

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: \$250.46m

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: AU60AUG00275

APIR code: AUG0027AU

Distributions

Frequency: 2

Dates: 30/06, 31/12

Fees

Management costs - PDS: 1.20%

Performance fee: 20.000000

Minimum initial investment: \$25,000

Additional transactional and operational costs: 0.01%

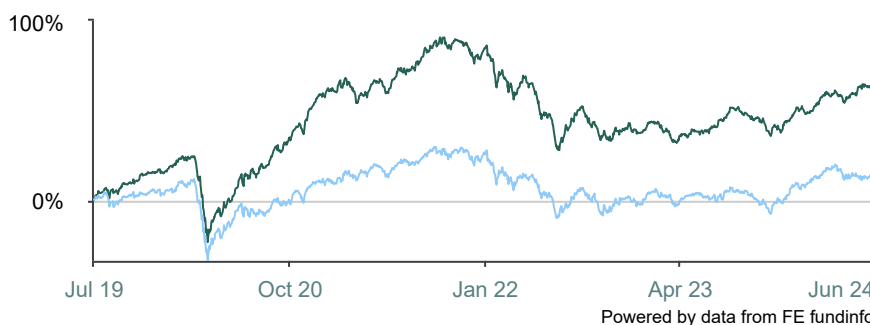
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(after tax, before bonus expense)

Investment strategy

The opportunity to invest in a diversified portfolio of 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 30/06/2024)



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

Performance (as at 30/06/2024)

	1m	3m	6m	1y	3y	5y	10y	Since inception (ann.)
Fund	-0.1%	1.9%	8.3%	13.8%	-1.4%	10.6%	-	12.6%
S&P/ASX Small Indust.	1.4%	-4.5%	4.6%	12.4%	-2.2%	2.9%	-	6.5%

Calendar Performance (as at end 2023)

	CY2023	CY2022	CY2021	CY2020	CY2019
Fund	10.2%	-25.4%	14.9%	35.9%	45.7%
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.

Australian Ethical Emerging Companies (Wholesale) Fund

Fund Profile - 30 June 2024

Australian
Ethical



Top 10

NUIX LTD	4.7%
CONTACT ENERGY LTD	4.0%
ANSARADA GROUP LIMITED	3.6%
MERIDIAN ENERGY LIMITED -PARTIAL PAID SHARE	3.3%
DOMAIN HOLDINGS AUSTRALIA LIMITED	3.2%
GENTRACK GROUP LTD	3.2%
BRAVURA SOLUTIONS LTD	3.1%
PEXA GROUP LTD	3.1%
MEDADVISOR LTD	2.9%
OFX GROUP LIMITED	2.9%

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:

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Australian Ethical Investment Ltd

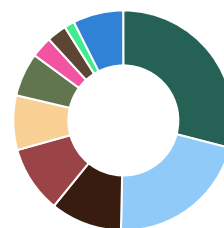
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

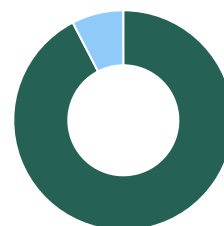
Sector allocation

Information Technology	29.0%
Health Care	21.3%
Financials	10.5%
Utilities	9.8%
Consumer Discretionary	8.0%
Communication Services	6.4%
Real Estate	3.1%
Industrials	2.9%
Materials	1.5%
Other	7.4%



Asset allocation

Australian & NZ Small Cap	92.4%
Cash	7.6%



Commentary

The Emerging Companies Fund (Wholesale) (the 'Fund') returned 13.8% net of fees in the year ended 30 June 2024, outperforming its benchmark which rose 12.4%.

The Emerging Companies Fund has outperformed its benchmark over 1, 3, and 5 year periods and since inception. The Emerging Companies Fund (Retail) climbed 13.3% net of fees, also outperforming the benchmark.

Stock selection in the technology sector was the stand-out contributor to performance, with triple digit share price returns from Nuix, Gentrack and Bravura. The technology sector also benefited from takeover activity, with Ansarada and Damstra attracting interest.

The Fund benefited from nil exposure to real estate, as the sector underperformed due to higher interest rates and declining asset valuations. Consumer discretionary was also a favourable contributor due to stock selection (Webjet) and nil exposure to underperformance in gaming, excluded due to our Ethical screen.

The Healthcare sector detracted from performance due to stock specific issues. The fund participated in 10 healthcare capital raises, with the placement priced at modest-to-steep discounts. Further weakness was attributed to the healthcare services segment and we divested Healius. We continue to hold a favourable outlook over the healthcare industry as many of our stocks are now well-funded and patients return to prioritising their health.

The Fund benefited from continued acquisition activity, with deals consummated for Symbio, Damstra, Blackmores and Limeade. Additionally, Ansarada, Capitol Health, Bigtincan and Perpetual attracted bidding interest. The Fund participated 12 equity placements during the year, of which 8 were pre-existing holdings.

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