Australian Ethical Growth Opportunities Fund

Fund Profile - 30/09/2026

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 deliver returns of between 11-13% p.a. (after fees and expenses) over 7-year periods.

Investment strategy

To provide exposure predominantly to unlisted assets with 'real asset' characteristics targeting Thematics, initially including decarbonisation, the circular economy, digitalisation, urbanisation and changing demographics. The Fund will predominantly invest in Australia, but may also make foreign investments, and will invest in equity and equity-like instruments. The Fund has further investment exclusions and portfolio composition requirements as set out in the Fund's Information Memorandum.

Price information

Pricing frequency:	Daily
Buy/Sell spread:	0.25% / 0.00%

Fund facts

Total fund size:	$614m
Fund size by class:	$0.54m
Asset class:	Alternatives
Ordinary Class Inception date:	March 2026
Strategy Inception Date:	December 2024
Minimum investment timeframe:	7 years
Distribution frequency:	Semi-Annually
Investments:	18
Risk level:	High

Identifiers

ISIN code:	AU60AUG17998
APIR code:	AUG1799AU

Fees

Management costs:	0.95%
Minimum initial investment:	$100,000

Performance fees: 10% of the total returns of the Fund over a hurdle return of 10%, with a 50% catch-up

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 Information Memorandum available from our website https://www.australianethical.com.au/investments/managed-funds/pds-forms-documents/

*(after tax, before bonus expense)

Performance (as at 30/09/2026)

	1m	3m	6m	1y	Since inception
Ordinary Class	-0.1%	2.4%	3.2%	-	3.2%
Strategy**	0.0%	2.5%	3.3%	21.5%	17.6%

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.

**Strategy was established in December 2024. Strategy performance is gross of management and performance fees.

Top 10 Portfolio holdings

Investments	Weight
Morrison Growth Infrastructure Fund	16.0%
Southern Water	11.0%
OASIS	10.0%
IFM Australian Infrastructure Fund	8.0%
MAFCA	8.0%
Global Listed Infrastructure	7.0%
IFM Growth Partners	6.0%
RepurposeIT	6.0%
PEP SAF II	5.0%
For Purpose Aged Care Australia	4.0%

Investment Statistics	Investments	Assets	Asset realisations
Current Portfolio	18	60	1

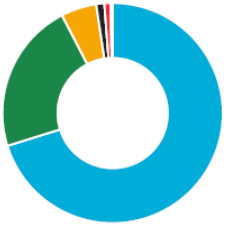
Thematic allocation

Decarbonisation	35.8%
Circular Economy	33.2%
Digitalisation	16.9%
Changing Demographics	12.3%
Urbanisation	1.8%



Geographical allocation

Australia	70.2%
Europe	22.2%
North America	5.2%
Latin America	1.2%
South-East Asia	0.9%
Global Emerging Markets	0.3%



Platform availability

Need Help?

Contact us Monday-Friday on:
T 1800 021 227
F 02 9252 1987
E investors@australianethical.com.au
W australianethical.com.au
Australian Ethical Investment Ltd
c/o Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001

Fund and Market Commentary

The Fund delivered a return of 2.3% (net of fees) for the three months to 30 September 2026. Since its inception in December 2024, the Fund has achieved a 17.6% return (gross of fees). The Fund has continued to build a diversified portfolio of private market investments across its key thematics including decarbonisation, circular economy, digitalisation, urbanisation and changing demographics. At period end, the Fund had 18 investments including 17 private market investments representing over 60 underlying assets, providing diversified exposure across infrastructure, real assets and growth-oriented businesses.

Global markets navigated a challenging backdrop during the September quarter as investors reassessed the outlook for inflation, interest rates and economic growth. Long-dated government bond yields moved higher across major developed markets, reflecting persistent inflationary pressures, elevated fiscal deficits and continued central bank caution. While geopolitical tensions and higher energy prices contributed to volatility, equity markets remained relatively resilient, supported by strong earnings from technology and AI-related businesses and ongoing investment in digital infrastructure. In Australia, economic growth proved more resilient than expected, supported by consumer spending and business investment, although inflation remained above target and markets increased expectations for further RBA tightening. Through this environment, private markets continued to demonstrate resilience globally, although fundraising and transaction activity remain below the peaks experienced during the low-interest-rate environment of 2021-22. Our underlying managers continue to remain selective, with infrastructure, renewable energy, data centres and essential service businesses continuing to attract significant capital, underpinned by long-duration cashflows, inflation-linked revenue characteristics and strong demand driven by decarbonisation and digitalisation trends.

The private market assets in the portfolio performed well, with strong positive June valuations coming in over the quarter, including Repurpose It, Gigacomm, and the IFM Growth Partners Fund. Repurpose It continued to outperform budget, giving the independent valuer greater confidence in its future cash flows. This supported a lower discount rate, reflecting reduced investment risk and increasing the present value of the business's expected cash flows. Likewise, Gigacomm also saw valuation improvement on the back of a lowering of the discount rate applied, reflecting de-risking of the business cash flow assumptions, successful capital raising, and the acquisition of DG-Tek, providing greater scale and strategic and operational synergies. The IFM Growth Partners Fund investment in Novigi was also written up during the quarter, reflecting an increase in the market multiple and a premium applied to market comparable companies based on the business's high relative rate of demonstrated and forecast profit growth.

As we detail below, during the quarter the Fund made an investment commitment to Kinetic. The Fund's investment in Kinetic was made alongside TPG Rise Climate, a global impact investor focused on accelerating decarbonisation at scale. The investment supports one of the world's largest bus operators in expanding its zero-emission fleet, helping drive the electrification of public transport networks and reduce transport-related emissions across the markets in which Kinetic operates.

Positive performance across our private market investments was partially offset by negative performance in the Global Listed Infrastructure portfolio, with rising oil prices, tighter monetary policy and higher long-term bond yields weighing on listed infrastructure. While performance for the quarter was negative, the ethically-screened listed infrastructure portfolio outperformed its benchmark by 2.4%.

While market uncertainty and elevated interest rates may continue to drive periods of volatility, we believe they are also creating compelling opportunities across private markets. The Fund is well positioned to selectively deploy capital into businesses and assets aligned with our impact themes, with a strong pipeline supporting continued portfolio diversification and long-term value creation. We continue to assess the impact of a higher rate environment (predominantly a higher medium term yield curve) on new investment opportunities and are focused on investments or sectors which have resilient business models, against the backdrop of any potential deteriorating economic factors.

New Investments/Divestments

During the quarter the Fund made one new investment, as well as an existing investment completing a bolt-on acquisition, while the exit of Aligned Data Centers reached financial close in July:

During the quarter, the Fund made a commitment in Kinetic through a continuation vehicle established by Foresight. Kinetic is a global mass-transit operator with more than 12,000 buses, and 470 trains, including over 1,900+ zero-emission buses, providing exposure to growing public-transport demand and the transition toward lower-emissions transport. The investment is expected to close towards the end of the 2026 calendar year, subject to customary closing conditions.

Portfolio company Gigacomm completed the acquisition of Melbourne-based fibre-network provider DGtek, including its Pineapple Net retail brand. The acquisition added approximately 28,000 premises to Gigacomm's existing network of around 55,000, expanding its Victorian footprint and combined network to approximately 83,000 premises, bringing both scale and strategic and operational synergies to the Gigacomm business.

The previously announced sale of Aligned Data Centers reached financial close in July, with the Fund receiving approximately 70% of expected proceeds, with the remaining 30% deferred until the third and fourth anniversaries of closing. Alongside the Aligned transaction, the investment vehicle completed the sale of its minority interest in Canadian data-centre platform QScale. The vehicle retains a 10% interest in a Pennsylvania data-centre development supported by a long-term hyperscale customer contract. This retained interest provides the potential for additional proceeds if the development performs successfully (effectively operating as an earn-out on the sale transaction).

Investments in the portfolio

Morrison Growth Infrastructure Fund (MGIF): MGIF is a closed-ended, unlisted infrastructure fund managed by Morrison & Co that invests in essential infrastructure businesses across developed OECD markets, with a primary focus on Australia. The portfolio spans sectors including renewable energy, utilities, digital connectivity, healthcare, circular economy and natural capital.

Octopus Australia Sustainable Investments Fund (OASIS): A renewable energy fund managed by Octopus Investments that provides exposure to a diversified portfolio of Australian solar, wind and battery storage assets spanning operational, construction and development stage projects.

Southern Water: A regulated UK water and wastewater utility serving more than 4.7 million customers across Southern England. The company owns and operates extensive water and wastewater infrastructure networks and is undertaking a significant investment program to improve asset resilience, environmental performance and water security, supported by inflation-linked revenues under the UK's regulated utility framework.

IFM Australian Infrastructure Fund: AIF is an open-ended core infrastructure fund managed by IFM Investors, with a diversified portfolio of mature Australian infrastructure assets. The fund holds interests across airports, ports, electricity distribution, toll roads and social infrastructure.

Macquarie Agriculture Fund – Crop Australia (MAFCA): An Australian agricultural fund managed by Macquarie that owns a diversified portfolio of 23 cropping assets across key agricultural regions. The portfolio includes a mix of row cropping and permanent cropping assets across Western Australia, New South Wales, South Australia and Queensland, spanning grains, oilseeds, cotton and horticultural crops through a combination of owned-and-operated and owned-and-leased farmland.

Aligned Data Centers: Aligned Data Centers is a digital infrastructure platform that designs, develops and operates hyperscale and enterprise data centres across North and South America. The business focuses on high-density, scalable facilities supporting cloud computing and artificial intelligence workloads.

Repurpose It: Repurpose It is an Australian resource recovery business specialising in the processing of construction, demolition and organic waste to produce repurposed materials. The company operates advanced facilities in Victoria, including large-scale soil washing and organics processing plants.

IFM Growth Partners Fund II: A private equity fund managed by IFM Investors that focuses on software, technology-enabled services and healthcare businesses, providing the Fund with additional exposure to growth-oriented private market

opportunities.

PEP Secure Assets Fund II (PEP SAF II): A mid-market infrastructure fund managed by Pacific Equity Partners that owns four infrastructure and infrastructure-like platforms across residential land lease communities, waste-to-energy, aged care and data centres in Australia and New Zealand. The strategy targets businesses with secure or contracted cashflows and opportunities for operational improvement and growth.

Octopus Energy: Octopus Energy is a global energy and technology platform operating across energy retail, renewable generation and energy transition services. The business also owns the Kraken technology platform, which supports energy system management and utility operations.

For Purpose Aged Care Australia (FPACA): FPACA is a not-for-profit aged care operator that owns and operates a portfolio of Australian residential aged care facilities. The investment is held via subordinated Social Capital Notes secured against the underlying operating business and property assets.

Neoen: Neoen is a global renewable energy platform that develops, owns and operates large-scale solar, onshore wind and battery storage projects. Its portfolio spans multiple jurisdictions, including Australia, France and the Nordic region.

Gigacomm: Gigacomm is an unlisted Australian digital infrastructure business that owns and operates last-mile fibre broadband networks in multi-dwelling residential apartment buildings. The company focuses on upgrading older, high-density buildings in metropolitan areas.

Macquarie Green Energy Climate Opportunities Fund (MGECO): MGECO is a global, unlisted infrastructure fund managed by Macquarie that invests in renewable energy development and operating platforms. The fund focuses on established technologies such as offshore wind, onshore wind and solar across North America, Europe and Asia Pacific.

Xpansiv: A leading environmental commodities marketplace that facilitates the trading of carbon credits, renewable energy certificates and other sustainability-linked environmental products.

Vertelo: Vertelo is an unlisted fleet electrification platform focused on electric buses and charging infrastructure in India. The business acquires electric vehicles and related infrastructure and leases them to public and private transport operators under long-term arrangements.

Kinetic: Kinetic is a leading global mass-transit operator and one of the largest bus operators in Australasia. Kinetic delivers essential public transport services through a network of more than 300 contracts, operating over 12,000 buses and 470 trains across Australia, New Zealand, the United Kingdom, Europe and Asia, with a strong focus on fleet electrification and zero-emission transport.

Global Listed Infrastructure: Global Listed Infrastructure Portfolio (GLI) is a liquid, listed portfolio of global infrastructure and infrastructure-like companies across developed markets, providing liquidity and listed infrastructure exposure to the portfolio. The GLI portfolio is systematically constructed to track the FTSE Developed Core Infrastructure 50/50 Index (AUD-hedged) and is diversified across regions and infrastructure subsectors.

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