Australian Ethical Balanced Fund

Fund Profile - 30 June 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:	$79.78m
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%

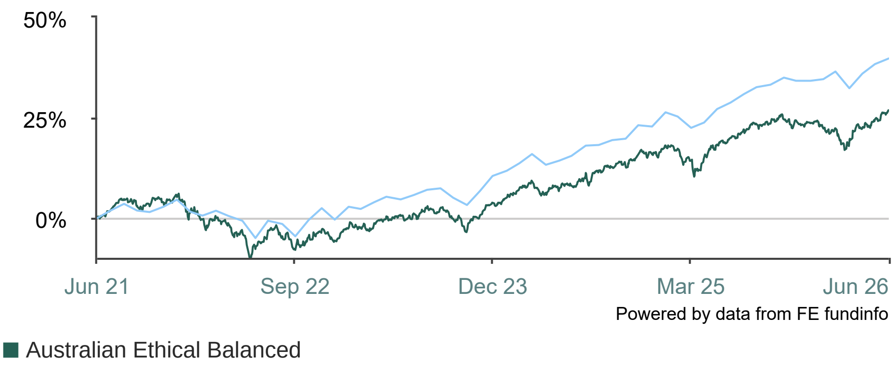
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(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 30/06/2026)



Performance (as at 30/06/2026)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	1.8%	6.6%	2.6%	5.7%	7.8%	4.9%	6.6%	6.7%
Benchmark	1.0%	5.6%	4.2%	8.5%	9.8%	6.9%	7.9%	7.5%

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	2.0%
NVIDIA CORPORATION	1.8%
COMMONWEALTH BANK OF AUSTRALIA	1.7%
APPLE INC	1.7%
Sandstone	1.6%
INVESTA COMMERCIAL PROPERTY FD COMMON STOCK UNIT	1.6%
WESTPAC BANKING CORPORATION ORD F/PD SHARES	1.4%
NATIONAL AUSTRALIA BANK	1.3%
ALPHABET INC-CL A	1.3%
MACQUARIE GROUP LTD	1.1%

Ratings and awards

RIAA Certification:

Lonsec rating:

Zenith rating:

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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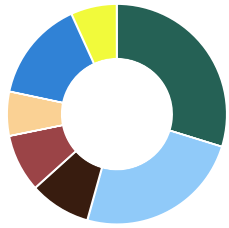
Asset allocation

International Shares	29.8%
Australian & NZ Shares	24.6%
Alternative Assets	9.0%
Australian Fixed Interest	8.5%
International Fixed Interest	6.5%
Property and Infrastructure	14.9%
Cash and short-term interest bearing securities	6.8%



Commentary

Performance across all Multi-Asset Funds ('Funds') was positive for the financial year on an absolute basis, and all but the Conservative Fund underperformed their respective benchmarks. International Equities was the main driver of absolute returns thanks to stand-out performance from the Information Technology (IT) sector (up 30%). Domestic Equities detracted value due to the Funds' natural underweighting to the Materials sector (which outperformed the broader Australian equities index) and overweighting to IT and Healthcare sectors (which underperformed the index), in line with our Ethical Charter. The Funds all finished the financial year with a strong June quarter, all comfortably outperforming their benchmarks. The main contributors to the June quarter outperformance were strong absolute and relative performance for the global equities portfolio and value added from some of our active asset allocation positions. The MSCI World ex Australia benchmark was up 12.6%, led by the IT sector, which returned 31.8% (and accounts for 30% of the index). Our international equities portfolio returned 17%, thereby adding an additional 4.4% above the index. We hold a dynamic position in 20 emerging market stocks (primarily in Asia) with strong growth prospects and expected to benefit from key macro themes: digitalisation and the energy transition. This position added value during the quarter. So too did a position in Copper futures, supported by persistent supply constraints and structural demand driven by electrification, grid expansion and AI-related power infrastructure. As a critical energy transition metal, copper remains central to the shift towards a more electrified, renewable-powered economy.

While growth in AI has been a dominant theme for FY26, the key question for markets in the period ahead is whether the current level of business growth and capital expenditure by hyperscalers can be sustained. The ripple effects of this investment cycle have extended well beyond technology, supporting demand for semiconductors, data center infrastructure, power generation (including renewables), critical minerals and industrial supply chains. Should investment intentions moderate, we would expect the impact to be felt across a broad range of companies and sectors. At the same time, we remain mindful of the risk of becoming underexposed to a structural growth driver that continues to transform the global economy. We remain focused on maintaining appropriate exposure to this structural growth theme without compromising valuation discipline. Recent transactions in unlisted assets have provided opportunities to gain diversified exposure to a range of AI beneficiaries at attractive valuations relative to underlying asset values.

Risks remain abundant, and relatively high interest rates we observe globally are generally a headwind for risk assets, particularly if the exceptional earnings growth we have seen begins to moderate. In this environment, the Funds' increasingly diversified exposure across asset classes, active management of duration within fixed income, and allocation to CPI-linked infrastructure assets should help provide some resilience, with revenues that can adjust alongside inflation and cash flows that are typically less sensitive to economic cycles.