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ASX:AEF

Australian Ethical Emerging Companies Fund generates performance fee following outperformance in FY21

ASX ANNOUNCEMENT

Australian Ethical Investment advises that its Emerging Companies Fund will pay a performance fee of $2.89 million after outperforming its Benchmark, the S&P ASX Small Industrials over the last 12 months.

The Emerging Companies Fund returned 51.1% after all fees (including the performance fee) for wholesale investors[1] for the year to 30 June 2021 against its Benchmark which returned 33%.

The performance fee is 20% (less unrecovered GST) of the Fund's one year outperformance over its Benchmark. It is calculated daily based on that day's FUM and that day's performance against the Benchmark. It does not take into account the effects of compounding in the published performance returns.

The performance fee revenue less tax and constitutional grant to the Australian Ethical Foundation adds to guidance on Underlying Profit after Tax (UPAT) announced on 26 May 2021. The UPAT for the year ending 30 June 2021 is expected to be between $10.7 and $11.2 million, a mid-point increase of 18% on the 12 months ended 30 June 2020.

The Australian Ethical Emerging Companies Fund has been very successful since it launched in 2015; it invests in a diversified portfolio of small capitalisation companies and combines ethics with investment expertise to deliver market leading returns and a positive impact.

This announcement is based on Australian Ethical Emerging Companies Fund's unit price and unaudited management accounts. More information will be provided when full year results are announced on 25 August 2020.

This announcement is authorised by the Board.

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About Australian Ethical

Australian Ethical is Australia's leading ethical investment manager. Since 1986, Australian Ethical has provided investors with investment management products that align with their values and provide competitive 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 $5.68 billion in funds under management across managed funds and superannuation as at 30 April 2021.

Visit: www.australianethical.com.au

[1] Wholesale investor: investment greater than $25,000. The return after all fees for retail investors was 50.3%.

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