Australian Ethical Emerging Companies

FUND PROFILE - 30 NOVEMBER 2018

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.

Price information
Pricing frequency: Daily
Buy/Sell spread: 0.20%/0.20%

Fund facts
Fund size: $4.83m
Benchmark: S&P ASX Small Industrials
Asset class: Equity
Inception date: 30/06/2015
Minimum investment timeframe: 7 Years
Risk level: Very high

Identifiers
APIR code: AUG0026AU

Distributions
Frequency: 2
Dates: 30/06, 31/12

Fees
Management fees - PDS: 1.99%
Performance fee: 20%
Minimum initial investment: $1,000
$500 with a Regular investor plan
Additional transactional and operational costs: 0.00%

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 30/11/2018)

Investment strategy

<table>
<thead>
<tr>
<th></th>
<th>1m</th>
<th>3m</th>
<th>6m</th>
<th>1y</th>
<th>3y</th>
<th>5y</th>
<th>10y</th>
<th>Since inception</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>1.2%</td>
<td>-5.1%</td>
<td>-0.5%</td>
<td>5.2%</td>
<td>8.4%</td>
<td>-</td>
<td>-</td>
<td>11.3%</td>
</tr>
<tr>
<td>Benchmark</td>
<td>0.8%</td>
<td>-10.3%</td>
<td>-5.6%</td>
<td>-1.2%</td>
<td>7.5%</td>
<td>-</td>
<td>-</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

Calendar Performance (as at end 2017)

<table>
<thead>
<tr>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fund</td>
<td>11.4%</td>
<td>10.1%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Benchmark</td>
<td>15.7%</td>
<td>6.2%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Source: FE.

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.

* (after tax, before bonus expense)
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Top 10

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhipe Limited</td>
<td>3.9%</td>
</tr>
<tr>
<td>Contact Energy Limited</td>
<td>3.7%</td>
</tr>
<tr>
<td>Macquarie Telecom Group Limited</td>
<td>3.6%</td>
</tr>
<tr>
<td>EQT Holdings Ltd.</td>
<td>3.5%</td>
</tr>
<tr>
<td>Healius Ltd</td>
<td>3.3%</td>
</tr>
<tr>
<td>Cyclopharm Limited</td>
<td>3.1%</td>
</tr>
<tr>
<td>Auswide Bank Ltd.</td>
<td>3.0%</td>
</tr>
<tr>
<td>Capitol Health Limited</td>
<td>3.0%</td>
</tr>
<tr>
<td>Bigtincan Holdings Ltd</td>
<td>2.9%</td>
</tr>
<tr>
<td>Australian Finance Group Ltd.</td>
<td>2.9%</td>
</tr>
</tbody>
</table>

Ratings and awards

RIAA rating: Certified by RIAA

UNPRI signatory:

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.

Sector allocation

- Information Technology: 26.1%
- Health Care: 20.8%
- Financials: 16.9%
- Consumer Discretionary: 9.2%
- Utilities: 8.4%
- Telecommunication Services: 4.7%
- Industrials: 3.5%
- Consumer Staples: 2.9%
- Real Estate: 2.3%
- Other: 5.2%

Asset allocation

- Australian & NZ Small Cap: 96.4%
- Unlisted Equity: 0.8%
- Cash: 2.8%

Need Help?

Contact us between 9:00am-5:00pm AEST Monday-Friday on:
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w australianethical.com.au

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