

ASX ANNOUNCEMENT

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First Quarter FUM update – 30 September 2026

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Australian Ethical delivers positive superannuation net flows, member growth and expands middle-market offering

Despite challenging market conditions, Australian Ethical recorded funds under management (FUM) of \$14.43 billion at 30 September 2026, compared to \$14.50 billion at the end of FY26. Positive superannuation net flows demonstrated continued underlying momentum, while the launch of the Australian Ethical Balanced Income Fund advanced the company's strategy to grow its presence in the values-aligned middle market channel.

Managing Director John McMurdo said today:

"The first quarter demonstrated the continued momentum and resilience of our business. We welcomed more members to our super fund, increased superannuation net flows compared to the corresponding quarter last year and launched a new middle market product with the support of a founding investor."

"While challenging investment markets and some wholesale redemptions affected headline FUM, these factors do not change our confidence in the long-term growth opportunity. We remain focused on attracting and retaining super members, expanding our reach in the middle market and delivering long-term value for customers and shareholders."

Q1 FUM and flows

Superannuation

Superannuation delivered positive net flows of \$0.13 billion, higher than in the corresponding quarter last year, supported by continued member growth. Superannuation FUM increased from \$10.40 billion at 30 June 2026 to \$10.53 billion at 30 September 2026.

Investments

Australian Ethical advanced its middle-market growth strategy during the quarter with the launch of the Australian Ethical Balanced Income Fund, supported by the Reichstein Foundation as a founding investor. The fund is designed for foundations, not-for-profits and other values-aligned wholesale investors seeking a diversified, responsibly managed portfolio.

Overall investment net flows were negative \$0.10 billion, as inflows from new products and client wins were offset by redemptions. Institutional client capital management activities resulted in a negative \$0.04 billion movement (refer note 2 below).

Investment performance and other movements

Investment performance during the quarter reflected a challenging market environment with inflationary pressures, higher interest rates and geopolitical uncertainty weighing on Australian equities. This was offset by stronger performance from international equities and private markets. Australian Ethical remains focused on its long-term investment approach and continues to identify opportunities where market volatility and valuations create attractive entry points.

Investment product cash distributions of \$0.08 billion contributed to the reduction in FUM during the September quarter.

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

Product Category (\$bn)	FUM Jun 26	Organic Net flows	Capital management fund movements ²	Market & other ³	FUM Sep 26
		Retail & Wholesale ¹			
Investments ⁴	4.11	(0.10)	(0.04)	(0.07)	3.90
Superannuation	10.40	0.13	-	-	10.53
Total	14.50	0.03	(0.04)	(0.07)	14.43

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. September quarter superannuation investment performance of \$2 million. September quarter investments cash distributions totalled \$78 million.

⁴ Investments includes Managed Funds, SMA, ETF and mandates.

⁵ Variances in totals may occur due to rounding.

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.

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