

Australian
Ethical



Australian Ethical Investment Ltd FY23 Results

John McMurdo (Managing Director & CEO) and Mark Simons (CFO) | 25 August 2023



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Overview & highlights

01



Overview

Our authenticity

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

Scaling business

We have been scaling our business to capture this growth opportunity and be a recognised global role model for responsible investing.

Low carbon future

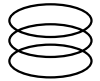
The structural drivers for a more sustainable, low carbon future have never been stronger, with our potential addressable market growing significantly[^]

Same principles

Despite challenging market conditions, we remain firmly focused on our key principles, as we have done since 1986.

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.
- To deliver more impact per dollar invested and attractive shareholder returns.



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

FY23 results

Consistent and disciplined strategic execution
is yielding strong results

- Strong FUM & customer growth
- Diversification of channels & products, driving a more resilient business
- Solid investment performance despite challenging market conditions
- Full year profit at upper end of guidance range

* NPAT attributable to shareholders. Includes SFT integration costs and Sentient fair value adjustment
~ excluding \$3.7m SFT integration costs & \$2.6m fair value adjustment

Note: All financial results and metrics in this pack relate to 12 months ended 30 June 2023 with comparatives relating to 12 months ended 30 June 2022.

+48%

FUM growth

+54%

Customer growth

+15%

Revenue growth to \$81.1m

+15%

UPAT increase to \$11.8m

\$6.6m*

NPAT, down 31%

\$64.2m

expenses, up 15%~

\$0.61bn

investment performance

FY23 results

- Strategy delivering strong momentum into FY24
- Strong second half revenue and profit uplift
- Operating leverage emerging following Christian Super SFT

+\$3bn

FUM growth

\$9.2bn

Record FUM

+22%

2H revenue
increase

+38%

2H UPAT
increase

\$92m

revenue run rate
at 30 June 2023

5c final dividend

7c total dividend, up 17%

FY23 operational highlights

+54% growth in customers to >127,000	Progressed M&A strategy with Christian Super SFT +28,000 members +\$1.93bn FUM	\$0.47bn positive organic net flows*	Top 10 NPS for super; #4 for customer advocacy^	70% employee engagement score
	Reached milestones of \$9bn total FUM \$7bn in super FUM	\$0.65bn* positive organic net flows (excl. institutional)		Increase in prompted brand recognition
		\$0.60bn Positive organic super net flows		Multiple awards and accolades continue

* Excludes Christian Super FUM uplift of \$1.93bn
^ Investment Trends Super Member Engagement Report 2023. Independent research with 25 major super funds

We continue to gain recognition for our ethical investment leadership



SuperRatings GOLD 2023, MySuper, MyChoice & Pension



Green Superannuation Fund of the Year 2020-2023



Highest Honours ESG Commitment Level, achieved by only eight asset managers covered globally^



Productreview.com.au Best Retail Super Fund



Responsible Investment Leader (2019-2022)



Largest Sustainable FUM Market Share (June 2023)~



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



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



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

^ <https://www.morningstar.co.uk/uk/news/230536/just-how-devoted-is-your-fund-manager-to-esg.aspx> 94 asset managers covered
~Global Sustainable Fund Flows: Q2 2023 in Review", Morningstar Manager Research, July 2023.

*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.

References to 'Wholesale' funds indicate the class of pricing above a minimum investment threshold, which varies by fund.

Our ethical pedigree is embedded in our business

Australian Ethical Foundation

10% of AEI profits are allocated to not-for-profit organisations annually



Australia's first publicly listed B Corp. Highest scoring Certified B Corporation in Australia & Aotearoa NZ as at 13 July 2023



Tobacco Free Finance Pledge Signatory since 2018



Net zero ambitions

Through our investments and stewardship we are working toward a 1.5 degree world



Ethical procurement

Ensuring suppliers meet our guidelines – raising awareness & mitigating modern slavery in our supply chain



Reconciliation Action Plan

Formally submitted and approved by Reconciliation Australia



Employee volunteering

With values-aligned organisations



Memberships

- Responsible Investment Association Australia
- Global Impact Investing Network (GIIN)
- Investor Council of GIIN
- Principles for Responsible Investment
- Investor Group on Climate Change



Sustainability highlights – Investment portfolio

78%

lower CO₂ intensity*
in listed companies in our share portfolio,
compared to benchmark

2.4x

revenue from
sustainable impact
solutions^

4.3x

revenue from
sustainable water &
agriculture and pollution
prevention^

4.1x

investment in
renewables and
energy solutions^

Our rigorous investment restrictions continue to evolve to develop an ethical investment universe of companies aligned with a better future for people, animals and the planet.

* Carbon/CO₂ intensity of companies whose shares we invest in measured as tonnes CO₂e per \$ revenue. Benchmark is a blended benchmark of S&P ASX200 Index (for Australian and NZ shareholdings) and MSCI World ex Australia Index (for international shareholdings). Based on shareholdings at 30 June 2023 and analysis tools provided by external sources which cover 92% of the listed companies we hold shares in by value.

^ Based on the revenue from sustainable impact solutions earned by companies whose shares we invest in, and the proportion of our share investments in renewables and energy solutions. Compared to a blended benchmark of S&P ASX200 Index (for Australian and NZ shareholdings) and MSCI World ex Australia Index (for international shareholdings). Sustainable impact solutions are defined by MSCI as products or services with positive impact on the society and the environment. Based on shareholdings at 30 June 2023 and analysis tools provided by external sources which cover 92% of the listed companies we hold shares in by value. More information on Sustainable Impact Metrics available at https://www.msci.com/documents/1296102/16472518/ESG_ImpactMetrics-cfs-en.pdf/7a03ddab-46fd-cef7-5211-c07ab992d17b.

Sustainability highlights – Ethical stewardship

In-depth multi-year engagements

To have influence and impact beyond our invested capital, we continue to use our voice and position to advocate for the changes needed for the sustainable and equitable future we are striving for.

250+ engagements for people, planet & animals*

Over **65** proactive engagements[^], of these **~25%** committed to or made a positive change this year.
4 engagements resulted in divestment^{^^}

Lendlease divestment

Public divestment from Lendlease after years of engagement over safeguarding Koala corridors

Strategic areas of focus



Turning off finance for expansion of fossil fuels



Stopping livestock driven deforestation in Australia



Reducing building sector emissions



Advancing alternatives to animal research

* We count one engagement where we engaged with a company on a topic or series of topics. There may be multiple activities within that engagement. For example, our engagement with Westpac is counted as one engagement which included meetings, emails and co-filing a shareholder resolution. We may count two engagements with a company if there were separate activities on entirely separate topics. For example, we had one engagement with CBA in relation to its fossil fuel exposure and a separate meeting with CBA to discuss its exposure to deforestation in Australia.

[^] Our 'proactive' engagement count includes where we engaged directly with a company, government or other entity, actively contributed to collective engagements (as distinct from simply 'signing on'), used a nominal advocacy holding to support shareholder resolutions, or co-filed a resolution.

^{^^} Not including companies excluded from initial investment

Our Foundation supports charities combatting climate change

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

\$1.1m

provisioned
in FY23

\$9m+

allocated to
not-for-profits
in total[^]

10%

of AEI profits allocated
to not-for-profit
organisations*

[^] includes grants to not-for-profits made by AEI prior to the Foundation's inception

* Before deducting bonus and grant expense



With Foundation grants distributed through two funding streams

Strategic grants

\$1m+^{*}

directed to effective, proven climate mitigation strategies which:

- Stop sources of carbon pollution
- Support carbon sinks
- Educate and empower women and girls

^{*} Utilising funding provisioned in FY22

Visionary grants

\$500k^{*}

provided to innovative projects fighting climate change

^{*} Utilising funding provisioned in FY22

Some of the projects funded ^

[^] Annual grantee acquittal reporting



Solar Citizens

Driving the uptake of electric vehicles across Australia



Grata Fund

Fighting for First Nation's climate justice



The Fistula Foundation

189 women's lives restored from obstetric fistula by surgery



Accounting for Nature

Protecting our native environment and cultural heritage

And our success is underpinned by our people



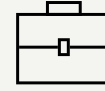
Purpose-driven, high performance culture

Attracts top talent and is led from the top



Gender diversity

50% female representation on executive leadership team, 67% on the board



Investment in capability

Increased FTE from 99 to 118 during the year



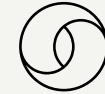
Investment in leadership

80% of employees have participated in our resident leadership program



Inclusive culture

Supporting diversity across race, religion and backgrounds; buddy system for new starters



Hybrid working

Staying connected and effective through flexible ways of working



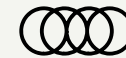
Flexible public holiday leave

Demonstrating our commitment to diversity, equity and inclusion



Mental health initiatives

Mental Health First aid training, encouraged use of EAP, generous wellbeing leave



Collaboration

Weekly company-wide gathering, dedicated employee engagement representatives

Financial Results

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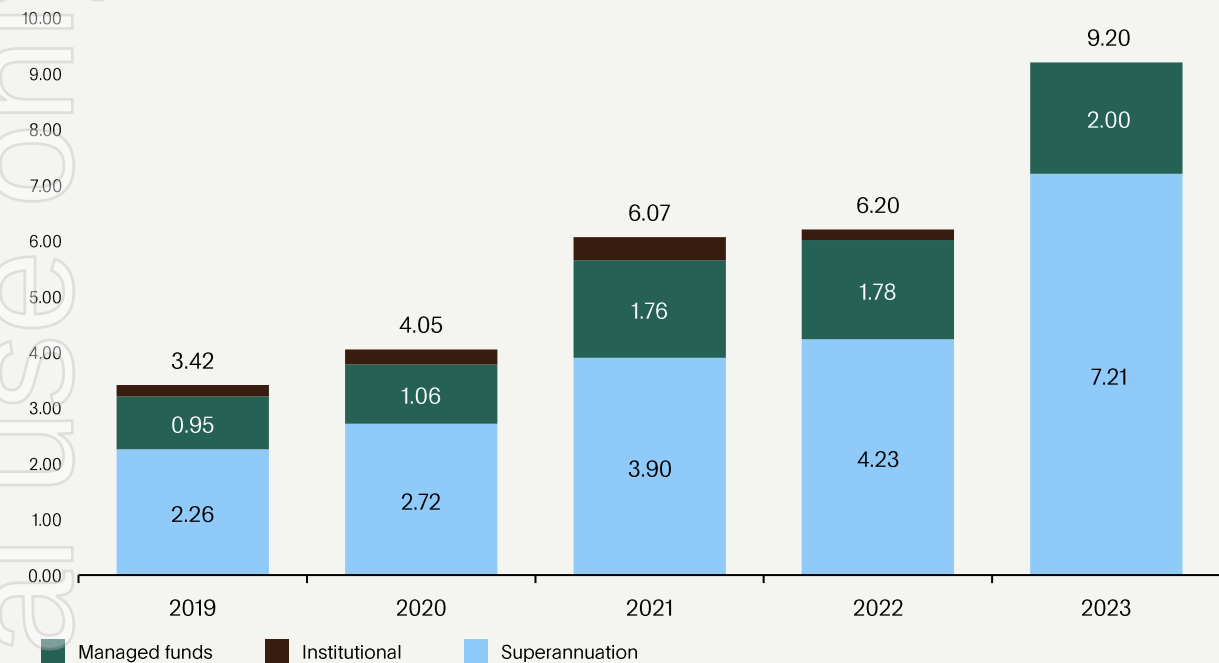
02



Despite challenging markets, FUM grew a record \$3bn to \$9.2bn, up 48%

FUM (\$bn)

As at 30 June of each year



* Includes SMA, excludes Institutional

Funds under management (\$bn)	FY2023	FY2022	Change (YoY)^
Opening FUM	6.20	6.07	
Super net flows	0.60	0.75	
Managed Funds net flows*	0.04	0.39	
Net flows excluding Institutional	0.65	1.14	
Institutional net flows	(0.18)	(0.20)	
Total net flows	0.47	0.94	
Investment Performance (net of fees & distributions)	0.61	(0.81)	
Christian Super SFT	1.93	-	
Closing FUM	9.20	6.20	48%
Average FUM	7.73	6.58	17%

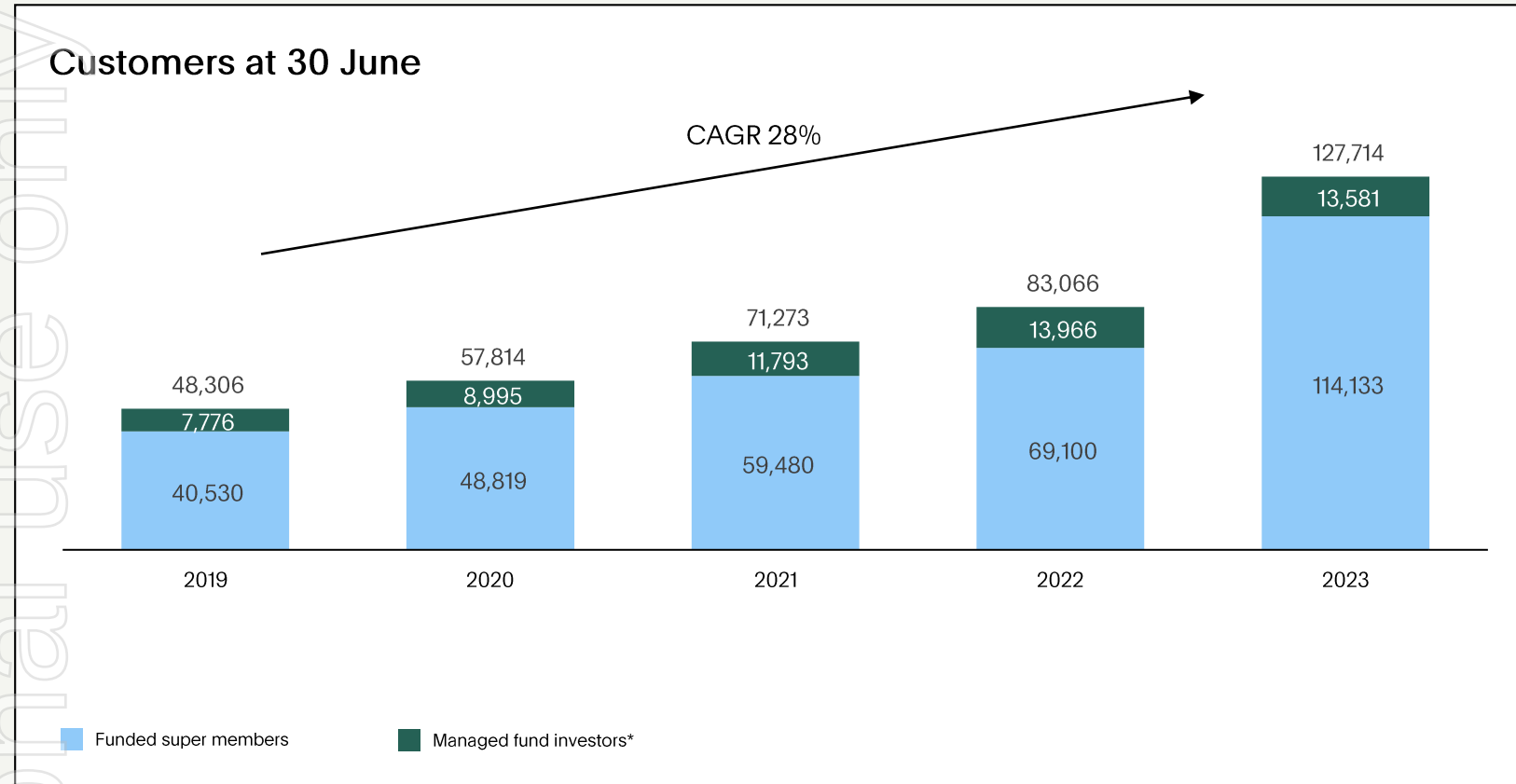
^ Percentage changes reflect movement in non-rounded, precise figures

Variances in totals due to rounding

Customer numbers increased 54% driven by both organic and inorganic growth

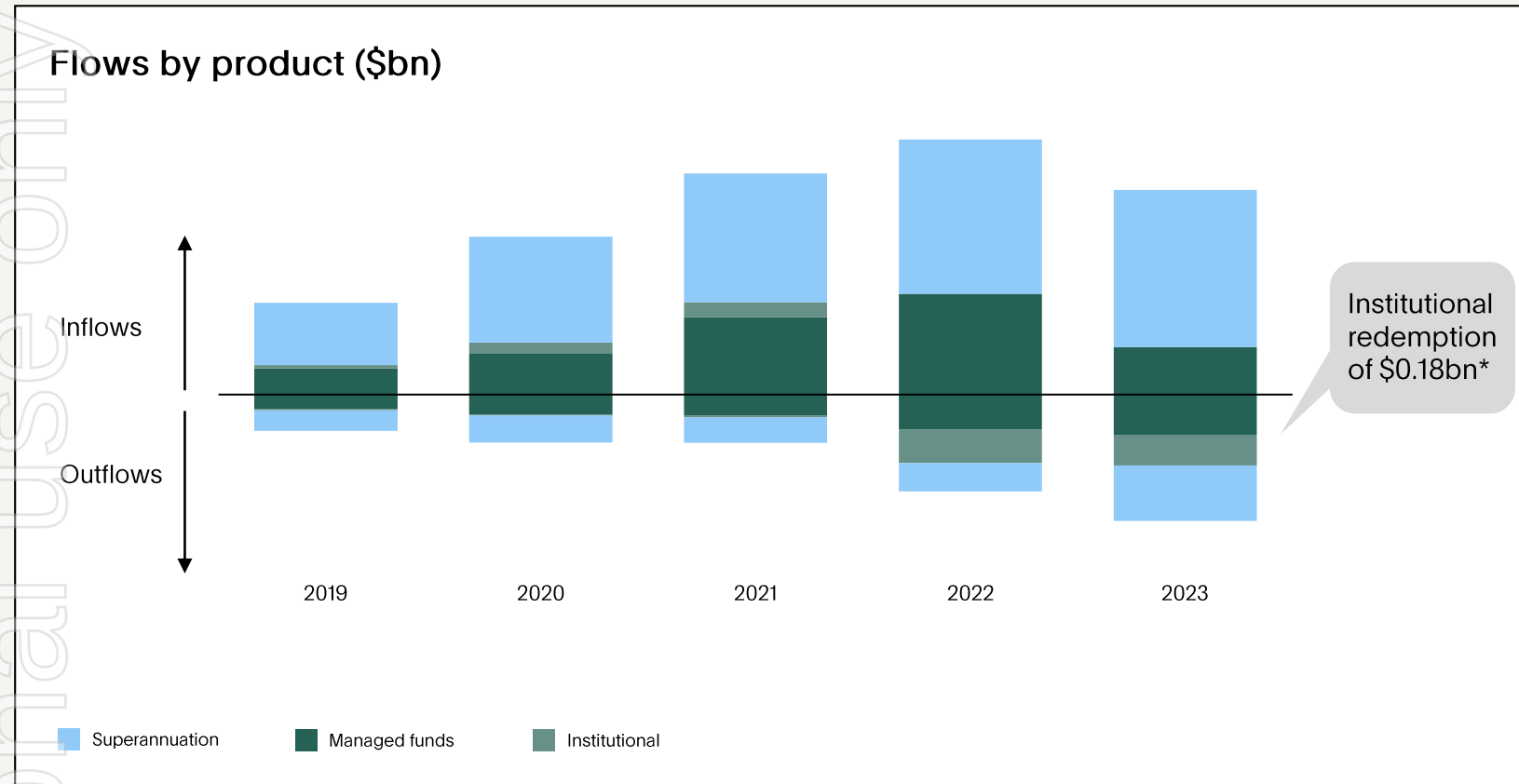
Key themes

- Customer numbers grew 54% boosted by Christian Super SFT, and growth in organic channels
- Super members grew 65% to >114,000, boosted by the acquisition of 28,000 Christian Super members
- Organic growth in super members was a strong 27%
- Volatile market conditions have suppressed short term managed fund customer growth, although FUM increased year on year



* Each platform is regarded as one investor (we have 23 platform accounts)
Note: Super members may also be Managed Fund investors.

And positive net flows continue despite challenging markets



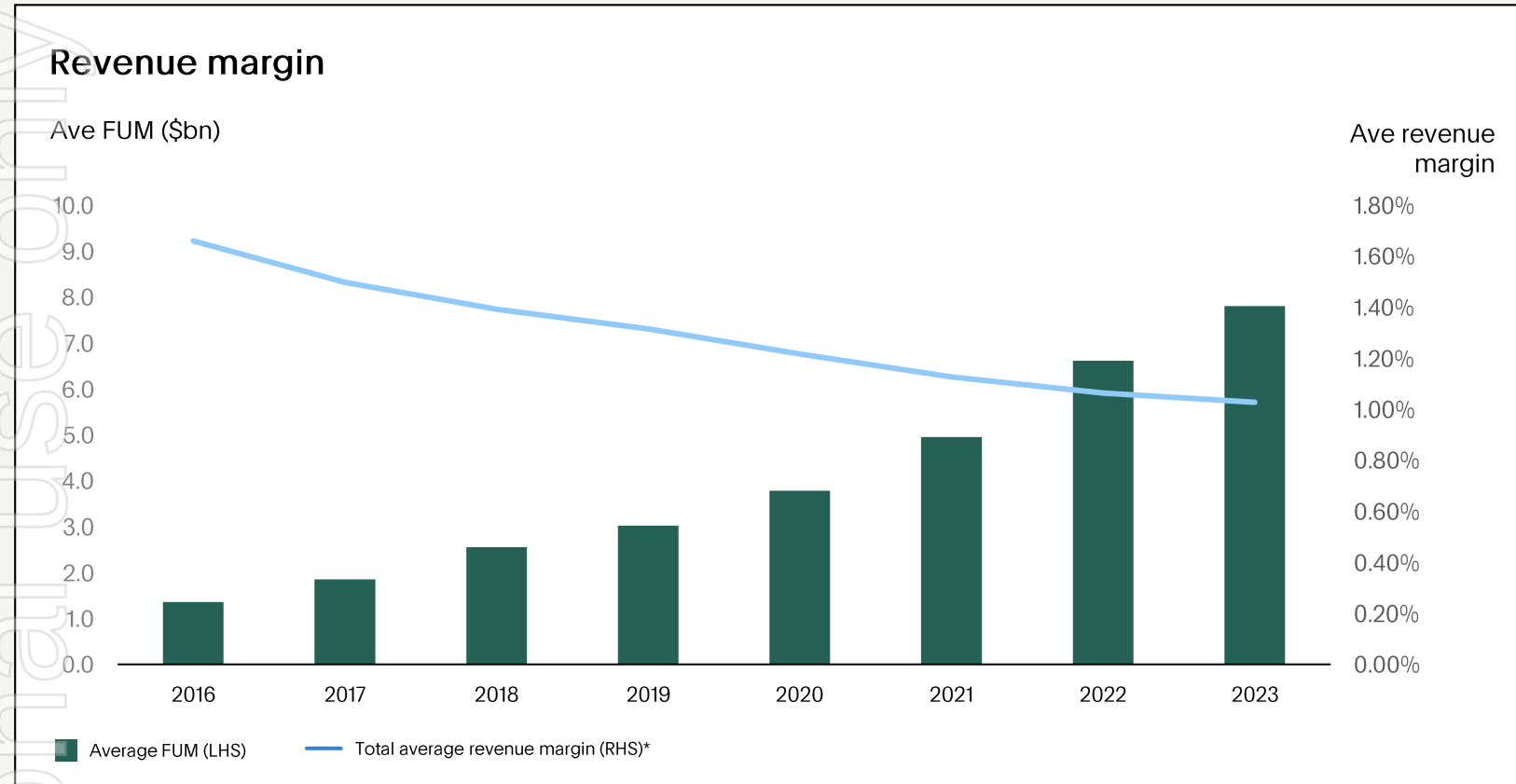
Note: Managed funds includes SMA.
Netflows exclude \$1.93bn FUM transferred from Christian Super SFT

Key themes

- Positive organic net flows of \$0.47bn in a challenging market
- Excluding the institutional redemption, net flows were \$0.65bn with majority from Super (\$0.60bn)
- Super net flows more resilient in volatile markets, demonstrating the benefit of our diversified business
- Record SG contributions of \$0.45bn, up 60%

* As previously reported, 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

Increased scale has enabled further fee reductions in line with fee strategy

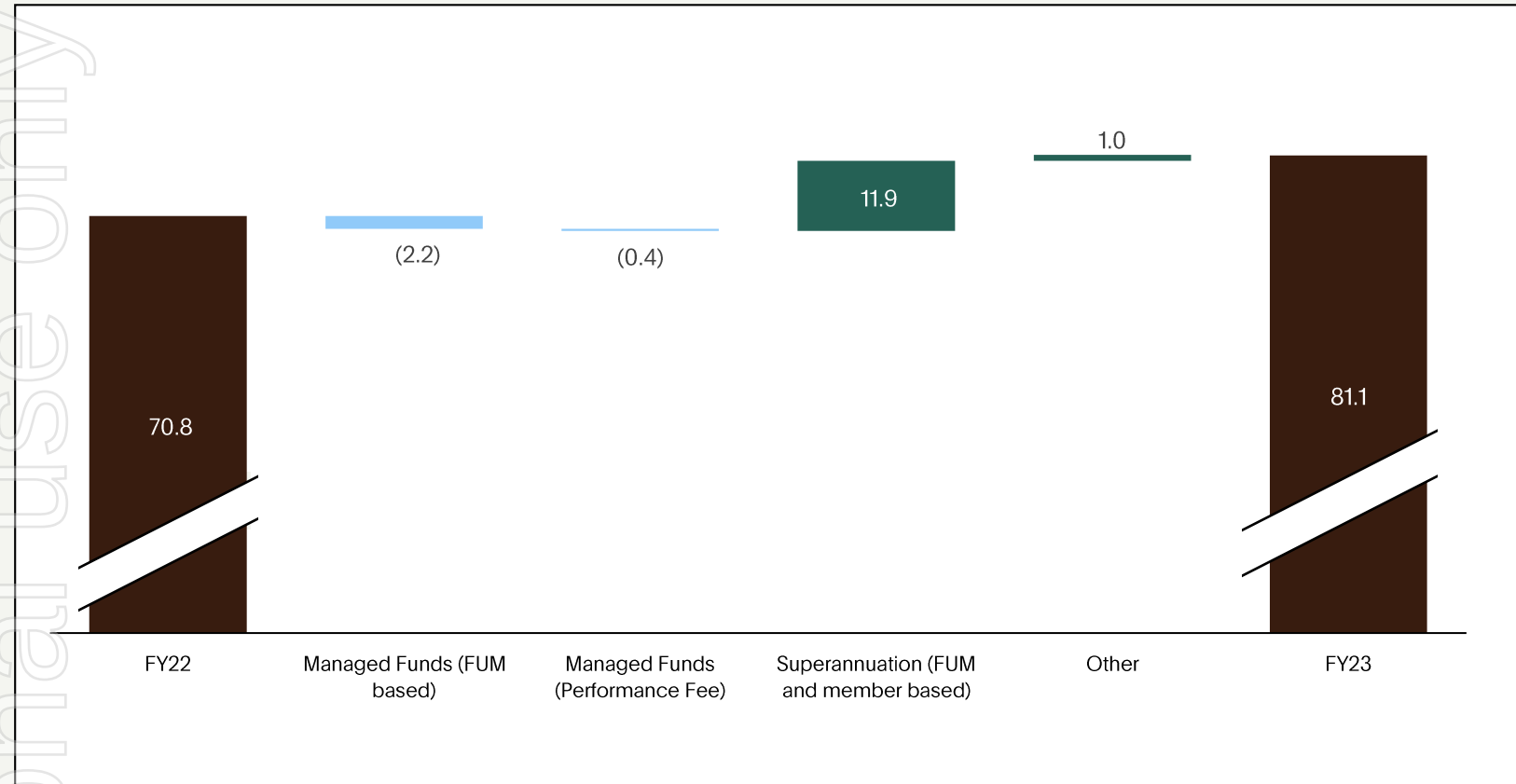


* Average revenue margin calculated on total revenue (both FUM based and member based fees) excluding performance fee, as a percentage of average annual FUM

Key themes

- Improved competitiveness of product offering through further fee reductions to share the benefits of scale
- Average revenue margin of 1.03% in FY23* down from 1.06% in FY22, with revenue margin of 1.00% as at 30 June 2023
- 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

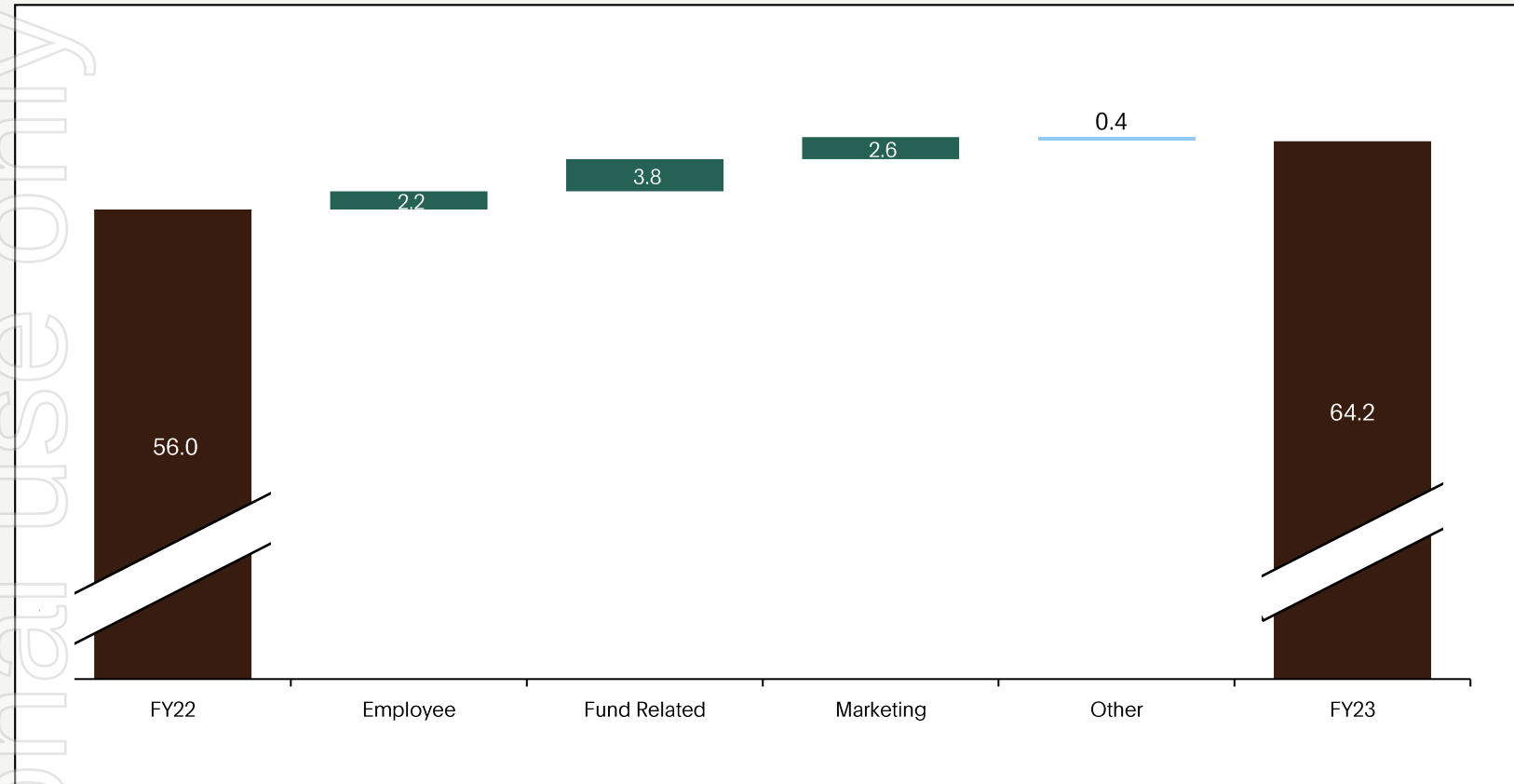
Operating revenue increased 15% to \$81.1m



Key themes

- Solid operating revenue growth despite challenging markets and fee reductions
- 2H revenue up 22% compared to 1H, driven by the full impact of the SFT, higher investment performance and positive net flows.
- \$92m annual revenue run rate at end June 2023
- Average super FUM grew 36%, driving the majority of the revenue growth
- Average managed funds FUM fell 17% mostly due to the institutional redemption
- No performance fee in FY23 as ECF and HCF were below benchmark for the 1 year

And expense growth reflects disciplined investment in the business



* Excluding SFT integration costs of \$3.7m and fair value adjustment in Sentient investment of \$2.6m
FY22 expenses of \$56m exclude M&A due diligence and transaction costs of \$1m

Key themes

Expenses* increased 15%, with key drivers being:

- Investment in capability drove higher employee costs (~25% of the increase) delivering:
 - strengthened leadership across the business
 - uplift in investment team capability

Remuneration increases also contributed to the increase

- Higher customer numbers and FUM drove increased fund related expenses (~50% of the increase), partially offset by threshold cost reductions
- Growth in marketing costs (~30% of the increase) delivered continued uplift in brand awareness and expansion of distribution channels

These increases were offset by careful BAU cost management.

Following the SFT, further synergies are expected in the medium term as third-party providers are integrated and other operating efficiencies are implemented.

FY23 Financial Results

UPAT up 15% and total dividend up 17%

Key financials (\$'000)	FY2023	FY2022	Change (YoY)
Operating Revenue	81,096	70,409	15%
Performance fee	-	375	
Total Revenue	81,096	70,784	15%
Total expenses (excluding SFT integration costs, and due diligence & transaction costs)	(64,181)	(56,028)	15%
Due diligence & transaction costs		(982)	
SFT integration costs	(3,733)	-	
Total expenses	(67,914)	(57,010)	19%
Change in fair value of investment in Sentient	(2,600)		
Profit before income tax expense	10,582	13,774	(23%)
Income tax expense	(4,006)	(4,263)	(6%)
Net profit after tax – statutory	6,576	9,511	(31%)
Less Net profit /Add Net loss attributable to The Foundation	-	86	
Net profit after tax attributable to shareholders	6,576	9,597	(31%)
Underlying profit after tax (UPAT) attributable to shareholders	11,789	10,284	15%
Underlying profit after tax (UPAT) attributable to shareholders pre performance fee	11,789	10,044	17%
Diluted earnings per share on NPAT – attributable to shareholders	5.84 cents	8.55 cents	
Diluted earnings per share on UPAT– attributable to shareholders	10.46 cents	9.16 cents	
Dividend per share	7.0 cents	6.0 cents	17%

Above may include variances due to rounding

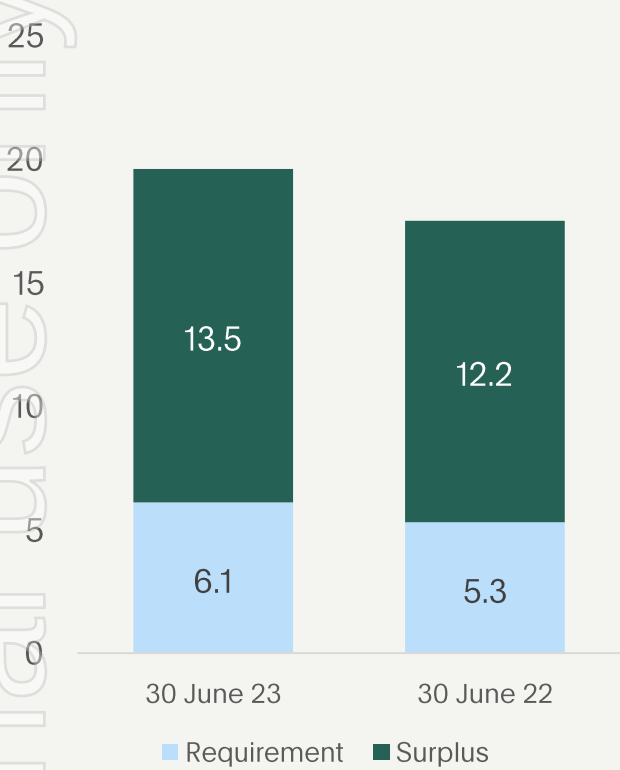
Key themes

- Revenue growth of 15% driven by strong customer and FUM growth, offset by fee reductions
- No performance fees in FY23 as HCF and ECF below benchmark for FY23
- UPAT up 15% and up 17% pre-performance fees
- Expenses reflect disciplined investment in the business, increasing 15%
- UPAT adjustments reflect:
 - integration costs on Christian Super SFT
 - writedown in Sentient investment to reflect fair value
- Second half UPAT increased 38% compared to 1H23
- Operating leverage emerging in second half with a 2H CTI of 78%.
- Final dividend of 5c, bringing total dividend to 7c. Payable on 21 September 2023
- Refer Appendix 2 for UPAT reconciliation

We retain a strong capital position with no debt

With \$13.5m surplus above regulatory capital

Net Tangible Assets** (\$m)



\$m	FY2023	FY2022
Cash & term deposits*	32.1	26.7
Surplus above regulatory capital**	13.5	12.2
Net cash from operating activities	16.2	16.2
Cashflow conversion %^	>100%	>100%
Debt	0	0
Net Assets*	26.3	24.2
Net Tangible Assets	19.6	17.5

Key themes

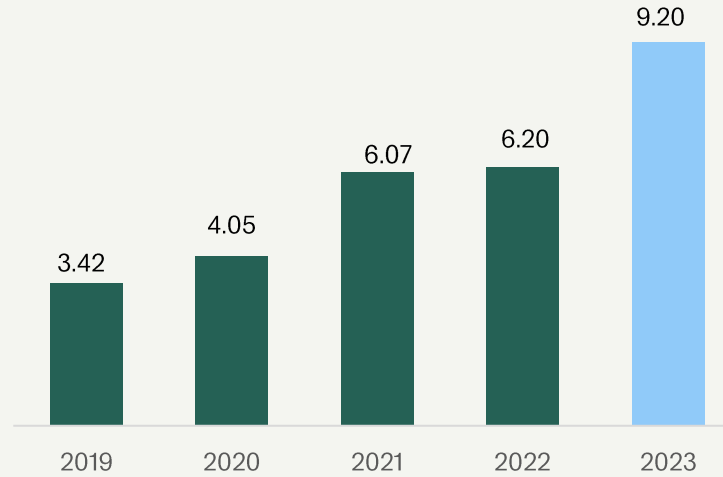
- Strong balance sheet with no debt
- Strong cash position
- Minimum regulatory capital requirement of \$6.1m at 30 June 2023
- Parent holds a surplus above regulatory capital of \$13.5m (pre-dividend)
- Reserves over regulatory requirements retained to fund potential future inorganic opportunities

* Excluding Foundation
**Relates to AEI Parent entity which holds AFSL
^ Based on EBITDA excl performance fee

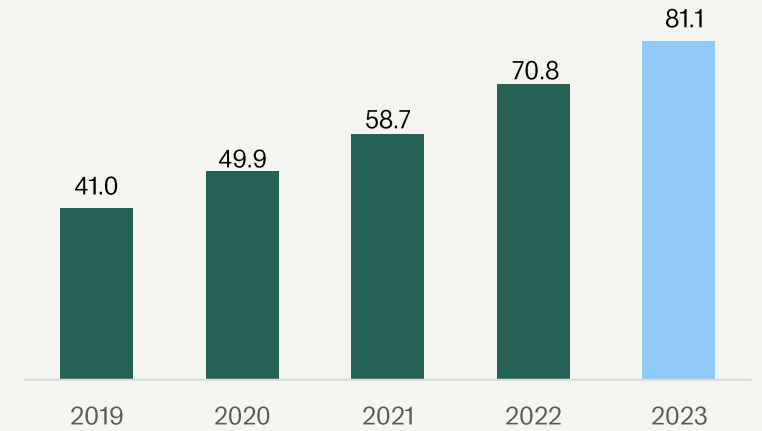


Key financials

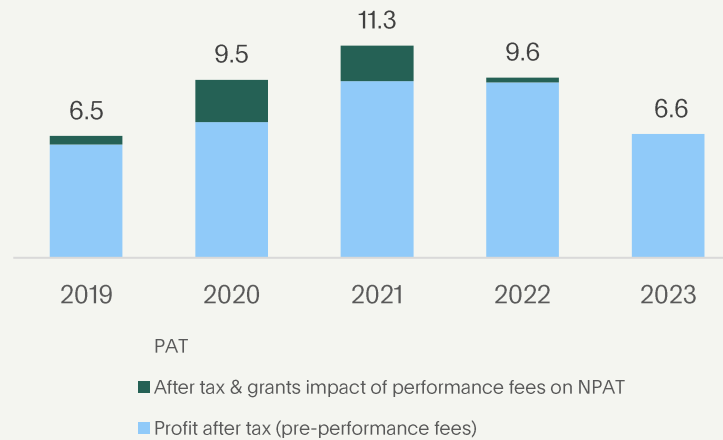
Funds under management (\$bn)



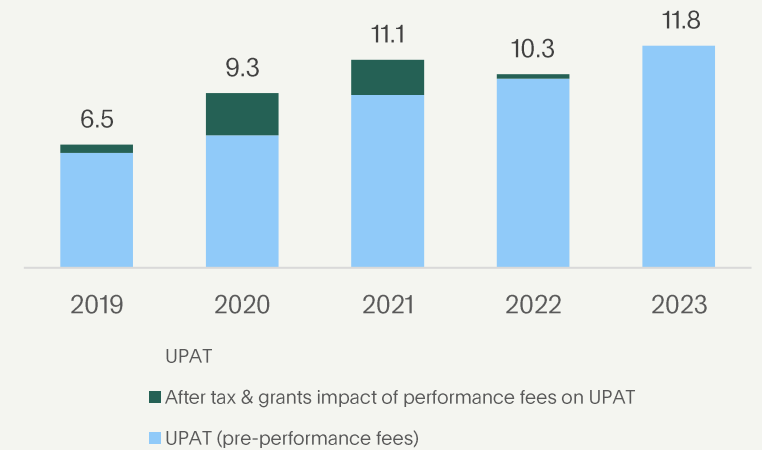
Operating Revenue (\$m)



Statutory Profit after tax* (\$m)



Underlying profit after tax* (\$m)



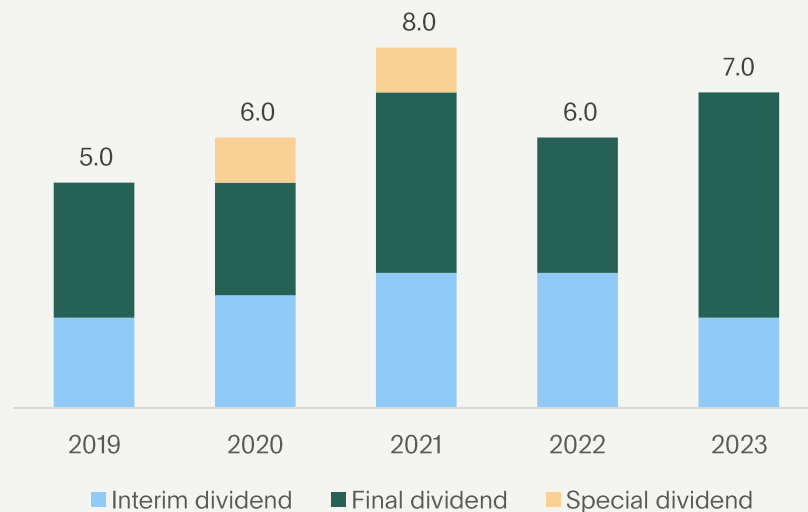
* Attributable to shareholders



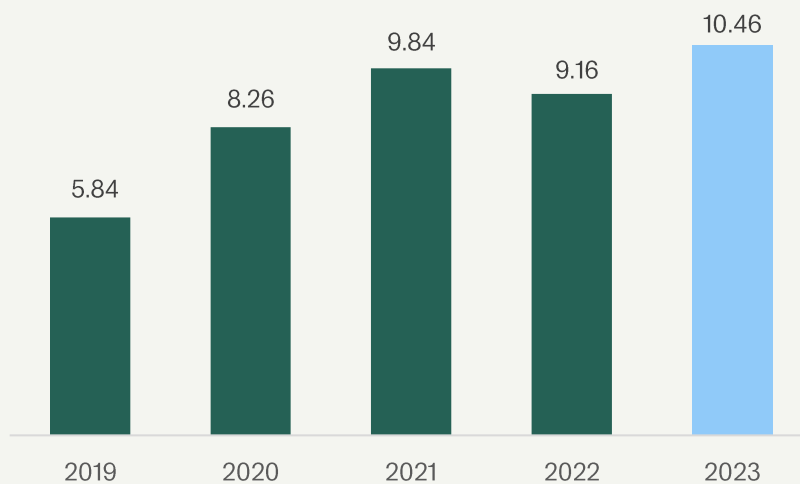
Key metrics

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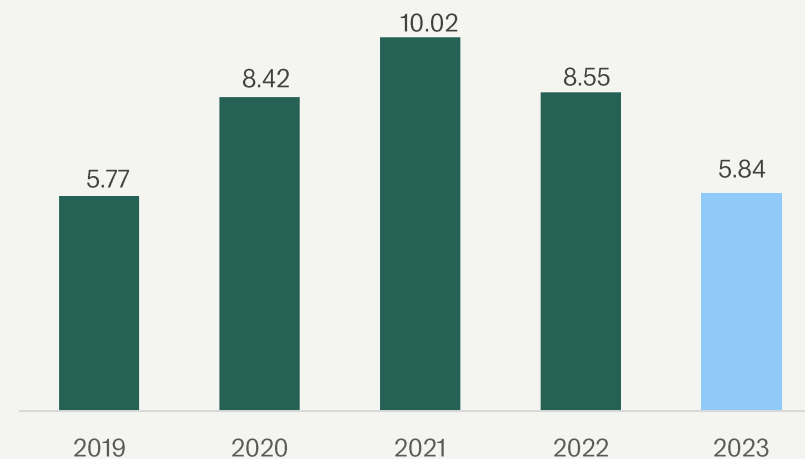
Dividends (cps)



Diluted earnings per share* (UPAT) (cps)



Diluted earnings per share* (NPAT) (cps)



*Based on NPAT /UPAT attributable to shareholders

Business update

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04



Strong execution against strategy is delivering pleasing results....

1. Principled investment leadership

New CIO with important alternatives & international asset class expertise

New Head of Impact & Ethics role to further positive investment outcomes

Solid fund ratings & investment performance despite challenging environment

Internalised strategic asset allocation process & increased diversification with greater impact & alternatives exposure

Uplift in alternatives, fixed income & equities skillsets

2. Advocates for a better world

250+ focused engagements for people, animals & the planet

First Stewardship Report delivered as part of Sustainability Report

Public divestment from Lendlease after years of engagement over safeguarding Koala corridors

2022 Visionary Grants program granted \$500k to 12 winners

3. Compelling client experience

Strengthened leadership: new Chief Executive, Super & new Chief Technology Officer roles

Competitive fee reductions[^]

Improved member experience through Contact Centre capability uplift

Delivering synergies post SFT with GROW selected as future Super Administrator

Top 10 NPS for Super members^{*}

4. Impactful business

FUM up 48% to \$9.2bn

Customer numbers up 54% to > 127,000

Role model for Profit with Purpose - new record BCorp score

Uplift in brand familiarity

Adviser channel expansion:

- >50 APL additions
- Brand profile rank up 23 places in 2 years^{^^}

Multiple awards

+

Leadership & innovation

Strong gender diversity in Executive Team and Board

Capability uplift across the business

Employee engagement score: 70%

80% of employees have completed our residential leadership program

Effective hybrid working embedded

^{*} Investment Trends Superannuation engagement report 2023

[^] Super and Pension products

^{^^} 2022 Investment Trends Adviser Product and Marketing Needs Report

Outlook

Positive momentum to continue through FY24 as we target \$100m annualised revenue run rate by end FY24 (*subject to market conditions*)

Medium term market opportunity remains compelling

however uncertain markets expected to continue

Larger scale

will allow solid profit growth and operating leverage in FY24

Disciplined strategic execution to continue

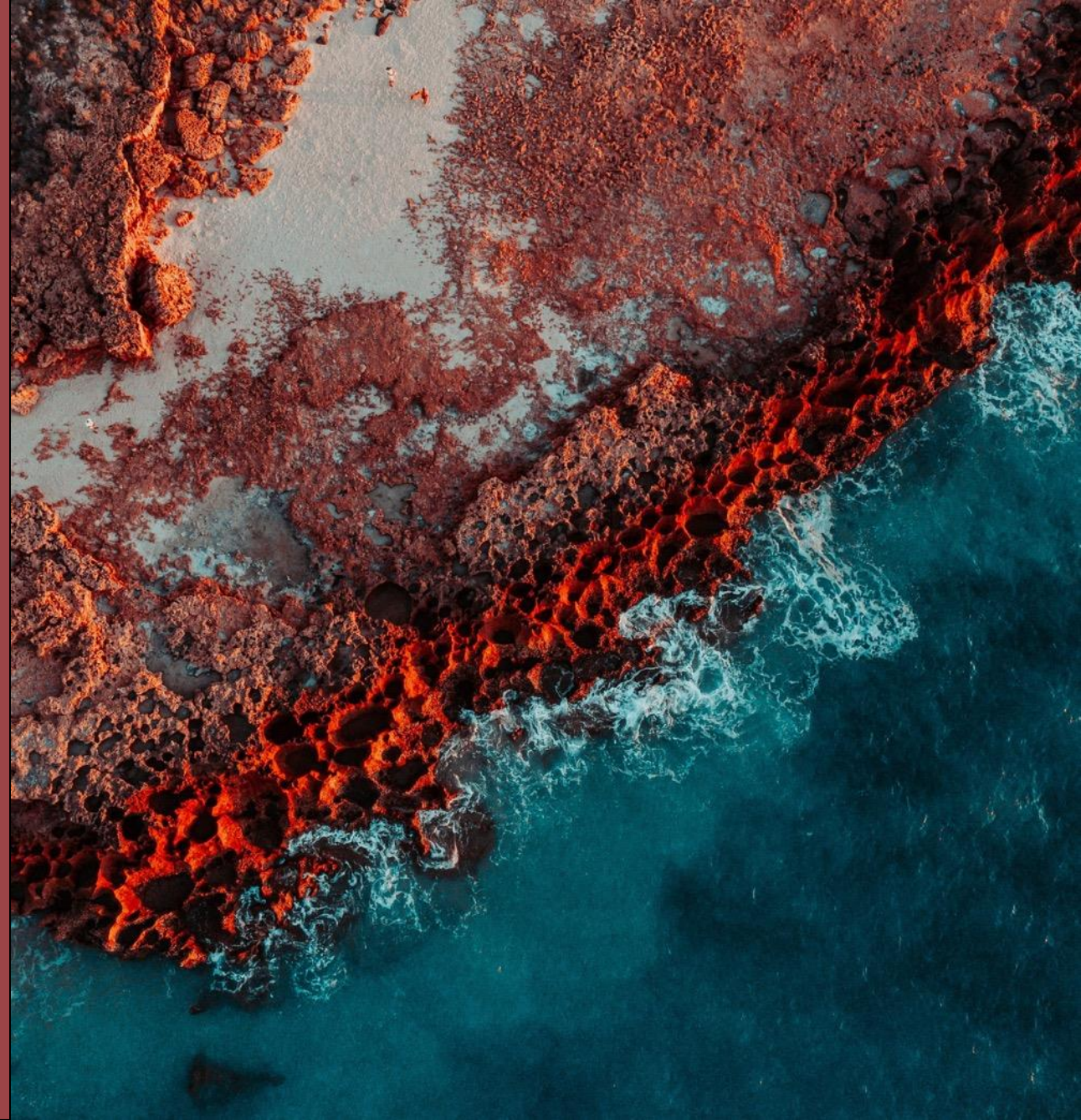
- transitioning super administration and custody/investment administration to new providers
- enhancing our investment management platform
- implementing the next stage of our technology strategy
- expanding distribution through 'values-aligned' organisations

Remain well positioned

with our high quality capability, strong balance sheet, enhanced business platform and deep ethical pedigree

Appendices

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Appendix 1: Historical performance fee impact on results

Key financials (\$'000)	FY2023	FY2022	Change (YoY)
Operating Revenue pre performance fee	81,096	70,409	15%
Performance fee	-	375	
Operating Revenue post performance fee	81,096	70,784	15%
Net profit after tax attributable to shareholders (post performance fee)	6,576	9,597	(31%)
Performance fee post tax & community grant expense		(240)	
Net profit after tax attributable to shareholders (pre performance fee)	6,576	9,356	(30%)
Underlying profit after tax (UPAT) attributable to shareholders (post performance fee)	11,789	10,284	15%
Underlying profit after tax (UPAT) attributable to shareholders (pre performance fee)	11,789	10,044	17%
Diluted earnings per share on NPAT – attributable to shareholders (post performance fee)	5.84 cents	8.55 cents	(32%)
Diluted earnings per share on NPAT – attributable to shareholders (pre performance fee)	5.84 cents	8.33 cents	(30%)
Diluted earnings per share on UPAT – attributable to shareholders (post performance fee)	10.46 cents	9.16 cents	14%
Diluted earnings per share on UPAT – attributable to shareholders (pre performance fee)	10.46 cents	8.94 cents	17%

Any variances in totals are due to rounding

Appendix 2: UPAT reconciliation

Key financials (\$'000)	FY2023	FY2022	Decrease %
Net profit after tax – statutory	6,576	9,511	(31%)
Add: Net Loss attributable to The Foundation	0	86	
Net profit after tax attributable to shareholders	6,576	9,597	(31%)
SFT integration costs	3,733	-	
Fair value movement in investment in Sentient	2,600	-	
Due diligence costs in relation to mergers & acquisition activity		982	
Tax on above adjustments	(1,120)	(295)	
Underlying profit after tax (UPAT) attributable to shareholders	11,789	10,284	15%

Appendix 3: Performance tables



Balanced Accumulation Option (MySuper)

Has performed on or above benchmark for the full year and for every time period of five years and above.

	1Y	3Y (%pa)	5Y (%pa)	7Y (%pa)	10Y (%pa)	20Y (%pa)	Since inception (%pa)*
Absolute Performance ~	9.2%	6.3%	6.3%	6.9%	7.0%	5.9%	6.2%
Performance gross of member fee	9.3%	6.5%	6.4%	7.0%	7.1%	6.0%	6.3%
Benchmark#	9.0%	7.5%	5.6%	6.3%	6.1%	5.7%	5.1%
Relative Performance**	0.3%	(1.0%)	0.8%	0.7%	1.0%	0.3%	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 30 June 2023

* 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 is calculated using Performance gross of member fee vs benchmark.

Past performance is not a reliable indicator of future performance



Australian Shares Fund

Investments into Financials, Healthcare and Utilities sectors added value, while Cash holdings, Consumer Discretionary and Information Technology detracted value.

In FY23, the fund's large cap names outperformed while small and microcap holdings performed strongly in the final quarter of FY23 as investor interest returns to this part of the market.

The fund has outperformed benchmark for all periods of five years and greater

	1Y	3Y (%pa)	5Y (%pa)	7Y (%pa)	10Y (%pa)	20Y (%pa)	Since inception (%pa)
Retail*	12.8%	9.6%	7.8%	8.4%	10.4%	9.9%	9.6%
Benchmark^^	14.4%	11.1%	6.1%	8.0%	8.9%	7.6%	7.2%
Relative Performance	(1.6%)	(1.5%)	1.7%	0.3%	1.5%	2.3%	2.4%
S&P/ASX Small Industrials Accum Index	9.5%	3.4%	1.7%	4.8%	6.6%	6.5%	6.4%
Relative Performance	3.3%	6.2%	6.1%	3.5%	3.8%	3.5%	3.2%
Wholesale^	13.4%	10.3%	8.7%	9.4%	11.7%	n/a	12.5%
Benchmark^^	14.4%	11.1%	6.1%	8.0%	8.9%	n/a	9.5%
Relative Performance	(1.0%)	(0.7%)	2.5%	1.4%	2.8%	n/a	3.0%
S&P/ASX Small Industrials Accum Index	9.5%	3.4%	1.7%	4.8%	6.6%	n/a	7.5%
Relative Performance	4.0%	6.9%	6.9%	4.6%	5.1%	n/a	5.0%

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 30 June 2023

* 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

References to 'Wholesale' funds indicate the class of pricing above a minimum investment threshold, which varies by fund



Emerging Companies Fund

Has outperformed the benchmark for all periods of 2 years and above.

Over the last year ECF investments in Financials and Utilities added value, and being significantly underweight the poor performing sectors of Consumer Staples and Real Estate investment also assisted investment performance.

Consumer Discretionary, Industrials and Information Technology sectoral investments were a drag on performance.

	1Y	3Y (%pa)	5Y (%pa)	7Y (%pa)	Since inception (%pa)
Retail*	8.6%	7.9%	10.4%	11.0%	11.7%
Benchmark^	9.5%	3.4%	1.7%	4.8%	5.8%
Relative Performance	(0.9%)	4.4%	8.7%	6.2%	5.9%
Wholesale*	9.2%	8.4%	11.0%	11.7%	12.4%
Benchmark^	9.5%	3.4%	1.7%	4.8%	5.8%
Relative Performance	(0.3%)	5.0%	9.3%	6.9%	6.6%

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 30 June 2023

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

* Inception Date: 30/06/2015

Past performance is not a reliable indicator of future performance

References to 'Wholesale' funds indicate the class of pricing above a minimum investment threshold, which varies by fund



High Conviction Fund

Headwinds in the first half of FY23 contributed to underperformance relative to benchmark, followed by recovery in the second half as these headwinds subsided.

Financials was the Fund's best performing sector in FY23, with stock selection a key driver of performance.

Materials sector was the Fund's largest detractor from performance, largely due to the Fund's underweight position in the sector under the Ethical Charter, with Resources stocks outperforming over the year. Healthcare and Information Technology were also detractors as the significant increase in RBA cash rates weighed on some growth sectors.

	3 mths	6 mths	1Y (%pa)	Since inception* (%pa)
High Conviction Fund	2.9%	7.7%	9.8%	(0.6%)
Benchmark^	1.0%	4.4%	14.4%	2.7%
Relative Performance	1.9%	3.4%	(4.6%)	(3.3%)
S&P/ASX 300 Industrials Accum Index	2.2%	4.5%	11.7%	(1.9%)
Relative Performance	0.8%	3.2%	(1.8%)	1.3%

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 30 June 2023

* Inception Date: 1 October 2021

Past performance is not a reliable indicator of future performance

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