

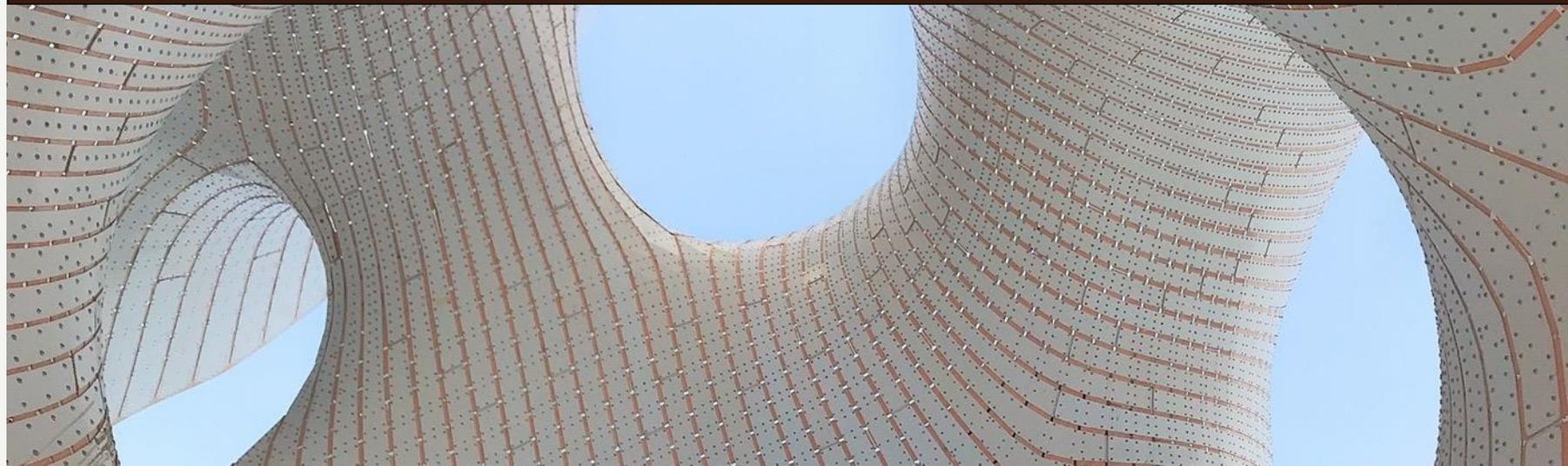
Australian
Ethical

Australian Ethical Investment Ltd FY23 Half Year Results

John McMurdo, Managing Director & CEO

Mark Simons, CFO

22 February 2023



Agenda

01 Key themes & highlights

02 Financials

03 Business update



Key themes & highlights



Context & strategy

We are an authentic purpose-driven investor, focused on investor returns and positive impact

The structural drivers for a more sustainable, low carbon future continue to be strong, with the shift to responsible investing expected to accelerate over the next decade

We're scaling our business to capitalise on growing demand for ethical investing and contribute to these long-term trends



1H FY23 themes

We continue to execute on our high growth strategy despite challenging market conditions to ensure we're well placed to capture the growth opportunity ahead

The resilience of our business has been demonstrated by the uplift in FUM, continued positive net flows and revenue growth, despite challenging market conditions

Underlying profit is in line with expectations as we invest now for the medium term higher profit opportunity

Significant strategic milestone achieved in 1H23, with completion of Christian Super SFT, increasing FUM by \$1.93bn and boosting our impact for all stakeholders

Note: All financial results and metrics in this pack relate to 6 months to 31 December 2022 with comparatives relating to 6 months to 31 December 2021. All footnotes appear on slide 40

Our strategic pillars

Purpose: Investing for a better world



1. Principled investment leadership

- Deliver leading products with long term competitive returns & portfolio resilience for investors.
- Be a powerful proof-point for ethical investing.



2. Advocates for a better world

- Fostering a coalition of co-investors in the cause for a better world.
- A bold voice harnessing people power and strength of community through purpose resonance and action.



3. Compelling client experience

- Deliver a seamless, modern, engaging and competitive client experience to support the creation of a better financial future for investors.



4. Impactful business

- Build scale and scalability through brand preference, channel and product breadth and efficient infrastructure.
- Delivering attractive shareholder returns and significant positive outcomes.



Leadership & Innovation: Driving a diverse high-performance environment and culture of innovation

First half FY23 results demonstrate a resilient business in challenging market conditions

FUM growth of 21%

Positive net flows of \$0.19bn* + Christian Super FUM transfer of \$1.93bn

Revenue continues to grow – 4% revenue growth

50% growth in total customer numbers, 60% growth in super members

Continued uplift in brand awareness

* Excludes Christian Super FUM uplift of \$1.93bn

Enhanced multi-asset capability

Created a series of growth options for the future as we continue to diversify revenue streams

- Increased presence in adviser channel
 - Expansion of new employment channel
 - Product development pipeline
-

M&A strategy gaining momentum with completion of Christian Super SFT, and increased M&A capability

Continued confidence in our strategy and positive momentum as we head into 2H23

Note: All financial results and metrics in this pack relate to 6 months ended 31 December 2022 with comparatives relating to 6 months ended 31 December 2021. All footnotes appear on slide 40

H1 FY23 highlights

Progressed M&A strategy
with Christian Super SFT

+28,000

members

+\$1.93bn

FUM

+21%

growth in FUM
to over \$8bn

\$0.19bn

positive net inflows*

+15%

average super FUM growth

\$0.3bn

positive
super net flows

H1 FY23 highlights

+50%

in customers to
over 110,000

Adviser overall brand rank
increased by 7 places¹

Top quartile employee
engagement² of

79%

Multiple awards and
accolades continue

Long term track record of
strong performance

\$500k

granted through our
Foundation to 12 winners
of the 2022 Visionary
Grants program

Expanded new employer
channel

Top 5

fastest growing super fund
over 1 year³

Note: All financial results and metrics in this pack relate to 6 months ended 31 December 2022 with comparatives relating to 6 months ended 31 December 2021. All footnotes appear on slide 40

H1 FY23 results

Expenses and profit reflect continuing targeted investment in brand, channel expansion, M&A and technology capability, platform transformation and investment excellence

Underlying profit is in line with expectations as we invest now for the medium term higher profit opportunity

Note: All financial results and metrics in this pack relate to 6 months ended 31 December 2022 with comparatives relating to 6 months ended 31 December 2021. All footnotes appear on slide 40

21%

growth in funds under management to **\$8.37bn**

\$0.19bn*

positive net flows in challenging market

\$0.37bn*

positive netflows (excl. institutional)

\$36.6m

revenue, **up 4%**

\$5.0m

UPAT, **down 9%**

\$1.0m**

NPAT, **down 82%**

\$29.4m~

expenses **up 7%**

2c

interim dividend

\$4m

UPAT adjustment - SFT integration costs & fair value adjustment to investment

* Excludes Christian Super FUM uplift of \$1.93bn

** NPAT attributable to shareholders, which excludes the results for the Australian Ethical Foundation Limited (The Foundation)

~ excluding \$2m SFT integration costs & \$2.6m fair value adjustment

We continue to receive awards & recognition for our investment expertise and ethical pedigree



Responsible Investment Association Australasia
Responsible Investment Leader 2022



SuperRatings GOLD 2023, MySuper, MyChoice & Pension



Productreview.com.au
Best Retail Super Fund



Lonsec 'Recommended' rating for all domestic active funds and SMA; High Conviction Fund (incl. ETF) rated for first time*



'Superior' 4 star rating for Balanced Fund by SQM Research^



Financial Newswire Fund Manager of the Year 2022 - International Shares Fund - Winner Responsible Investments (ESG)

* The ratings issued 10/2022 for Australian Ethical Australian Shares Fund (Wholesale), 10/2022 for Australian Ethical Emerging Companies Fund (Wholesale), 10/2022 for Australian Ethical Australian Shares Portfolio, 10/2022 for Australian Ethical High Conviction Wholesale AUD & Australian Ethical High Conviction Fund (Managed Fund) are published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421 445 (Lonsec). Ratings are general advice only and have been prepared without taking account of your objectives, financial situation or needs. Consider your personal circumstances, read the product disclosure statement and seek independent financial advice before investing. The rating is not a recommendation to purchase, sell or hold any product. Past performance information is not indicative of future performance. Ratings are subject to change without notice and Lonsec assumes no obligation to update. Lonsec uses objective criteria and receives a fee from the Fund Manager. Visit lonsec.com.au for ratings information and to access the full report. © 2022 Lonsec. All rights reserved.

^ The rating contained in this document is issued by SQM Research Pty Ltd ABN 93 122 592 036 AFSL 421913. SQM Research is an investment research firm that undertakes research on investment products exclusively for its wholesale clients, utilising a proprietary review and star rating system. The SQM Research star rating system is of a general nature and does not take into account the particular circumstances or needs of any specific person. The rating may be subject to change at any time. Only licensed financial advisers may use the SQM Research star rating system in determining whether an investment is appropriate to a person's particular circumstances or needs. You should read the product disclosure statement and consult a licensed financial adviser before making an investment decision in relation to this investment product. SQM Research receives a fee from the Fund Manager for the research and rating of the managed investment scheme.

Our investment portfolio continues to deliver impact



Nil investment*
in nuclear

Nil investment*
in fossil fuel companies⁵

Nil investment
in tobacco⁶



77% lower CO₂ intensity
from listed companies in
our portfolio, compared to
benchmark⁴



1.8x more revenue
from sustainable
impact solutions⁷



3.7x more revenue
from sustainable water &
agriculture and pollution
prevention⁷



5.6x more investment
in renewables and
energy solutions⁸

* This relates to the AE portfolio excluding Christian Super. Christian Super members transferred to Australian Ethical Super through a 'Successor Fund Transfer' (SFT) on the 25th of November 2022. Most of the assets that didn't align with our Charter were sold prior to SFT, however there are some non-aligned investments that we will dispose of in accordance with a prudent investment realisation process. These investments are primarily fund investments managed by external managers, including private equity, infrastructure and private debt funds. The total value of investments currently marked for disposal is ~\$100m, which includes both ethically aligned and non-aligned assets.



And we engaged companies for people, animals and the planet



193+

company engagements for people, planet and animals⁹ including 31 proactive company engagements

Co-filed shareholder resolutions against **NAB & Westpac** over concerns about weak lending restrictions for companies engaged in fossil fuel expansion, and questioned company management on these policies at AGMs.

Through Climate Action 100+, engaged as lead investor with **Boral** about its pathway to net zero.

Put **Lendlease** on notice of our expectations for their Mount Gilead, Phase 2 development which has the potential to harm a local koala population, and called them out publicly for lack of transparency.

Escalated engagements with **2 healthcare companies** over concerns about their approach to animal research.

One has made a commitment to improve.



With our Foundation supporting climate solutions

\$0.3m

allocated for impact initiatives in 1H FY23

>\$8m

allocated to not-for-profits since 2000

25+

charities supported fighting climate change

10%

of AEI profits allocated to not-for-profit organisations¹⁰

A woman in a red patterned dress stands in a field at sunset, looking towards the horizon. The sun is low on the horizon, creating a warm, golden glow. The woman is wearing a red headscarf and a red dress with a circular pattern. The field is filled with tall grasses.

Our Foundation's vision is to direct as much philanthropy as possible to effective solutions and charities addressing the climate emergency.

And FY22 donations allocated through our 2 funding channels

Strategic grants

\$1m+

donated to 17 charities working across our focus areas:

- Stopping sources of carbon pollution
- Supporting carbon sinks
- Empowering women & girls

Visionary grants

\$500k

donated to innovative climate solutions

- 12 charities supported
- 2500+ AE member votes

Impact highlights



ACBF

Focus area: Supporting carbon sinks
Working towards 8 million hectares of restored forests¹¹



Food Frontier

Focus area: Stopping sources of carbon
150% growth in the number of plant-based meat products on-shelf in Australia, with more than 250 products now available¹¹



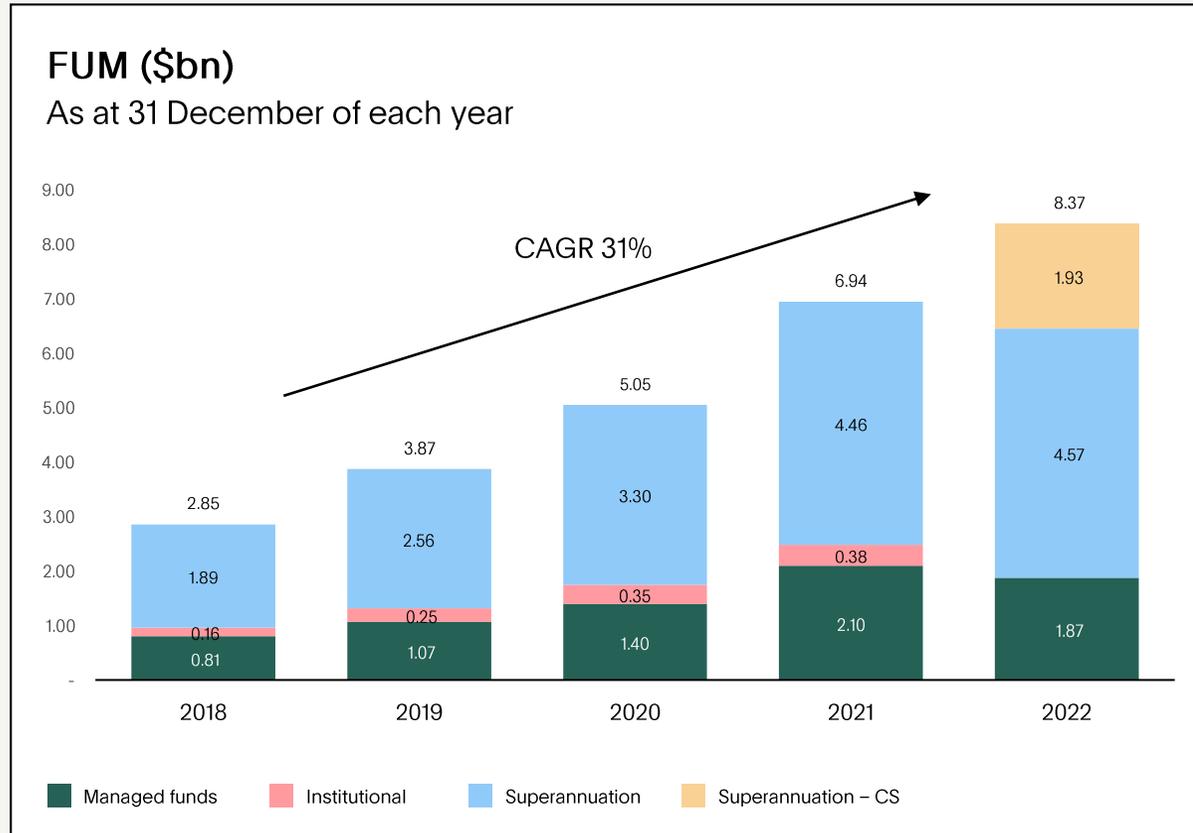
Living Goods

Focus area: Empowering women and girls
4,645 treatments provided to children under 5 years old¹¹

Financials

02

FUM continued to grow in a challenging market – up 21%



* Includes SMA, excludes Institutional

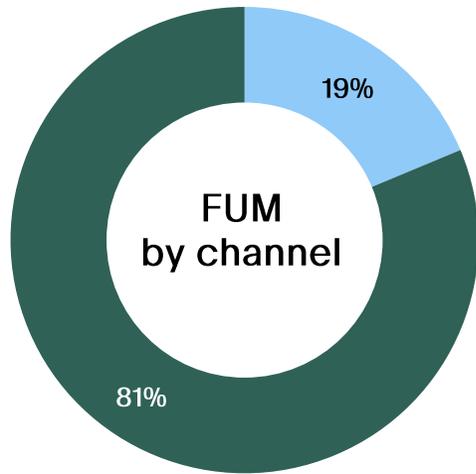
Funds under management (\$bn)	1H2023	1H2022	Change (YoY)^
Opening FUM	6.20	6.07	2%
Super net flows	0.30	0.37	(18%)
Managed Funds net flows*	0.07	0.28	(76%)
Net flows excluding Institutional	0.37	0.65	(43%)
Institutional net flows	(0.18)	(0.05)	(266%)
Total net flows	0.19	0.60	(69%)
Investment Performance (net of fees & distributions)	0.06	0.27	(79%)
Christian Super SFT	1.93	-	-
Closing FUM	8.37	6.94	21%
Average 1H FUM	6.72	6.53	3%

FUM at 31 January 2023 was \$8.68bn

^ Percentage changes reflect movement in non-rounded, precise figures

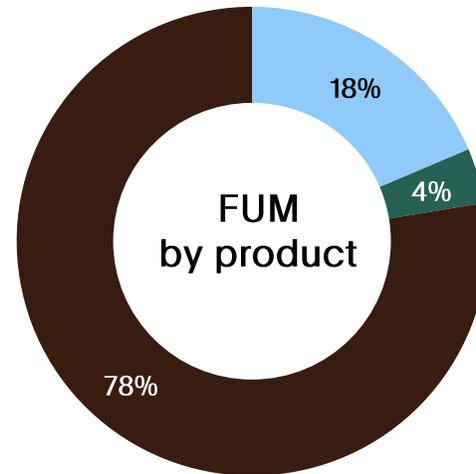
As we continue to build a more diversified, resilient business focussed on delivering growth

Direct remains predominant channel with continuing focus on growing advised channel



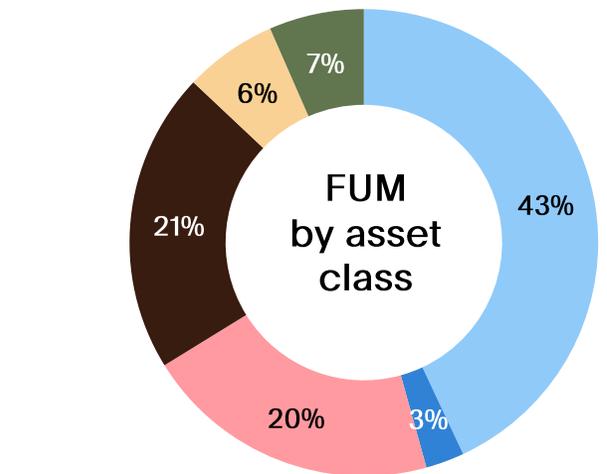
Advised Direct

Super FUM a larger proportion of overall book following Christian Super SFT



Managed funds wholesale Managed funds retail Superannuation

Increased allocation to alternatives following SFT, up from 1% at June 2022

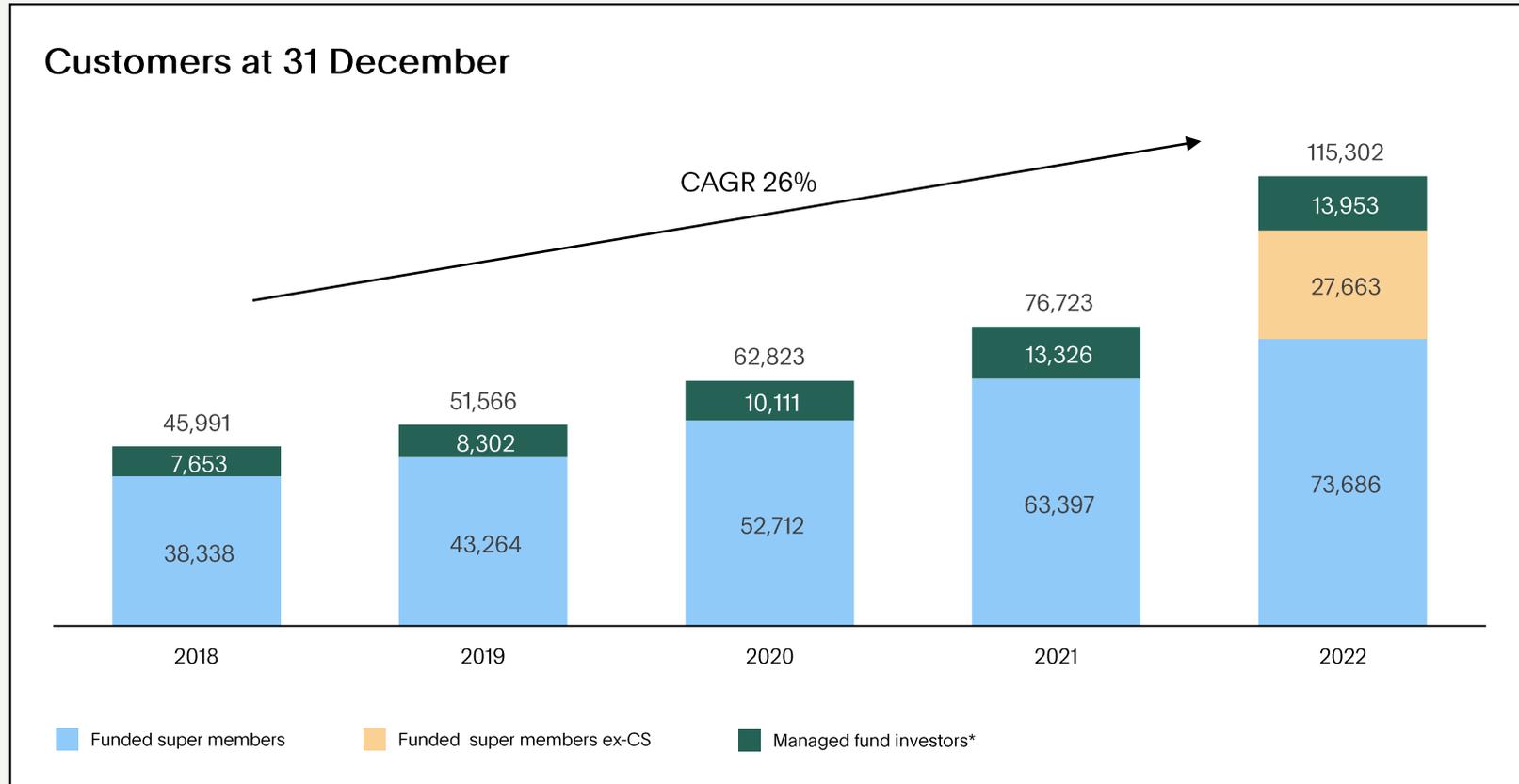


International Equity Unlisted Property Fixed Income Domestic Equities (incl NZ) Alternatives Cash

Strong customer uplift in 1H23 driven by both organic and inorganic growth

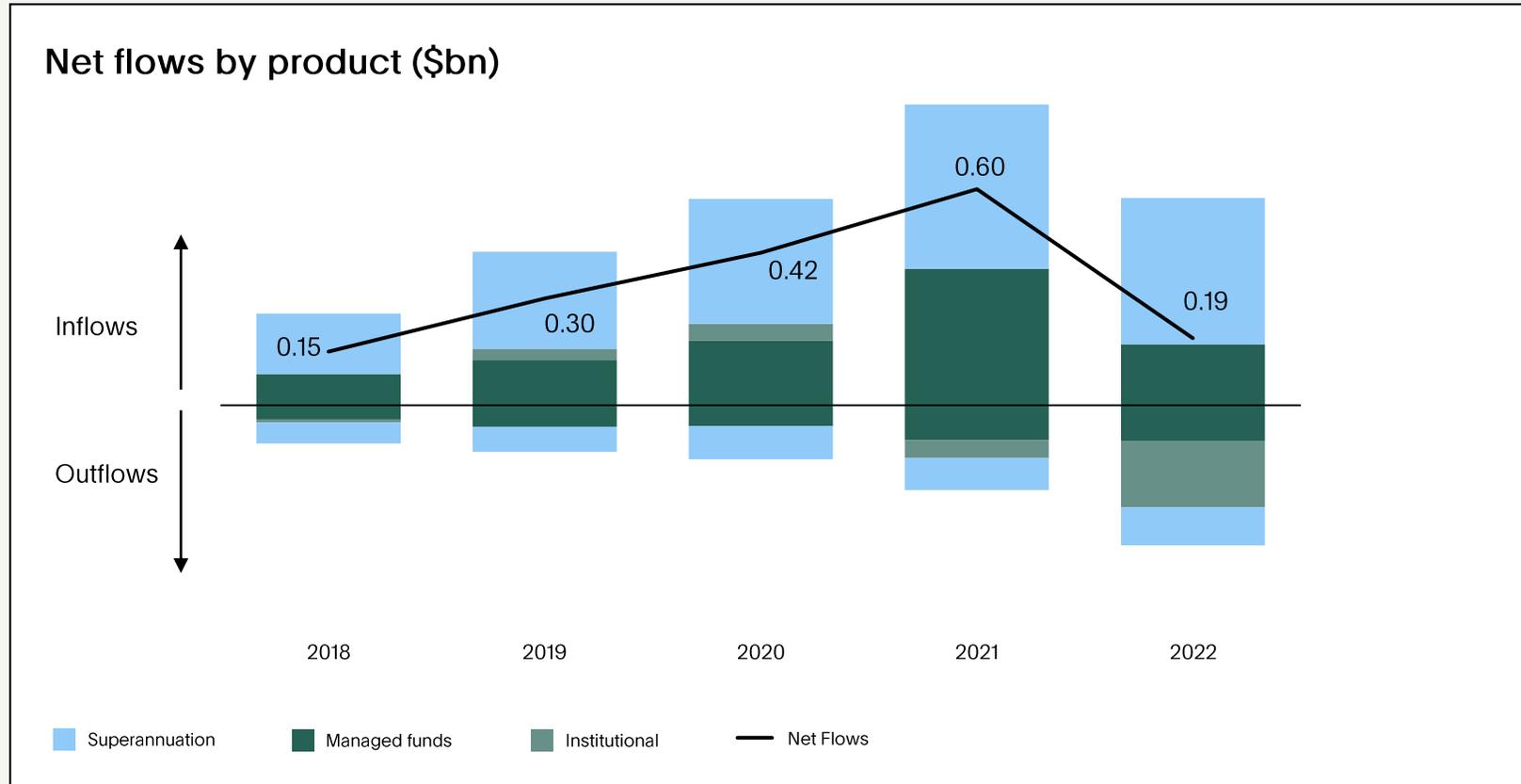
Key themes

- Customer numbers grew 50% boosted by Christian Super SFT
- Super members grew 60% to >100,000
- Excluding ex-Christian Super members, super members were up a strong 16%
- Managed fund customers increased 5%
- Lower volumes of new managed fund customers due to volatile market conditions



* Each platform is regarded as one investor (we have 24 platform accounts)
Note: Super members may also be Managed Fund investors.

And continued positive net flows despite challenging markets



Key themes

- Net flows of \$0.19bn
- Positive net flows demonstrate continued strong demand for responsible investing & investment in the business
- Institutional redemption of \$0.18bn*
- Excluding the institutional redemption, net flows were \$0.37bn
 - ✓ Super \$0.3bn
 - ✓ Managed funds \$0.07bn
- Super net flows more resilient in volatile markets, demonstrating the benefit of our diversified business
- Industry leading super retention rates

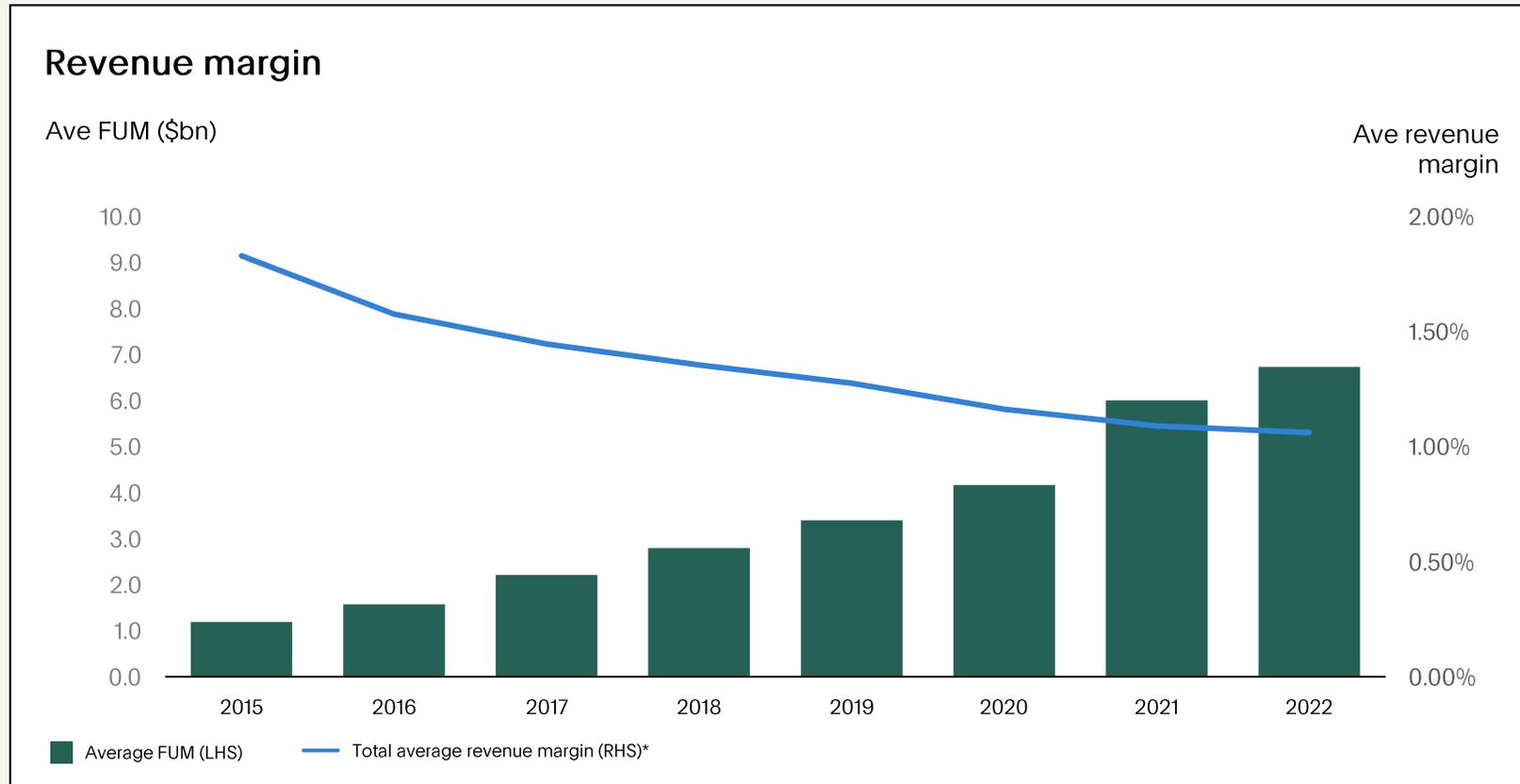
For the 6 months ended 31 December each year. Note: Managed funds includes SMA. Netflows exclude \$1.93bn FUM transferred from Christian Super SFT

* This redemption was due to the internalisation of management of a client's sustainable option following a successor fund transfer, and is the final redemption by this client

We continue to pass on benefits of scale to our customers through lower fees

Key themes

- Continued fee reductions in line with fee strategy to share the benefits of scale to all stakeholders
- Average revenue margin of 1.06% in calendar year 2022* down from 1.09% in calendar year 2021, with revenue margin of 1.00% as at 31 December 2022
- Fee reductions occurred in September, and on completion of SFT
- As part of our fee strategy, we will continue to balance profitable growth with fee reductions, to ensure a more competitive offering for our current and future customers



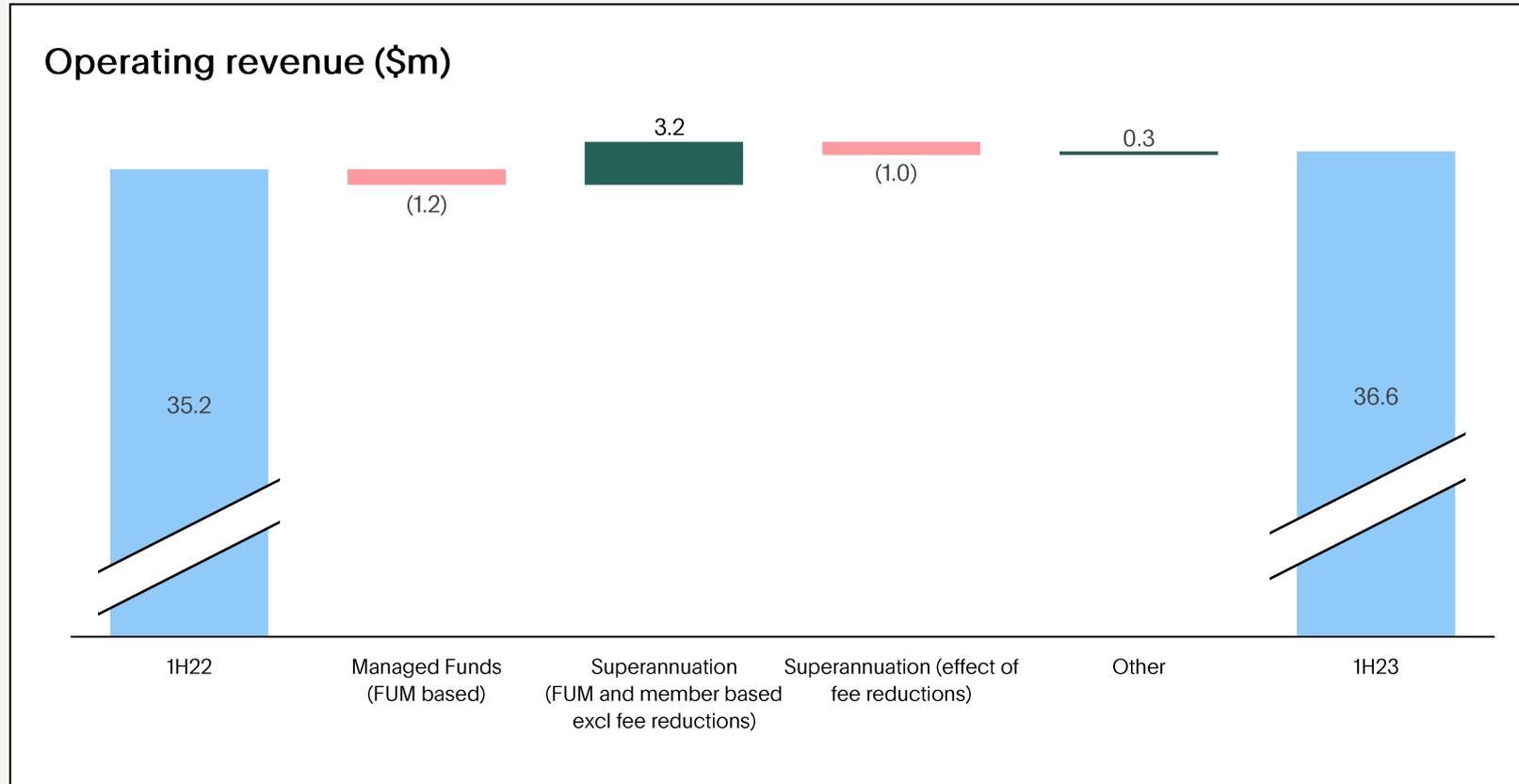
Represents calendar years

* Average revenue margin calculated on total revenue (both FUM based and member based fees) excluding performance fee, as a percentage of average annual FUM (12 months)

Operating revenue increased 4% despite the challenging markets and fee reductions

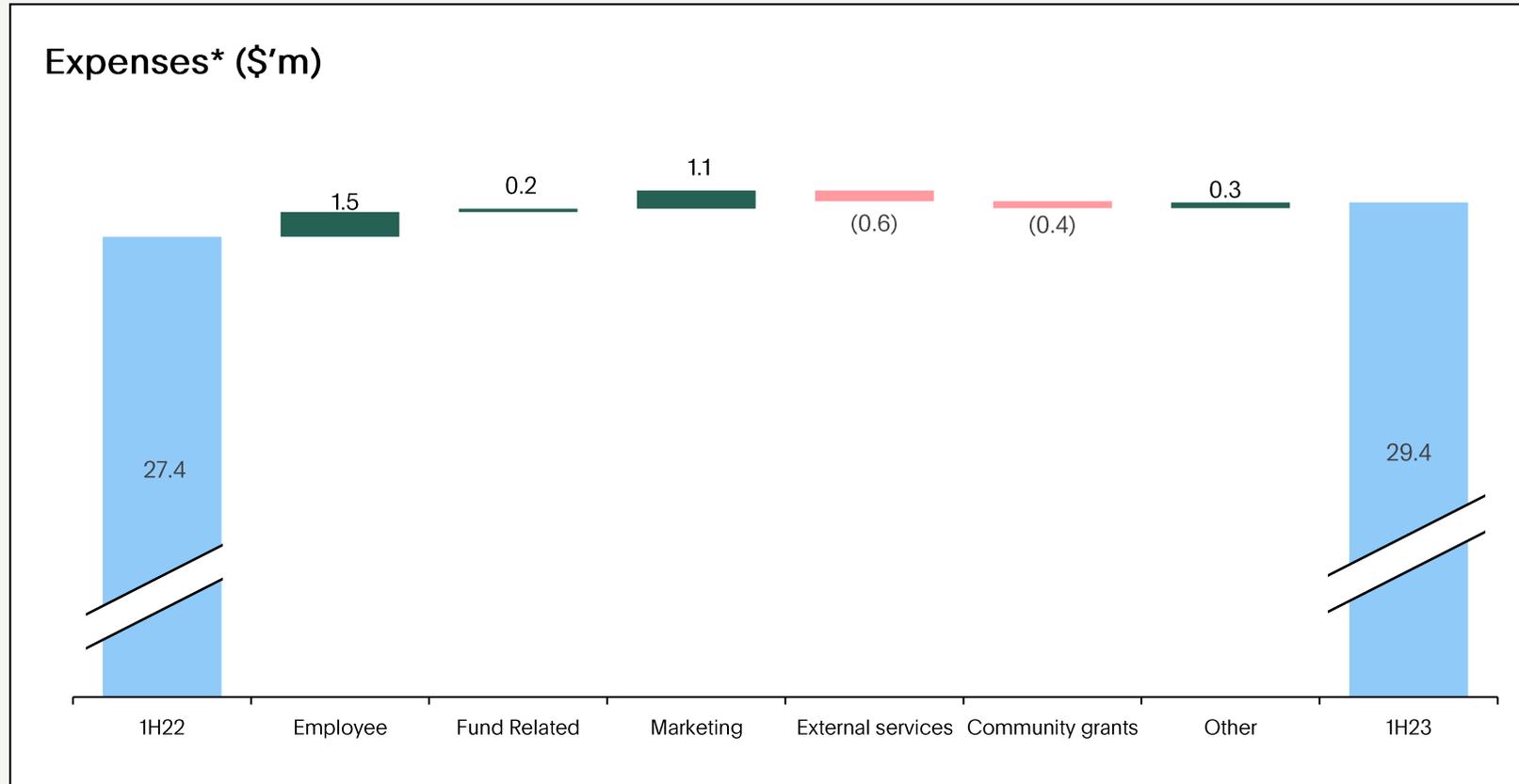
Key themes

- Revenue growth driven by super FUM and member growth, partially offset by fee reductions and institutional redemption
- Average super FUM grew 15%
- Average managed funds FUM fell 18% with the decrease driven by negative investment performance in 2H22, and the institutional redemption
- Other Revenue relates to interest revenue



As we continue to invest in the business now to support the long term growth opportunity

Key themes



Expenses* increased 7% driven by:

- Strategic capability build
- Full impact of FY22 hires
- Salary and inflationary increases
- Higher fund related expenses as FUM and customer numbers increase
- Marketing costs on targeted brand campaigns and expanding distribution channels
- Offset by lower project professional service expenses, and community grant

\$29.4m expenses exclude:

- \$2m relating to Christian Super integration costs
- \$2.6m fair value adjustment of investment in Sentient

* Excluding SFT integration costs and fair value adjustment in Sentient investment

Underlying profit in line with expectations as we invest for the medium term higher profit opportunity

Key financials (\$'000)	1H 2023	1H 2022	Change (YoY)
Operating Revenue	36,562	35,225	4%
Total Revenue	36,562	35,225	4%
Total expenses (excluding SFT integration costs)	(29,440)	(27,395)	7%
SFT integration costs	(1,999)	-	
Total expenses	(31,439)	(27,395)	15%
Change in fair value of investment in Sentient	(2,600)		
Profit before income tax expense	2,523	7,830	(68%)
Income tax expense	(1,526)	(2,324)	(34%)
Net profit after tax – statutory	997	5,506	(82%)
Less Net profit attributable to The Foundation	(36)	(82)	
Net profit after tax attributable to shareholders	961	5,424	(82%)
Underlying profit after tax (UPAT) attributable to shareholders	4,960	5,424	(9%)
Diluted earnings per share* – attributable to shareholders	0.85 cents	4.83 cents	
Dividend per share	2.00 cents	3.00 cents	
Cost to income ratio	86%	78%	

*EPS based on NPAT attributable to shareholders

Key themes

- Revenue growth of 4% driven by customer and FUM growth, offset by fee reductions
- 1H23 investment focused on:
 - ✓ uplifting brand
 - ✓ broadening adviser presence
 - ✓ M&A capability
 - ✓ expanding employer channel
 - ✓ improving customer experience
 - ✓ enhancing investment & technology capability
 - ✓ transforming business platform
- 1H23 NPAT, UPAT and PBT margin reflects this reinvestment in the business
- UPAT adjustments reflect:
 - integration costs on Christian Super SFT
 - writedown in Sentient investment to reflect fair value
- Interim dividend of 2c. Payable on 16 March

We retain a strong balance sheet

\$m	1H 2023	1H 2022
Cash & cash equivalents*	25.8	24.9
Surplus above regulatory capital**	7.7	7.5
Net cash from operating activities	4.5	7.7
Cashflow conversion %^	>100%	>100%
Debt	0	0
Net Assets*	22.8	23.3

* Excluding Foundation. Cash and cash equivalents includes term deposits

** AEI Only Requirement; excludes Sentient. Regulatory requirement increased from \$5m in 1H22 to \$6m in 1H23.

^ Based on EBITDA excl performance fees

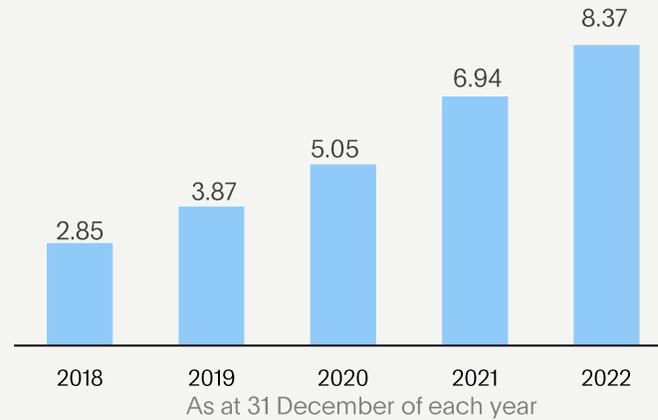
Key themes

- Strong balance sheet with no debt
- Strong cash position
- Parent holds a surplus above regulatory capital of \$7.7m
- Reserves over regulatory requirements retained to fund potential future inorganic opportunities

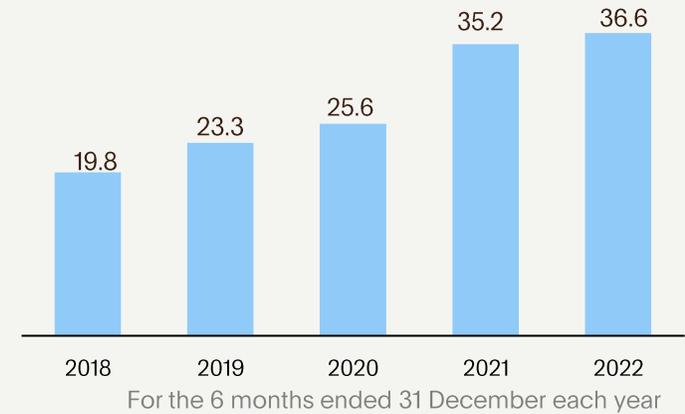


Key financials

Funds under management (\$bn)



Operating Revenue (\$m)

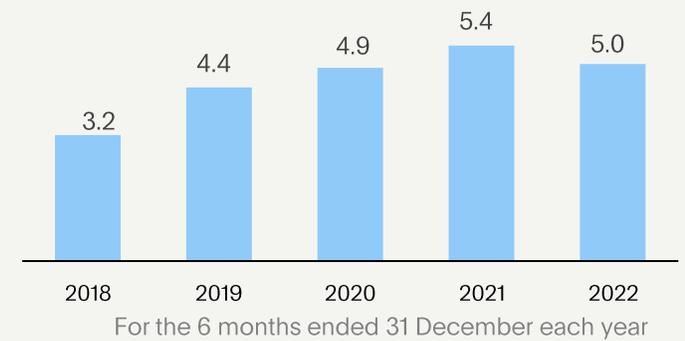


Profit after tax* (\$m)

* Attributable to shareholders



Underlying profit after tax * (\$m)

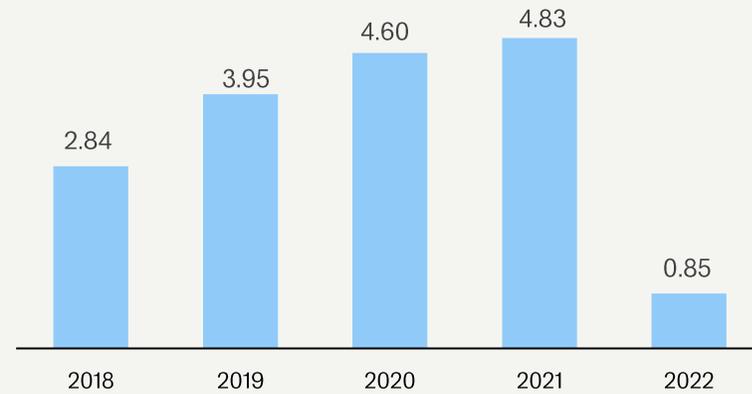




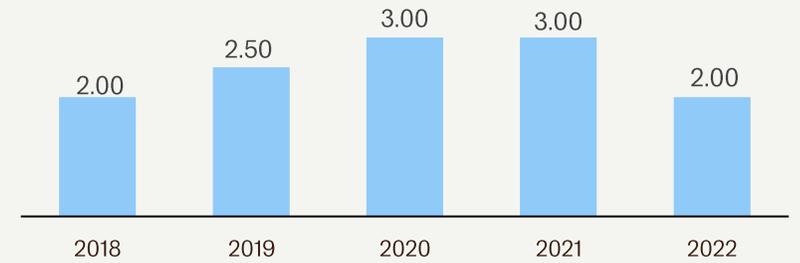
Key metrics

Diluted earnings per share * (cps)

*Based on NPAT attributable to shareholders



Interim Dividend (cps)



Business update

A close-up photograph of two people's eyes, one green and one blue, looking directly at the camera. The image is split vertically, with the left side showing a green eye and the right side showing a blue eye. The number '03' is overlaid in large white font across the bottom of the eyes.

03

Our strategic pillars

Purpose: Investing for a better world



1. Principled investment leadership

- Deliver leading products with long term competitive returns & portfolio resilience for investors.
- Be a powerful proof-point for ethical investing.



2. Advocates for a better world

- Fostering a coalition of co-investors in the cause for a better world.
- A bold voice harnessing people power and strength of community through purpose resonance and action.



3. Compelling client experience

- Deliver a seamless, modern, engaging and competitive client experience to support the creation of a better financial future for investors.



4. Impactful business

- Build scale and scalability through brand preference, channel and product breadth and efficient infrastructure.
- Delivering attractive shareholder returns and significant positive outcomes.



Leadership & Innovation: Driving a diverse high-performance environment and culture of innovation

Continued execution against our strategic pillars in the first half FY23

1. Principled investment leadership

Lonsec 'Recommended' rating for all domestic active funds and SMA; High Conviction Fund (incl. ETF) rated for first time.

'Superior' 4 star rating for Balanced Fund by SQM Research

Enhanced asset allocation through greater alternatives exposure post SFT & increased multi-asset capability

Alternatives capability enhanced through 2 new senior investment analysts*

New investment performance analytics capability*

2. Advocates for a better world

Through Climate Action 100+, engaged as lead investor with Boral about pathway to net zero

Engaged the Treasurer and Ministers calling for stronger biodiversity goals and targets at COP15

Escalated engagements with two healthcare companies over concerns over animal research. One has made a commitment to improve.

2022 Visionary Grants program completed in Dec 22 with 230+ EOI's, 12 winners and \$500k granted

3. Compelling client experience

Upgraded the customer experience platform to create a central omni-channel view and analyse qualitative customer feedback at scale

Competitive fee reductions on super and pension offering

Boosted Contact Centre capability to deliver improved member experience*

Auscontact NSW Finalist in the Change, Innovation and Improvements category for Contact Centre insourcing

4. Impactful business

SFT with Christian Super completed growing FUM by \$1.93bn

Customer growth to 110,000+

Expansion of employer platform channel

Adviser channel expansion:

- brand rank climbed 7 places
- 53% increase in advisers with >\$1m netflows[^]

Investment in capability: hire of Chief Technology Officer, Director of Strategic Projects and Chief Executive Superannuation

Capability uplift in Product, Risk, Operations, Distribution, Investment Administration, and Contact Centre*



Leadership & innovation

Continued investment in capability across the business

Employee engagement score: 79%

Continuous improvement in learning & development with the roll out of further leadership training

* Roles filled with Christian Super employees
[^] Period to November 22 vs PCP

A significant strategic milestone achieved with Christian Super SFT

SFT successfully completed on 25 November 2022, accelerating our growth plans, adding scale and bolstering capability

28,000 members and \$1.93bn FUM transferred into AE's super options

Increased scale allowed fee reductions for all members, improving the member experience and increasing competitiveness

Investment portfolio resilience enhanced through greater exposure to alternatives and impact investments

Increased FUM to drive higher revenue, whilst expenses to increase reflecting incremental costs*. The SFT is earnings accretive reflecting the internalisation of the majority of asset management activities



A significant strategic milestone achieved with Christian Super SFT (contd)

Profit uplift will support further investment in member experience enhancements, and accelerate growth and impact

Further synergies expected in the medium term following administration provider integration and realisation of other operating efficiencies - further integration costs expected in FY24

12 Christian Super employees retained, boosting alternatives investment capability, supporting increased volumes, employer channel retention and risk & governance, and underpinning strategic growth plans



Outlook

Committed to further investment to ensure we are well positioned to capture the growth opportunity.

If current market conditions prevail, and growth expectations don't eventuate, however, we will adopt a rigorous approach to expense containment.

Volatile markets expected to continue

having the potential to impact investment performance, net flows and FUM growth

Half on half revenue growth expected

following the increase in FUM as a result of the Christian Super SFT, and expected continued positive net flows

Second half expenses

will reflect the increased expense base following Christian Super SFT, and continued strategic investment, balanced with prudent BAU cost management.

Remain well positioned

to benefit from regulatory, policy, market and investor tailwinds, with our high quality capability, strong balance sheet, our enhanced business platform and our deep ethical pedigree

Operating leverage expected

to emerge towards end FY24 as we target revenue >\$100m, subject to stabilization of markets

FUM at 31 January reached \$8.68bn

up 4% from 31 December 2022

Appendices



UPAT reconciliation

Key financials (\$'000)	1HFY2023	1HFY2022	Decrease %
Net profit after tax – statutory	997	5,506	(82%)
Add: Net Loss attributable to The Foundation	(36)	(82)	
Net profit after tax attributable to shareholders	961	5,424	(82%)
SFT integration costs	1,999	-	
Fair value movement in investment in Sentient	2,600	-	
Tax on above adjustments	(600)	-	
Underlying profit after tax (UPAT) attributable to shareholders	4,960	5,424	(9%)



Balanced Accumulation Option (MySuper)

Has met 10 year objective of CPI +3.5%

Recent relative performance impacted by lack of exposure to fossil fuels and commodities.

Has outperformed Benchmark over 5, 7 and 10 years.

	6 mths	1Y	3Y (%pa)	5Y (%pa)	7Y (%pa)	10Y (%pa)	20Y (%pa)	Since inception (%pa)*
Absolute Performance ~	2.3%	(8.9%)	3.5%	5.4%	5.9%	7.1%	5.9%	6.1%
Performance gross of member fee	2.4%	(8.7%)	3.6%	5.5%	6.0%	7.2%	5.9%	6.1%
Benchmark#	2.9%	(4.7%)	3.7%	4.8%	5.5%	6.0%	5.4%	4.9%
Relative Performance**	(0.5%)	(4.0%)	(0.1%)	0.7%	0.5%	1.2%	0.5%	1.2%

~ After all fees, assuming average \$50k member balance. Performance calculated in accordance with FSC standard 6 and standard 10, and is as at 31 December 2022

* Inception Date: 31/12/1998

Benchmark changed from Morningstar Multisector Growth - Superannuation to SuperRatings SR50 Balanced (60-76) Index from 1 Dec 2019.

** Relative performance variances are due to rounding

Past performance is not a reliable indicator of future performance



Australian Shares Fund

Recent relative performance impacted by underweight allocation to resources, and investments in smaller capitalisation companies.

Has outperformed Benchmark over 5 and 10 year periods.

	6 mths	1Y	3Y (%pa)	5Y (%pa)	7Y (%pa)	10Y (%pa)	20Y (%pa)	Since inception (%pa)
Retail*	5.2%	(17.6%)	4.1%	6.6%	7.1%	10.2%	10.1%	9.5%
Benchmark^^	9.6%	(1.8%)	5.5%	6.1%	7.4%	8.8%	7.9%	7.2%
Relative Performance	(4.4%)	(15.8%)	(1.4%)	0.5%	(0.4%)	1.4%	2.2%	2.3%
S&P/ASX Small Industrials Accum Index	5.5%	(21.8%)	(2.0%)	1.9%	4.4%	6.6%	6.8%	6.4%
Relative Performance	(0.3%)	4.2%	6.1%	4.7%	2.7%	3.6%	3.3%	3.1%
Wholesale^	5.5%	(17.1%)	4.9%	7.5%	8.2%	11.5%	n/a	12.4%
Benchmark^^	9.6%	(1.8%)	5.5%	6.1%	7.4%	8.8%	n/a	9.6%
Relative Performance	(4.1%)	(15.3%)	(0.6%)	1.4%	0.7%	2.8%	n/a	2.8%
S&P/ASX Small Industrials Accum Index	5.5%	(21.8%)	(2.0%)	1.9%	4.4%	6.6%	n/a	7.5%
Relative Performance	0.0%	4.7%	6.9%	5.7%	3.8%	5.0%	n/a	4.8%

Table reflects performance after fees for the Australian Shares Fund. Performance calculated in accordance with FSC standard 6 and standard 10, and is as at 31 December 2022

* Inception Date (Retail): 19/09/1994. ^ Inception Date (Wholesale): 23/01/2012

^^ Benchmark is composite S&P/ASX Small Industrials Accumulations Index till 12 August 2019 & S&P/ASX 300 Accumulation Index thereafter

Past performance is not a reliable indicator of future performance



Emerging Companies Fund

Recent relative performance impacted by information technology exposures.

Has outperformed Benchmark over 3, 5 and 7 years.

	6 mths	1Y	3Y (%pa)	5Y (%pa)	7Y (%pa)	Since inception (%pa)
Retail*	3.8%	(25.8%)	4.7%	10.1%	10.3%	11.8%
Benchmark^	5.5%	(21.8%)	(2.0%)	1.9%	4.4%	5.7%
Relative Performance	(1.8%)	(4.0%)	6.6%	8.2%	5.9%	6.2%
Wholesale*	4.0%	(25.4%)	5.2%	10.7%	11.0%	12.5%
Benchmark^	5.5%	(21.8%)	(2.0%)	1.9%	4.4%	5.7%
Relative Performance	(1.5%)	(3.7%)	7.2%	8.9%	6.6%	6.9%

Table reflects performance after all fees (including performance fees) for the Emerging Companies Fund. Performance calculated in accordance with FSC standard 6 and standard 10, and is as at 31 December 2022.

^ Benchmark is S&P/ASX Small Industrials Accum Index

* Inception Date: 30/06/2015

Past performance is not a reliable indicator of future performance



High Conviction Fund

Recent relative performance impacted by underweight allocation to resources

	1 mth	3 mths	6 mths	1Y (%pa)	Since inception* (%pa)
High Conviction Fund	(2.0%)	4.6%	2.0%	(6.5%)	(6.6%)
Benchmark^	(3.3%)	9.1%	9.6%	(1.8%)	0.3%
Relative Performance	1.3%	(4.5%)	(7.7%)	(4.7%)	(6.9%)
S&P/ASX 300 Industrials Accum Index	(4.0%)	7.2%	6.8%	(8.0%)	(6.1%)
Relative Performance	2.0%	(2.6%)	(4.8%)	1.5%	(0.5%)

Table reflects performance after all fees (including performance fees) for the High Conviction Fund.

^ Benchmark is S&P/ASX 300 Accum Index

Performance calculated in accordance with FSC standard 6 and standard 10, and is as at 31 December 2022.

* Inception Date: 1 October 2021

Past performance is not a reliable indicator of future performance

Footnotes

1. 2022 Investment Trends Adviser product and marketing needs report
2. Top quartile Australian Financial Services Benchmark (Culture Amp)
3. 4th fastest growing super fund for FY22 relative to size, based on FY22 APRA statistics. Calculated by dividing net inflows by FUM – Investment Magazine, 18 January 2023
4. Carbon intensity (measured as tonnes CO2e per \$ revenue) of Australia Ethical share investments compared to a blended benchmark of S&P ASX 200 Index (for Australian and NZ shareholdings) and MSCI World ex Australia Index (for international shareholdings). Comparisons based on shareholdings at 30 June 2022 and analysis tools provided by external sources which cover 88% of the listed companies we hold shares in by value.
5. We don't invest in companies whose main business is fossil fuels, or in diversified companies that earn some fossil fuel revenue and aren't creating positive impact with their other activities. We may invest in a diversified company which is having a positive impact in other ways such as producing renewable energy, providing its negative revenue is sufficiently low (a maximum of 5% to 33% depending on the activity).
6. We have never invested in tobacco and support Tobacco Free Portfolios. For more information on our Ethical Criteria, visit: australianethical.com.au/why-ae/ethics/ethical-criteria
7. Revenue from impact solutions compared to a blended benchmark of S&P ASX 200 Index (for Australian and NZ shareholdings) and MSCI World ex Australia Index (for international shareholdings). Comparisons based on shareholdings at 30 June 2022 and analysis tools provided by external sources which cover 88% of the listed companies we hold shares in by value.
8. Proportion of our share investments in renewables and energy solutions compared to the blended benchmark of S&P ASX 200 Index (for Australian and NZ shareholdings) and MSCI World ex Australia Index (for international shareholdings). Comparisons based on shareholdings at 30 June 2022 and analysis tools provided by external sources which cover 88% of the listed companies we hold shares in by value.
9. Total includes lending our voice to support others' initiatives, engaging with companies, the investment community or government directly (on our own or with others), and filing and voting on shareholder resolutions. Represents 1H23 activity.
10. Before deducting bonus and grant expense
11. Annual grantee acquittal reporting



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