

10 October 2024

Product Disclosure Changes - Managed Funds

We're letting you know that we've made changes to our product disclosures to help you better understand what it means to invest with Australian Ethical. We've updated our Product Disclosure Statements (PDS/s) on our website including the Additional Information Booklet which also forms part of the PDS for each of the Australian Ethical Managed Funds. You can find these documents at www.australianethical.com.au/managed-funds/documents/.

The changes include:

- Changes to asset allocations.
- Updates to our fees and costs.
- Change of custodian.

We've provided the details of the changes made below.

On 01 October 2024, we updated and reissued the PDSs for the following Australian Ethical Managed Funds:

APIR CODE	FUND NAME
AUG0002AU	Australian Ethical Australian Shares Fund (Retail)
AUG0018AU	Australian Ethical Australian Shares Fund (Wholesale)
AUG0001AU	Australian Ethical Balanced Fund (Retail)
AUG0017AU	Australian Ethical Balanced Fund (Wholesale)
AUG0004AU	Australian Ethical Diversified Shares Fund (Retail)
AUG0019AU	Australian Ethical Diversified Shares Fund (Wholesale)
AUG0026AU	Australian Ethical Emerging Companies Fund (Retail)
AUG0027AU	Australian Ethical Emerging Companies Fund (Wholesale)
AUG0021AU	Australian Ethical Fixed Interest Fund (Retail)
AUG0023AU	Australian Ethical Fixed Interest Fund (Wholesale)
AUG0008AU	Australian Ethical High Growth Fund (Retail)
AUG0020AU	Australian Ethical High Growth Fund (Wholesale)
AUG0003AU	Australian Ethical Income Fund (Retail)
AUG0024AU	Australian Ethical Income Fund (Wholesale)
AUG0006AU	Australian Ethical International Shares Fund (Retail)

AUG0025AU Australian Ethical International Shares Fund (Wholesale)

AUG7454AU Australian Ethical Moderate Fund (Wholesale)

AUG6267AU Australian Ethical Conservative Fund (Wholesale)

Changes to fees and costs

We've reviewed the fees and costs associated with our funds. We report our investment performance after fees, and you can see a breakdown of all the fees and costs in your Periodic Statement.

- **Indirect costs**

Indirect costs form part of management fees and costs and include fees and expenses arising from any investment which qualifies as an interposed vehicle and certain 'over-the-counter' derivatives costs. We have reviewed our indirect costs estimate for the last financial year. Tabled below are the changes to estimated indirect costs based on data as at 30 June 2024. There is no change to the estimated indirect costs for any other managed funds listed at the top of this update.

Fund	APIR	Estimated indirect costs
Balanced Fund (Retail)	AUG0001AU	Prev: 0.13% New: 0.14%
Balanced Fund (Wholesale)	AUG0017AU	Prev: 0.13% New: 0.14%
High Growth Fund (Retail)	AUG0008AU	Prev: 0.14% New: 0.11%
High Growth Fund (Wholesale)	AUG0020AU	Prev: 0.14% New: 0.11%

Transaction costs

Transaction costs such as brokerage and transactional taxes are incurred by the Fund when the Fund acquires and disposes of securities. We have reviewed our transaction costs estimate for the last financial year. Tabled below are the changes to estimated transaction costs based on data as of 30 June 2024. There is no change to the estimated transaction costs for any other managed funds listed at the top of this update.

Fund	APIR	Estimated transaction costs
Australian Shares Fund (Retail)	AUG0002AU	Prev: 0.01% New: 0.00%
Balanced Fund (Retail)	AUG0001AU	Prev: 0.00% New: 0.04%
Balanced Fund (Wholesale)	AUG0017AU	Prev: 0.01% New: 0.04%
Diversified Shares Fund (Wholesale)	AUG0019AU	Prev: 0.01% New: 0.00%
Emerging Companies (Wholesale)	AUG0027AU	Prev: 0.01% New: 0.00%

High Growth Fund (Retail)	AUG0008AU	Prev: 0.00% New: 0.03%
High Growth Fund (Wholesale)	AUG0020AU	Prev: 0.00% New: 0.03%
International Shares Fund (Wholesale)	AUG0025AU	Prev: 0.03% New: 0.01%

- **Buy/Sell spreads**

The Buy/Sell spread is a fee to recover transaction costs incurred in relation to the purchase and sale of the assets of a fund and is used to adjust the unit price. It is an additional cost to you and is incurred when you buy or sell a unit. We will use a Buy/Sell spread to recover transaction costs from you so that other members are not paying for the cost of your transaction. It is not a fee paid to us. The Buy/Sell spread for the Australian Ethical High Growth Fund increased, and the Australian Ethical Moderate Fund decreased, both effective 1 October 2024. This is a result of a general changes in underlying transacting costs. The updated Buy/Sell spreads were included in the PDS that was reissued on 1 October 2024.

Fund	APIR	Change from	Change to
High Growth Fund (Retail)	AUG0008AU	0.05%/0.05%	0.10%/0.10%
High Growth Fund (Wholesale)	AUG0020AU	0.05%/0.05%	0.10%/0.10%
Moderate Fund (Wholesale)	AUG7454AU	0.10%/0.10%	0.05%/0.05%

Change to asset allocation ranges

An asset allocation range is the disclosed range that each option generally holds investments within a specific asset class. Following a comprehensive review of the investment strategies of our investment options, we've made changes to the asset allocation ranges effective 1 October 2024. These changes aim at improving investment outcomes for members by increasing our ability to meet the investment objective for each option. We have also included the target asset allocation for all Managed Funds, which is available in the PDS. You can find these documents at www.australianethical.com.au/managed-funds/documents/.

Change to Custodian

Effective 1 November 2024, State Street Australia Limited (ABN 21 002 965 200), will replace National Australian Bank Limited ABN 12 004 044 937 (NAB) as custodian of the Fund assets.

As a result, from this date, all references to "National Australian Bank Limited (NAB)" in the Funds' PDSs are replaced with "State Street Australia Limited (State Street)."

Here to help

If you have questions about these changes, please call us on 1800 021 227, Monday to Friday 8:30am to 5:30pm AEST.