

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

Fund size: \$16.09m

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: AU60AUG00267

APIR code: AUG0026AU

Distributions

Frequency: 2

Dates: 30/06, 31/12

Fees

Management costs - PDS: 1.69%

Performance fee: 20%

Minimum initial investment: \$1,000
\$500 with a Regular investor plan

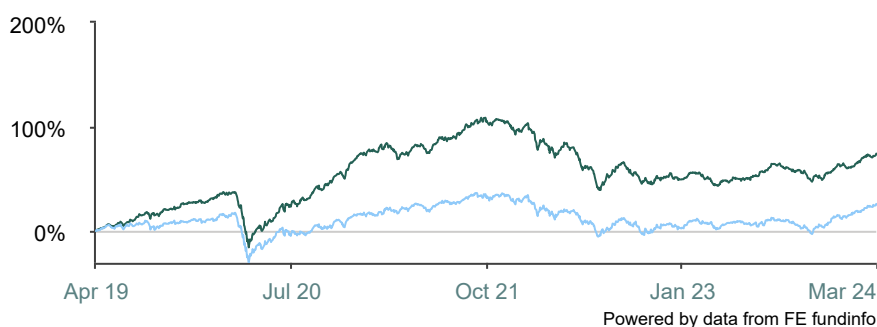
Additional transactional and operational costs: 0.00%

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

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 31/03/2024)



■ Australian Ethical Emerging Companies
■ S&P/ASX Small Indust.

Performance (as at 31/03/2024)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	1.8%	6.2%	9.8%	18.1%	0.2%	11.8%	-	12.0%
S&P/ASX Small Indust.	3.5%	9.6%	20.0%	20.5%	1.7%	4.9%	-	7.3%

Calendar Performance (as at end 2023)

	CY2023	CY2022	CY2021	CY2020	CY2019
Fund	9.7%	-25.8%	14.4%	35.1%	44.7%
S&P/ASX Small Indust.	11.4%	-21.8%	13.7%	5.9%	24.5%

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.

*(after tax, before bonus expense)

Australian Ethical Emerging Companies Fund

Fund Profile - 31 March 2024

Australian
Ethical



Top 10

ANSARADA GROUP LIMITED	4.1%
NUIX LTD	4.1%
CONTACT ENERGY LTD	4.0%
GENTRACK GROUP LTD	3.4%
DOMAIN HOLDINGS AUSTRALIA LIMITED	3.3%
MACQUARIE TECHNOLOGY GROUP LTD ORD F/PD DS	3.3%
MERIDIAN ENERGY LIMITED -PARTIAL PAID SHARE	3.3%
BRAVURA SOLUTIONS LTD	3.2%
AUSSIE BROADBAND PTY LTD	3.1%
MERCURY NZ LTD	2.8%

Ratings and awards

RIAA

Certification:



CERTIFIED BY RIAA

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?

Contact us Monday-Friday on:

T 1800 021 227

F 02 9252 1987

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Australian Ethical Investment Ltd

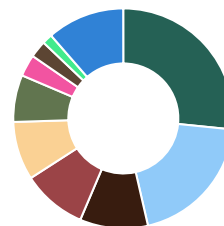
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

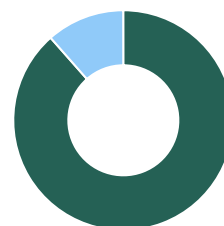
Sector allocation

Information Technology	26.6%
Health Care	19.8%
Utilities	10.0%
Financials	9.5%
Consumer Discretionary	8.6%
Communication Services	6.9%
Industrials	3.2%
Real Estate	2.5%
Materials	1.5%
Other	11.4%



Asset allocation

Australian & NZ Small Cap	88.5%
Cash	11.5%



Commentary

The Emerging Companies Fund (Wholesale) (the 'Fund') returned 6.3% net of fees in the quarter ended 31 March 2024, underperforming its benchmark which appreciated 9.6%. The Emerging Companies Fund (Retail) grew by 6.2% net of fees in the quarter, also underperforming the benchmark.

The Fund has a small-cap strategy with investments spread across small and microcap companies in Australia and New Zealand. The quarter's underperformance is attributed to negative stock selection in Healthcare and being under-weight in the strongly performing Consumer Discretionary sector. The Fund's holding in cash was drag on relative performance as quarterly returns on cash were significantly less than the benchmark. Our names in the Information Technology sector added strongly to relative performance. We believe post the recent share market rally the earlier stage companies offer the most compelling valuations. However, with interest rates remaining stronger for longer, and market multiples elevated, the investment back drop is more challenging and ultimately vulnerable to external shocks.

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