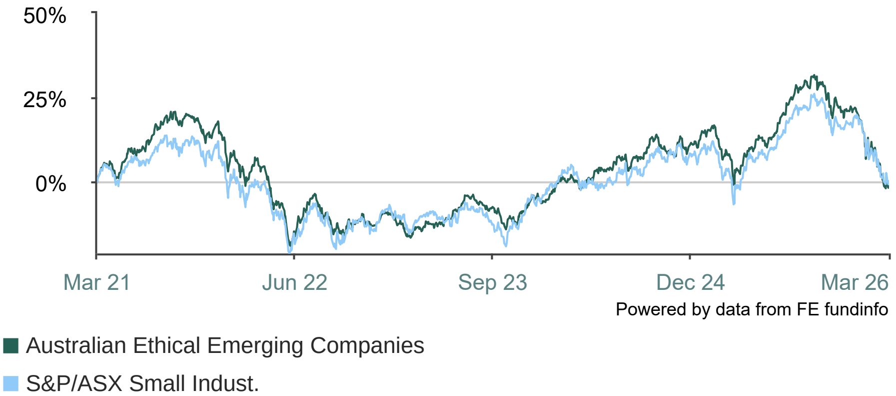
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(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 31/03/2026)



Performance (as at 31/03/2026)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	-9.6%	-17.9%	-22.0%	-6.7%	5.0%	-0.1%	9.5%	10.0%
S&P/ASX Small Indust.	-8.4%	-14.3%	-17.8%	-0.8%	4.7%	0.0%	4.7%	5.4%

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

PEXA GROUP LTD	5.1%
PEPPER MONEY LTD/AU	4.9%
CONTACT ENERGY LTD	4.7%
TYRO PAYMENTS LTD	4.6%
AUSTRALIAN FINANCE GROUP LTD	4.5%
AUSSIE BROADBAND PTY LTD	3.7%
SITEMINDER LTD	3.7%
AROA BIOSURGERY LTD	3.5%
COGSTATE LIMITED	3.3%
GRAINCORP LIMITED-A	3.1%

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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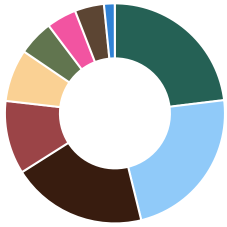
c/o Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

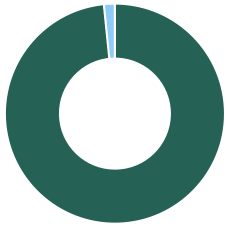
Sector allocation

Information Technology	23.1%
Health Care	23.1%
Financials	19.9%
Utilities	10.8%
Industrials	7.7%
Communication Services	5.2%
Consumer Staples	4.4%
Consumer Discretionary	4.3%
Other	1.6%



Asset allocation

Australian & NZ Small Cap	98.4%
Cash	1.6%



Commentary

Geopolitical confrontation escalated sharply during the March quarter, precipitating a fall in equities particularly for small companies. Markets are watching to see the extent to which higher energy costs flow into broader inflation, whether central banks can eventually ease interest rates, and whether growth slows smoothly or starts to show stress in jobs and credit. The jury is also out on whether AI ultimately proves to be a productivity accelerator or a driver of unemployment. As we navigate this uncertainty, what is clear is that equity valuations in selective areas are now very attractive.

Even with the abovementioned volatility and uncertainty, companies are still in need of capital to fund development, particularly those with innovative healthcare diagnosis and treatment opportunities. It has been a hallmark of Australian Ethical's long term approach to back early-stage opportunities that aim to improve patient care and outcomes as well as providing favourable investment returns.

During the quarter, we participated in capital raisings for PYC Therapeutics, OncoSil Medical and Cyclopharm. Our investment in PYC supports the development of new treatments for Retinitis Pigmentosa (a blinding eye disease) and Polycystic Kidney Disease, both long-term conditions with no effective cures. We supported OncoSil to fund the business through its upcoming clinical trial results, with prior studies showing that adding its treatment to chemotherapy significantly improves the chances of successful surgery and patient outcomes. Finally, we invested in a Cyclopharm capital raising to support the rollout of Technegas in the United States, a lung imaging technology that uses less radiation and no contrast dye, making it safer for patients who are unwell or unsuited to conventional imaging. Importantly, these investments allow companies to progress their innovations through uncertain times and fulfil our requirement for long term favourable investment characteristics.

The fund's long term holdings in the Utilities sector were the strongest contributors to relative investment performance over the quarter with New Zealand 'Gentailers' (companies that operate as both generators and retailers of electricity) Contact Energy (-1.6%), Mercury (-5.3%) and Meridian Energy (-3.4%) all significantly outperforming the benchmark as investors sought the stability and safety of more defensive sectors. The Gentailers are also experiencing better profit outlooks as the drought conditions in the prior period eased.

The sectoral laggards included travel Technology company Siteminder (-53.0%) underperforming the market given AI concerns and fears of business disruption. This also hurt education software provider Janison Education (-60.3%). Our view is that these businesses retain significant competitive advantages capable of withstanding threats from AI, which appear overdone, and there is attractive value on offer. Consumer Discretionary company Web Travel Group (-45.4%) also fell amidst the geopolitical risk that emerged during the period.