Australian Ethical

ASX ANNOUNCEMENT

ASX Code: AEF
16 July 2026

Fourth Quarter and Financial Year-end FUM update – 30 June 2026

ASX ANNOUNCEMENT

Australian Ethical reports a new record high of $14.5 billion FUM at 30 June 2026 with strong end-of-financial-year net flows

Continued positive net flows in superannuation and flows from strategic partner, the Clean Energy Finance Corporation (CEFC), have enabled Australian Ethical to reach the new funds under management (FUM) milestone of $14.5 billion at 30 June 2026.

Reflecting on the strength of these results, Managing Director John McMurdo said today:

> *"Fourth quarter flows into superannuation and new product innovation in our asset management business have allowed us to finish strongly in FY26. The new FUM milestone is a pleasing result given the substantial economic and market challenges of FY26.*
>
> *"The decision to build out our investment team and diversify asset classes over recent years, was rewarded in what has been a challenging year for many fund managers, with Australian Ethical achieving positive returns across most of our portfolios, and net-inflows into core product categories.*
>
> *"During the period, we have continued to see strong demand for our approach to investing, with new super member joins increasing in the second half of the year. We have also seen demand growing for our newly launched Growth Opportunities Fund.*
>
> *"The diversification and resilience of our business model continues to allow us to grow, even in periods of market stress."*

Q4 FUM and flows

Superannuation

Superannuation net flows of $196 million were supported by strong end-of-financial-year contributions, rollover activity and growing SG contributions.

Following the final transition of members to the GROW platform, reactivation of employment platform acquisition channel and improving digital marketing performance, new member join momentum has lifted in the second half.

Shareholder enquiries: Melanie Hill, Investor Relations t 0409 220 865 e mhill@australianethical.com.au
Media enquiries: Sophie Fitzgerald t 0450 712 833 e media@australianethical.com.au
Australian Ethical Investment Ltd ABN 47 003 188 930 AFSL 229949 australianethical.com.au

Investments

Following the March 2026 launch of Australian Ethical Growth Opportunities Fund, the CEFC's $125 million investment contributed strongly to flows in the asset management business.

These inflows provided a degree of resilience against the anticipated higher-than-usual redemptions in advised and direct channels during a period of market volatility.

Overall, retail and wholesale investment net flows were negative $26 million for the quarter.

During Q4, client capital management activities resulted in negative FUM movement of $8 million *(refer note 2 below)*.

FUM and flows for the three months to 30 June 2026:

Product Category ($bn)	FUM Mar 26	Net flows – Organic – Retail & Wholesale[1]	Net flows – Organic – Institutional	Capital management fund movements[2]	Market & other[3]	FUM Jun 26
Investments[4]	3.91	(0.03)	0.12	(0.01)	0.11	4.11
Superannuation	9.66	0.20			0.54	10.40
Total	**13.57**	**0.17**	**0.12**	**(0.01)**	**0.65**	**14.50**

[1] Retail & wholesale includes net flows from direct, advised, employer and values-aligned middle market channels.
[2] Reflects changes in FUM relating to an institutional client's capital management requirements. These FUM movements are typically subject to variability and cyclical trends and have a small revenue impact given the low margin on these funds.
[3] Includes changes in asset value due to market movements, net income and cash distributions.
[4] Investments includes Managed Funds, SMA, ETF and mandates.
[5] Variances in totals may occur due to rounding.

Full year FY26 net flows

Positive organic net flows were maintained throughout FY26, largely supported by superannuation guarantee contributions and rollovers. Improved digital capability, platform enhancements and onboarding processes supported higher member acquisition, with strong Q4 end-of-financial-year flows further supporting the full-year outcome.

FY26 also marked meaningful progress in building Australian Ethical's second growth engine beyond superannuation, with increasing traction in middle market and institutional channels, supported by new product launches.

For the full year, Australian Ethical recorded positive retail and wholesale net flows of $491 million and institutional net flows of $173 million, partially offset by the previously disclosed inorganic institutional outflow associated with the Australian Unity Bank mandate.

Shareholder enquiries: Melanie Hill, Investor Relations t 0409 220 865 e mhill@australianethical.com.au
Media enquiries: Sophie Fitzgerald t 0450 712 833 e media@australianethical.com.au
Australian Ethical Investment Ltd ABN 47 003 188 930 AFSL 229949 australianethical.com.au

Australian Ethical

FUM and flows for the year to 30 June 2026:

Product Category ($bn)	FUM June 25	Net flows			Capital management fund movements[2]	Market & other[3]	FUM Jun 26
		Organic		Inorganic			
		Retail & Wholesale[1]	Institutional	AU bank mandate redemption			
Investments[4]	4.42	(0.04)	0.17	(0.25)	(0.04)	(0.16)	4.11
Superannuation	9.52	0.53	-	-		0.35	10.40
Total	**13.94**	**0.49**	**0.17**	**(0.25)**	**(0.04)**	**0.19**	**14.50**

[1] Retail & wholesale includes net flows from direct, advised, employer and values-aligned middle market channels.
[2] Reflects changes in FUM relating to an institutional client's capital management requirements. These FUM movements are typically subject to variability and cyclical trends and have a small revenue impact given the low margin on these funds.
[3] Includes changes in asset value due to market movements, net income and cash distributions.
[4] Investments includes Managed Funds, SMA, ETF and mandates.
[5] Variances in totals may occur due to rounding.

Investment performance

FY26 investment performance was shaped by challenging market conditions and heightened geopolitical uncertainty. Energy supply pressures, exacerbated by the war in the Middle East, pushed oil and gas prices higher, adding to inflationary pressures and contributing to rising interest rates. These conditions affected asset classes in different ways.

Australian Ethical's ethical investment approach meant the business was not invested in many of the companies and sectors that performed strongly during the year. At the same time, areas where Australian Ethical holds overweight positions, including information technology, healthcare and smaller emerging companies, experienced a sell-off. This was offset by strong performance outcomes across fixed income and private markets portfolios.

The final quarter's $650 million investment performance was a pleasing finish to the year.

This announcement is authorised by Karen Hughes, Company Secretary.

About Australian Ethical

Australian Ethical is one of Australia's leading ethical investment managers^. Since 1986, Australian Ethical has provided investors with investment management products that align with their values and provide long-term, risk adjusted returns. Investments are guided by the Australian Ethical Charter which shapes its ethical approach and underpins both its culture and its vision. Australian Ethical has over $14 billion in funds under management across investments and superannuation. Visit: www.australianethical.com.au

^ Please refer to https://www.australianethical.com.au/why-ae/investment/#awards for specific awards Australian Ethical has won, including the specific categories.