

Notice of Meeting and Explanatory Memorandum

Australian Ethical Income Fund (ARSN 089 919 120) (Fund)

Important Notice:

This is an important notice that requires your urgent attention. Please read the information in this Notice and Explanatory Memorandum carefully. The information contained in this Notice of Meeting and Explanatory Memorandum does not constitute personal advice by Australian Ethical Investment Ltd (Australian Ethical), or any of its associates, officers or employees in relation to any financial product or service. The Notice of Meeting and Explanatory Memorandum has been prepared without taking into account of your particular investment objectives, financial situation, and needs. You should assess whether the information contained in this Notice of Meeting and Explanatory Memorandum is appropriate with respect to your own circumstances before making a decision in relation to the Special Resolution. If you are unsure, you should seek the help of a financial adviser or other appropriate adviser. All reasonable care has been taken in relation to the preparation and collation of this Notice of Meeting and Explanatory Memorandum. To the extent permitted by law, no person, including, but not limited to Australian Ethical or any of its associates, officers or employees, accepts any responsibility for any loss directly or indirectly arising from this Notice of Meeting and Explanatory Memorandum by any person

Issued: 1 July 2026

Issued by: Australian Ethical Investment Limited (ABN 47 003 188 930, AFSL 229 949) of Level 8, 130 Pitt Street Sydney NSW 2000 in its capacity as responsible entity of the Fund.

Notice of Meeting

This Notice of Meeting comprises this document, the Important Information the Explanatory Memorandum and the Online Meeting Guide.

Introduction

Australian Ethical Investment Limited (ABN 47 003 188 930, AFSL 229 949) (Australian Ethical) is the responsible entity of the Australian Ethical Income Fund (ARSN 089 919 120) (Fund). The Fund is governed by a constitution dated 3 August 1989 as amended from time to time. (Constitution).

The Constitution for the Fund contains a clause which restricts investment in shares, debentures and deposits in any single company or entity to a maximum of 10% of the Fund's value. The clause is as follows:

"5.4(a) the value of shares, debentures and deposits in any one company comprised in the Fund (other than a financial institution referred to in Clause 5.5 shall not exceed 10% of the Value of that Fund;"

Clause 5.5 refers to temporary investments in cash at bank or any managed investment scheme or prescribed interest investing in government or bank backed securities.

Special Resolution for constitutional modifications

Australian Ethical hereby gives notice that a meeting of unitholders of the Fund will be held for the purpose of considering and, if thought appropriate, passing the following Special Resolution to modify the Constitution to remove the 10% investment limit, in relation to the Fund:

"That, the Australian Ethical Investment Funds Constitution be modified to insert a new clause 3 immediately after clause 2 in the Second Schedule as follows:

3. Clause 5.4(a) does not apply to the Fund."

Meeting details

The meeting will be held as follows:

Time: 1:00PM (Sydney time)

Date: 20 August 2026

The meeting will be held as a hybrid meeting, allowing unitholders to attend either in person or virtually via an online platform.

In person: Australian Ethical Investment Level 7, 130 Pitt Street, Sydney, NSW 2000

Virtually: Held through an online platform by accessing <https://meetings.lumiconnect.com/300-670-908-028>. Refer to the Online Meeting Guide on page 9 of this Notice for information on how to participate in the meeting by using the online platform.

Key dates	
1. Voting entitlements (eligibility to vote and value of votes) to be determined as at:	1 July 2026
2. Proxy Forms cut-off	1pm, 18 August 2026
3. Anticipated implementation of the Special Resolution	If the Special Resolution is approved by unitholders of the Fund, Australian Ethical will execute a supplemental deed that gives effect to the modification as set out in the Special Resolution and lodge an ASIC Form 5101 'Notice of change to managed investment scheme's constitution' with ASIC within two business days after the meeting. The modification to the Fund's Constitution will take effect when Australian Ethical lodges the supplemental deed.

* All times are Sydney times unless otherwise specified.

This is a Notice of Meeting for the Fund. Australian Ethical's records indicate that you are a registered unitholder of the Fund. Under section 252F of the Corporations Act 2001 (Cth), Australian Ethical is required to give unitholders of a registered scheme at least 21 days' notice of a meeting of unitholders. This document is that notice. The purpose of the meeting is for the unitholders of the Fund to vote on the Special Resolution (set out above).

By order of the Board:

Karen Hughes

Company Secretary

Australian Ethical Investment Ltd

What do you need to do?

Step 1 - read this document

Read this Notice of Meeting together with the information in the attached Important Information and Explanatory Memorandum and decide how you will vote on the Special Resolution. The Explanatory Memorandum includes important information about voting, the advantages and disadvantages of the Special Resolution, and what would happen if it is not passed.

Step 2 - vote on the Resolution

You can vote by:

- submitting your vote online prior to the meeting by visiting <https://www.votingonline.com.au/AEIF2026> and logging in using your Voting Access Code and postcode or country code. Online voting will remain available until the proxy deadline of 1pm on 18 August 2026;
- completing and returning the accompanying Proxy Form by the proxy deadline; or
- attending the meeting in person or virtually by using the online platform.

You may vote in favour, against, or abstain from voting on the Special Resolution.

Proxy Forms must be received no later than 1pm on 18 August 2026 (i.e., at least 48 hours before the meeting) and be returned to the following address:

GPO Box 3993
Sydney NSW 2001

Please refer to the enclosed Proxy Form for further instructions on completing and returning the form.

Enquiries

If you have any questions about the Notice of Meeting, or the meeting of unitholders, please contact Australian Ethical on:

Email: investors@australianethical.com.au

Phone: 1800 021 227

Important Information

1. Voting on the Special Resolution

- a) A Special Resolution must be passed by a poll whereby at least 75% of votes cast by eligible unitholders are cast in favour of the resolution.
- b) Each Unitholder has one vote for each dollar of the value of the total interests they have in the Fund. If the unitholder's interest is held jointly, only the vote of the unitholder first named in the register of unitholders will be counted.
- c) The value of the interest is the amount that would be paid on a withdrawal of that interest on the business day immediately prior to the date of the meeting.

2. Proxy

- a) A unitholder who is entitled to attend and cast a vote at a meeting of the Fund has a right to appoint a proxy and may appoint one or two persons as the unitholder's proxy to attend and vote for the unitholder at the meeting. A proxy does not need to be a member of the Fund. A member may only appoint 2 persons as the unitholder's proxy where they are entitled to cast at least two votes.
- b) Where 2 persons are appointed as a unitholder's proxies, the appointment may specify the proportion or number of votes each proxy is appointed to exercise. If the appointment does not specify the proportion or number of the unitholder's votes each proxy may exercise, each proxy may exercise half of the eligible votes.
- c) A body corporate has been appointed as a proxy, may authorise an individual to act as its representative, and vote at the meeting. A corporation may appoint more than one representative but only one representative may exercise the corporation's proxy at any one time.
- d) A unitholder appointing a proxy must complete and sign the Proxy Form that accompanies this Notice of Meeting and Explanatory Memorandum. For an appointment of a proxy to be effective for the meeting, the Proxy Form must be received by us by 1pm at least 48 hours before the meeting.
- e) Where a unitholder appoints a proxy, the original or certified copy of any power of attorney or authority under which the proxy was signed (if applicable) must also be received by us by 1pm at least 48 hours before the meeting in order for the appointment of a proxy to be effective.
- f) A proxy validly appointed for the meeting will be taken to be appointed for any adjourned meeting, unless the appointment is revoked.
- g) Unitholders may also submit their proxy vote online prior to the meeting by visiting <https://www.votingonline.com.au/AEIF2026> and logging in using their Voting Access Code and postcode or country code. Online voting will remain available until the proxy deadline. Voting Access Codes and online voting details will be included with the proxy form.

3. Quorum and adjourning the meeting

- a) In accordance with the *Corporations Act 2001* (Cth) and the Constitution, a quorum for a Special Resolution is at least 2 persons holding or representing by proxy at least 25% percent of the number of units in issue.
- b) If within 30 minutes from the time appointed for the meeting a quorum is not present, the meeting will be adjourned. The adjourned meeting will commence at 1:30pm on the same day and at the same place as the original meeting (in person or virtually).
- c) At the adjourned meeting, at least 2 unitholders present (either in person or virtually) or by proxy (whatever their numbers and the number of Units held by them) shall form a quorum and shall have the power to pass such Special Resolution.

4. Chair

- a) Australian Ethical has appointed Steve Gibbs to Chair the meeting.
- b) The Chair will be responsible for the general conduct of the meeting and for the procedures adopted by it. The Chair may, subject to the Corporations Act, adopt any procedures which in their opinion are necessary or desirable for the proper and orderly recording of votes at the meeting. The decision of the Chair on any matter relating to the conduct of the meeting is final.

5. Conflicts of interest

- a) The Responsible Entity of a registered scheme and its associates are not entitled to vote their interest on a resolution at a meeting of the scheme's unitholders if they have an interest in the resolution or matter other than as a unitholder. Accordingly, neither Australian Ethical nor its associates can vote on the Special Resolution.

6. Attendance at the meeting

- a) If you wish to cast your vote during the meeting, you, your proxy or, if you are a body corporate, your corporate representative, may attend the meeting virtually via the following link:
<https://meetings.lumiconnect.com/300-670-908-028>
- b) Boardroom is the provider of the online platform through which you can attend the meeting virtually. We recommend you log on to the Boardroom online platform at least 15 minutes prior to the scheduled start time for the meeting using the instructions below:
 - a) Unitholders will require their account number.
 - b) Proxyholders will need their proxy code which Boardroom will provide on request by contacting Boardroom on 1300 737 760 no later than 48 hours prior to the meeting.
 More information about online participation and voting in the meeting is available in the Online Meeting Guide set out in this Notice on page 9.

7. Meeting

The meeting for the Funds will be carried out in the following manner:

- a) If a quorum for the meeting is present, the meeting will be declared open. The Chair of the meeting will outline the purpose of the meeting, what will occur if the Special Resolution is passed and what will occur if the Special Resolution is not passed.
- b) A quorum for a Special Resolution is at least 2 persons who have a holding or representing by proxy at least 25% percent of the number of units in issue in the Fund.
- c) If a quorum for the meeting is not present within 30 minutes after the scheduled start time, then Australian Ethical will adjourn the meeting. The adjourned meeting will commence at 1.30pm on the same day and at the same place as the original meeting (in person or virtually).
- d) At the adjourned meeting, at least 2 unitholders present (either in person or virtually) or by proxy (whatever their numbers and the number of units held by them) shall form a quorum and shall have power to pass the Special Resolution.
- e) The Chair will inform those members present at the meeting or adjourned meeting as to the number of proxy votes received for, against, and abstaining from voting in relation to the Special Resolution.
- f) The Special Resolution will be put to the meeting or adjourned meeting for the unitholders present virtually or by proxy at the meeting, to cast their votes.
- g) The meeting will then be closed, and the votes tallied. The final outcome of the vote will also be published on the Australian Ethical website.

Explanatory Memorandum

The meeting of the Fund unitholders has been called for the purpose of considering and, if deemed appropriate, passing the Special Resolution in relation to the Fund to effect a change to the Constitution. This Explanatory Memorandum explains the key benefits and disadvantages of the Special Resolution passing.

1. Advantages of the Special Resolution

Australian Ethical believes that amending the Fund's investment parameters as set out in the proposed Special Resolution will allow the Fund to operate in accordance with Financial Services Council (FSC) Guidance Note 35 (Money Market Fund Naming Convention) and support a lower risk portfolio comprised predominantly of cash and cash like instruments. Removing the constitutional single issuer investment limit enables the Fund to operate within internal investment limits aligned to the FSC Guidance, including higher issuer limits required to meet minimum exposure requirements to major banks.

The transition to a predominantly cash and cash like portfolio is expected to reduce overall portfolio risk through the divestment of longer dated fixed and floating rate securities, consistent with the objectives of a cash fund.

Subject to the passing of the Special Resolution, the Australian Ethical Income Fund will be renamed the 'Australian Ethical Altius Cash Fund'.

2. Disadvantages of the Resolution

A potential disadvantage of removing the 10% limit is that there could be an increase in the Fund's investment in a single issuer, particularly major banks, where required to comply with the FSC Guidance. This increases issuer concentration risk (i.e. the risk of the Fund having greater exposure to a smaller number of issuers).

Australian Ethical considers this risk to be appropriately managed through internal investment limits which include prescribed caps on individual issuer exposure and constraints on non-major, non-government money market instruments. These limits are designed to ensure the Fund maintains a diversified portfolio of cash and cash-like instruments, reducing the impact of any single issuer on Fund returns.

3. Consequences if the Resolution is not passed

If the Special Resolution is not passed, the Constitution will not be modified and accordingly, there will be no change to how the Fund operates.

4. Board Recommendation

The Board of Australian Ethical considers that the proposed amendments to the Constitution are in the best interests of Unitholders.

5. What you need to do

You should:

- read the Notice of Meeting, the Important Information, Explanatory Memorandum and Online Meeting Guide; and
- consider and vote on the Special Resolution by attending the Meeting in person, virtually or completing and returning the Proxy Form by the required deadline noted in the Notice of Meeting.

Online Meeting Guide

Australian Ethical Investment Limited – Australian Ethical Income Fund Unitholder Meeting

20 AUGUST 2026, 13:00 AEDT

Attending the meeting virtually

Those attending online will be able to view the meeting.
Unitholders and Proxyholders can ask questions and submit votes in real time.

To participate online, visit <https://meetings.lumiconnect.com/300-670-908-028> on your smartphone, tablet or computer.

You will need the latest versions of Chrome, Safari, Edge or Firefox. Please ensure your browser is compatible.



To log in, you may require the following information:

Meeting ID: 300-670-908-028

Australian residents Voting Access Code (VAC)	Overseas residents Voting Access Code (VAC)	Appointed Proxies To receive your unique username and password, please contact Boardroom on 1300 737 760.
Postcode (postcode of your registered address)	Country Code (three-character country code) e.g. New Zealand - NZL ; United Kingdom - GBR ; United States of America - USA ; Canada - CAN	Guests To register as a guest, you will need to enter your name and email address.
	A full list of country codes can be found at the end of this guide.	

Registering for the meeting

- 1

To participate in the meeting, follow the direct link at the top of the page.
Alternatively, visit **meetings.lumiconnect.com** and enter the unique 12-digit Meeting ID, provided above.
- 2

To proceed into the meeting, you will need to read and accept the Terms and Conditions and select if you are a Unitholder / Proxy or a Guest. Note that only Unitholders and proxies can vote and ask questions in the meeting.

 **LUMI**

Meeting ID

Join Meeting

 **LUMI**

Meeting Name

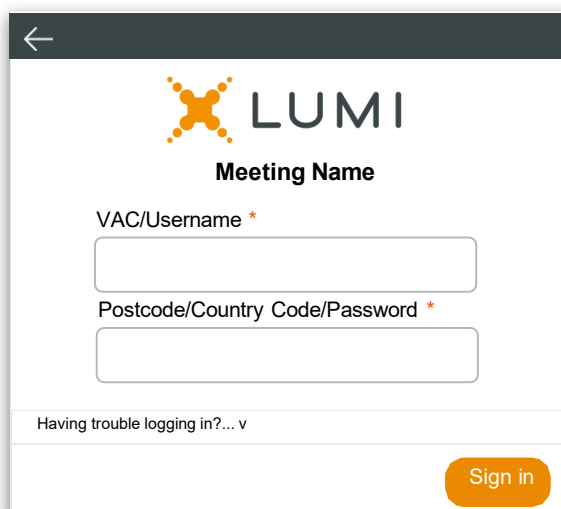

Shareholder or Proxy


Guest

[Having trouble logging in?... v](#)

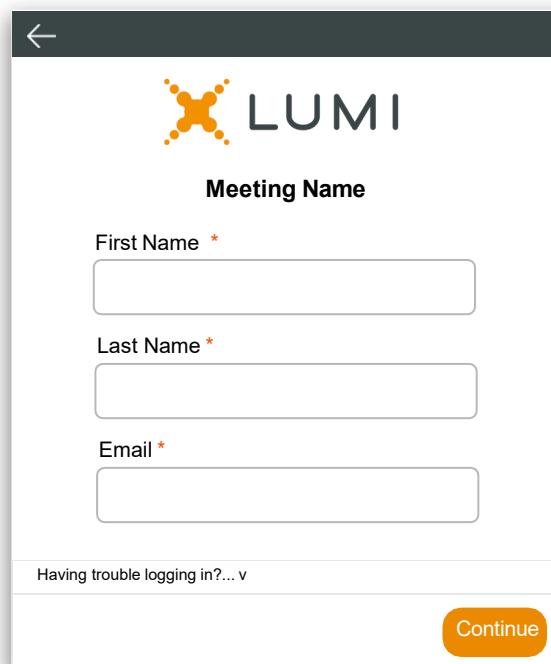
3 To register as a Unitholder,
enter your VAC and Postcode or Country
Code and press Sign in.

To register as a Proxyholder, you will need
your username and password as provided by
Boardroom. In the 'VAC/Username' field enter
your username and in the 'Postcode/Country
Code/Password' field enter your password
and press Sign in.



The image shows a mobile app interface for LUMI. At the top is a dark grey header with a white back arrow. Below the header is the LUMI logo, consisting of an orange 'X' made of dots followed by the word 'LUMI' in grey. Under the logo is the text 'Meeting Name' in bold. There are two input fields: the first is labeled 'VAC/Username *' and the second is labeled 'Postcode/Country Code/Password *'. Below the input fields is a link that says 'Having trouble logging in?... v'. At the bottom right is an orange button with the text 'Sign in'.

To register as a Guest,
enter your name and other requested
details and press Continue.



The image shows a mobile app interface for LUMI. At the top is a dark grey header with a white back arrow. Below the header is the LUMI logo, consisting of an orange 'X' made of dots followed by the word 'LUMI' in grey. Under the logo is the text 'Meeting Name' in bold. There are three input fields: the first is labeled 'First Name *', the second is labeled 'Last Name *', and the third is labeled 'Email *'. Below the input fields is a link that says 'Having trouble logging in?... v'. At the bottom right is an orange button with the text 'Continue'.

Navigation

Once successfully authenticated, the home page will appear. You can view meeting instructions, ask questions and open the virtual meeting.

A link to the virtual meeting will be provided on the home page. Click the link to open the meeting. The meeting will open in a separate browser tab on your device.

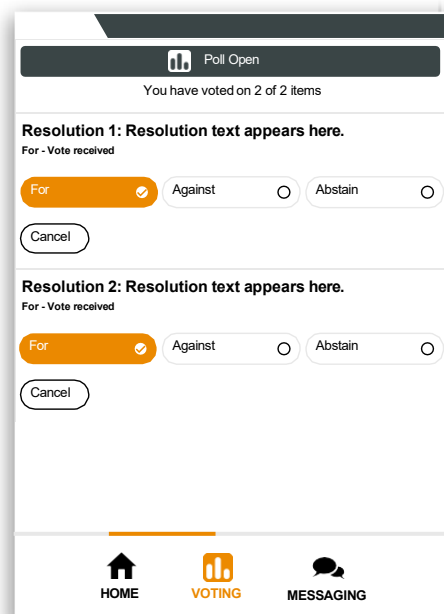
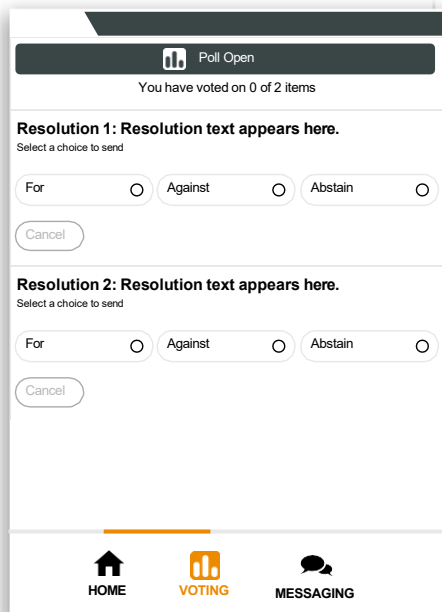
To Vote and ask Questions during the meeting, navigate back to the browser tab with the LUMI AGM platform open.

Voting

4 When the Chair declares the poll open:

- A voting icon  will appear on screen and the meeting resolutions will be displayed.
- To vote, select one of the voting options. Your response will be highlighted.
- To change your vote, simply select a different option to override.

There is no need to press a submit or send button. Your vote is automatically counted.
Votes may be changed up to the time the Chair closes the poll.



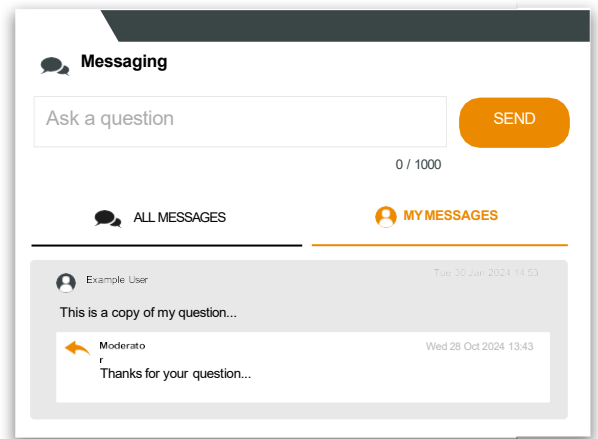
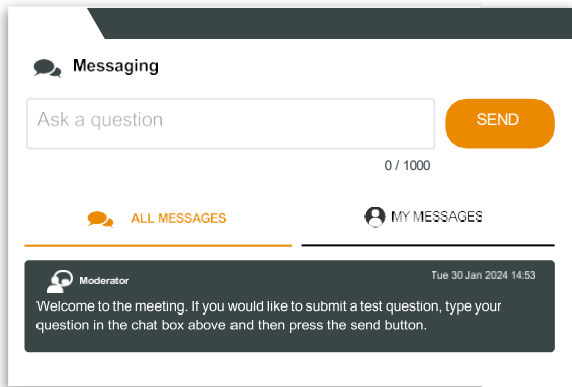
Text Questions

5 To ask a written question, tap on the messaging icon , type your question in the box at the top of the screen and press the send button .

Confirmation that your message has been received will appear.

6 Questions sent via the Lumi platform may be moderated before being sent to the Chair. This is to avoid repetition and remove any inappropriate language.

A copy of your sent questions, along with any written responses, can be viewed by selecting "MY MESSAGES".



Country Codes - Boardroom

For overseas Unitholders, select your country code from the list below and enter it into the password field.

ABW	Aruba	DOM	Dominican Republic	LAO	Lao Pdr	QAT	Qatar
AFG	Afghanistan	DZA	Algeria	LBN	Lebanon	REU	Reunion
AGO	Angola	ECU	Ecuador	LBR	Liberia	ROU	Romania Federation
AIA	Anguilla	EGY	Egypt	LBY	Libyan Arab Jamahiriya	RUS	Russia
ALA	Aland Islands	ERI	Eritrea	LCA	St Lucia	RWA	Rwanda
ALB	Albania	ESH	Western Sahara	LIE	Liechtenstein	SAU	Saudi Arabia
AND	Andorra	ESP	Spain	LKA	Sri Lanka	SDN	Sudan
ANT	Netherlands Antilles	EST	Estonia	LSO	Kingdom of Lesotho	SEN	Senegal
ARE	United Arab Emirates	ETH	Ethiopia	LTU	Lithuania	SGP	Singapore
ARG	Argentina	FIN	Finland	LUX	Luxembourg	SGS	Sth Georgia & Sandwich Isl
ARM	Armenia	FJI	Fiji	LVA	Latvia	SHN	St Helena
ASM	American Samoa	FLK	Falkland Islands (Malvinas)	MAC	Macao	SJM	Svalbard & Jan Mayen
ATA	Antarctica	FRA	France	MAF	St Martin	SLB	Soloman Islands
ATF	French Southern	FRO	Faroe Islands	MAR	Morocco	SCG	Serbia & Outlying
ATG	Antigua & Barbuda	FSM	Micronesia	MCO	Monaco	SLE	Sierra Leone
AUS	Australia	GAB	Gabon	MDA	Republic Of Moldova	SLV	El Salvador
AUT	Austria	GBR	United Kingdom	MDG	Madagascar	SMR	San Marino
AZE	Azerbaijan	GEO	Georgia	MDV	Maldives	SOM	Somalia
BDI	Burundi	GGY	Guernsey	MEX	Mexico	SPM	St Pierre and Miqueion
BEL	Belgium	GHA	Ghana	MHL	Marshall Islands	SRB	Serbia
BEN	Benin	GIB	Gibraltar	MKD	Macedonia Former Yugoslav Rep	STP	Sao Tome and Principle
BFA	Burkina Faso	GIN	Guinea	MLI	Mali	SUR	Suriname
BGD	Bangladesh	GLP	Guadeloupe	MLT	Malta	SVK	Slovakia
BGR	Bulgaria	GMB	Gambia	MMR	Myanmar	SVN	Slovenia
BHR	Bahrain	GNB	Guinea-Bissau	MNE	Montenegro	SWE	Sweden
BHS	Bahamas	GNQ	Equatorial Guinea	MNG	Mongolia	SWZ	Swaziland
BIH	Bosnia & Herzegovina	GRC	Greece	MNP	Northern Mariana Islands	SYC	Seychelles
BLM	St Barthelemy	GRD	Grenada	MOZ	Mozambique	SYR	Syrian Arab Republic
BLR	Belarus	GRL	Greenland	MRT	Mauritania	TCA	Turks & Caicos
BLZ	Belize	GTM	Guatemala	MSR	Montserrat	TCO	Chad
BMU	Bermuda	GUF	French Guiana	MTQ	Martinique	TGO	Congo
BOL	Bolivia	GUM	Guam	MUS	Mauritius	THA	Thailand
BRA	Brazil	GUY	Guyana	MWI	Malawi	TJK	Tajikistan
BRB	Barbados	HKG	Hong Kong	MYS	Malaysia	TKL	Tokelau
BRN	Brunei Darussalam	HMD	Heard & McDonald Islands	MYT	Mayotte	TKM	Turkmenistan
BTN	Bhutan	HND	Honduras	NAM	Namibia	TLS	East Timor Republic
BUR	Burma	HRV	Croatia	NCL	New Caledonia	TMP	East Timor
BVT	Bouvet Island	HTI	Haiti	NER	Niger	TON	Tonga
BWA	Botswana	HUN	Hungary	NFK	Norfolk Island	TTO	Trinidad & Tobago
CAF	Central African Republic	IDN	Indonesia	NGA	Nigeri	TUN	Tunisia
CAN	Canada	IMN	Isle Of Man	NIC	Nicaragua	TUR	Turkey
CCK	Cocos (Keeling) Islands	IND	India	NIU	Niue	TUV	Tuvalu
CHE	Switzerland	IOT	British Indian Ocean Territory	NLD	Netherlands	TWN	Taiwan
CHL	Chile	IRL	Ireland	NOR	Norway	TZA	Tanzania
CHN	China	IRN	Iran Islamic Republic of	NPL	Nepal	UGA	Uganda
CIV	Cote D'ivoire	IRQ	Iraq	NRU	Nauru	UKR	Ukraine
CMR	Cameroon	ISL	Iceland	NZL	New Zealand	UMI	United States Minor Outlying
COD	Democratic Republic of Congo	ISM	British Isles	OMN	Oman	URY	Uruguay
COK	Cook Islands	ISR	Israel	PAK	Pakistan	USA	United States of America
COL	Colombia	ITA	Italy	PAN	Panama	UZB	Uzbekistan
COM	Comoros	JAM	Jamaica	PCN	Pitcairn Islands	VNM	Vietnam
CPV	Cape Verde	JEY	Jersey	PER	Peru	VUT	Vanuatu
CRI	Costa Rica	JOR	Jordan	PHL	Philippines	WLF	Wallis & Fortuna
CUB	Cuba	JPN	Japan	PLW	Palau	WSM	Samoa
CYM	Cayman Islands	KAZ	Kazakhstan	PNG	Papua New Guinea	YEM	Yemen
CYP	Cyprus	KEN	Kenya	POL	Poland	YMD	Yemen Democratic
CXR	Christmas Island	KGZ	Kyrgyzstan	PRI	Puerto Rico	YUG	Yugoslavia Socialist Fed Rep
CZE	Czech Republic	KHM	Cambodia	PRK	North Korea	ZAF	South Africa
DEU	Germany	KIR	Kiribati	PRT	Portugal	ZAR	Zaire
DJI	Djibouti	KNA	St Kitts And Nevis	PRY	Paraguay	ZMB	Zambia
DMA	Dominica	KOR	South Korea	PSE	Palestinian Territory	ZWE	Zimbabwe
DNK	Denmark	KWT	Kuwait	PYF	French Polynesia		

Need help?

If you require any help using this system prior to or during the meeting, please contact Boardroom on 1300 737 760.