

Thursday, 28 October 2021

Australian Ethical Investment Ltd – 2021 AGM Speeches and Presentation Slides

ASX ANNOUNCEMENT

The Chair and Managing Director's speeches to the Company's 2021 AGM are attached.

Also attached are the presentation slides and details of the proxies received as at 10 am on Tuesday, 26 October 2021.

This announcement is authorised by Tom May, Company Secretary.

Media enquiries: Camilla Herring: 0432 988 980

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 over \$6 billion in funds under management across managed funds and superannuation.

Visit: www.australianethical.com.au

Media enquiries Camilla Herring t 0432 988 980

Shareholder enquiries Tom May, Company Secretary t 0488 779 474 e tmay@australianethical.com.au

Australian Ethical Investment Ltd ABN 47 003 188 930 AFSL 229949 australianethical.com.au

Australian Ethical Investment Ltd – 2021 AGM

Chairman's Address

Good morning. We are this year again conducting a virtual Annual General Meeting. I wish to acknowledge the traditional owners of the land we I am this morning the Ngannawal people and also acknowledge the Gadigal people of the Eora nation the traditional owners of the land where our Managing Director/CEO and a number of the Australian Ethical directors are currently located. I pay my respects to the elders past present and emerging of these traditional owners and to the traditional owners of the land wherever you are.

At last year's AGM I commented that financial year 2019/2020 was truly an extraordinary one; and one that all would hope would not be repeated. And whilst FY 20/21 did not see a repeat of the horrendous bush fires of the previous year we have seen the continuing impact of the Covid 19 corona virus pandemic on a great number of people throughout the country. I would like to express my condolences to anybody attending today who has lost a family member or friend due to the Covid virus.

Financial Year 21 was another record year for Australian Ethical. I will leave it to our MD/CEO John McMurdo to provide more detail and in particular to speak to you about our view on what lays in store for Australian Ethical but as I have done in recent years, I will highlight some of the achievements of financial Year 21. Which, as I say, has resulted in yet another record year for Australian Ethical. A full list of highlights and discussion of results can be found in our Annual Report.

1. Funds under management (FUM) increased by 50% to be \$6.07 billion as at 30 June 2021 .
2. Net inflows were a record \$1.03 billion up 56%
3. The number of funded customers rose by 23%
4. Our underlying profit after tax was also a record up 19% to \$11 million.
5. Our dividend to shareholders for the year was up 33% to 8 cents per share which included a special dividend of 1 cent per share due to the performance fee earned by our Emerging Companies Fund.
6. A number of our funds and superannuation investment options delivered very impressive investment returns with all but 5 of the 21 managed funds and super investment options beating their benchmarks. The standouts being the Australian Shares Fund which returned 41.9% after retail fees (which exceeded its benchmark by 13.4%) and the Emerging Companies Fund which returned 50.3% after retail fees (which exceeded its benchmark by 17.3%).
7. In super our My Super option (balanced accumulation) delivered a very healthy 17.5% last year and is ranked Number 1 out of 50 for performance over the last 3 years in the SR50 MySuper Index.
8. Our Australian shares super option delivered a 38.8% return for the year- which placed it 3rd out of 104 Australian shares super products in that year in the SuperRatings Fund Crediting Rate Survey for Australian Shares Options and saw it ranked number 1 out of 50 over 3, 5, 7, and 10 year time periods in the same survey.
9. We continued to manage the disruptions caused by Covid and lockdown measures well and again recorded a top quartile employee engagement score.
10. As has been consistently foreshadowed we again reduced fees across a number of our products. In October 2020 we reduced fees on the defensive super option, the income and fixed interest funds, and also reduced the Balanced Fund wholesale investment threshold.
11. In June 21 we reduced fees on the Australian shares super option and the international shares super option.
12. We reduced retail fees on the balanced, international shares, diversified, advocacy (now high growth), Australian shares and emerging companies funds and wholesale fees on the balanced and international shares funds.
13. Due to our record profit we made \$1.6 million available for distribution to charitable causes through the Australian Ethical Foundation.

We received recognition by way of a number of awards from Money Magazine, Finder.com, Financial Standard, Money management, Canstar, Mozo and Morningstar. Details are available in the annual report. There is one award

Media enquiries Camilla Herring t 0432 988 980

Shareholder enquiries Tom May, Company Secretary t 0488 779 474 e tmay@australianethical.com.au

Australian Ethical Investment Ltd ABN 47 003 188 930 AFSL 229949 australianethical.com.au

that I would particularly like to highlight. In November 2020, Morningstar named Australian Ethical as one of only six global leaders for Environment, Social and Governance (ESG) commitment. We were the only Australian asset manager to achieve this rating at that point. Since then one other Australian asset manager has been added to the list of leaders.

Which brings me to one of my personal obsessions. We are seeing an explosion of Asset managers and super funds operating in this country who are now claiming to be investing ethically or responsibly or in accordance with ESG principles. You all know that Australian Ethical has been ethically investing for 35 years. And what we do is not just via some option that our members and investors have to choose. It is at the very heart of what we do and is embedded into everything we do.

Now, as I say it would seem that everyone wants to jump on the ethical or ESG investing bandwagon. Is it that all of these investment managers and super funds have seen the light or is it that they have finally worked out that many and an ever increasing number of people do care about where their money is invested and these investment houses and super funds now have to try to look like they also care so they can get a slice of the action.

At Australian Ethical we will continue to examine what our competitors do and we will continue to call out green washing and there is clearly an awful lot of it as borne out by the fact that there was initially only one - Australian Ethical - (now two) Australian Asset managers to achieve the Morningstar global leaders rating-compared to the literally hundreds who make claims to invest ethically or responsibly.

I take this opportunity to thank the Non-Executive Directors of the company: Kate Greenhill, Mara Bun, Michael Monaghan and Julie Orr. I referenced last year the level of commitment of our Directors during that difficult year and that level of commitment was evidenced again this year.

On behalf of the Board, I would like to thank each and every member of the Australian Ethical staff for their contribution to our ongoing success.

Our senior leadership team, both individually and as a team have performed extremely well and their efforts are very much acknowledged and appreciated. And last but certainly not least can I express the Board's and I am sure all shareholders thanks to our MD/CEO for his leadership through difficult, demanding but also satisfying times where the strategy developed by the Board and the senior leadership team is being implemented with continuing success

Australian Ethical Investment Ltd – 2021 AGM

Managing Director's Address

Thank you, Steve, for your support and comments about the team.

Good morning, everyone and thank you for joining us. While many, many things have clearly gone well for Australian Ethical this year, I do recall sitting here one year ago and saying how I hoped I would be delivering this address in person in 2021. And yet here we are still in a virtual format. And although in NSW we're taking the first tentative steps towards reopening, the pandemic remains an ongoing concern here and around the world

I would like to personally echo Steve's comments and on behalf of Australian Ethical, extend our sympathies to all those who have been affected by Covid, and also express our immense gratitude to people working on the frontline.

We are aware that the operational challenges that we have faced during this time are negligible compared with the heavy human, social and economic toll that is being wrought worldwide by the pandemic. And yet despite the continuing uncertainty posed by Covid, Steve has shared that our business strategy is reaping significant success and we have had another record year of growth, delivering excellent outcomes for all our stakeholders.

But before I launch into updates from the last financial year and what comes next in our strategy, I'd like to spend a few moments talking about our context and our 'why'.

Why do we actually, literally live and breathe our purpose at Australian Ethical? And why is that so important?

Since 1986, our purpose has been to invest for a better world. It's always been the same. It's always been aspirational; it's always been noble. But I don't think that people - society, investors, companies - have realised just how important it has always been. Until recently.

Because the stakes have never been higher as 200 nations prepare to gather at COP26 in Glasgow in just a few days' time. The conference has been billed as 'humanity's last best chance to get climate right'. The demand for urgent action could not be clearer.

Because rather than push climate change to the backburner, the pandemic has turbocharged momentum for building the sustainable and just economy of tomorrow. The past 12 months have seen some truly seismic changes that suggest that this time we are genuinely moving towards a transformed and transformative future.

For example, when the US re-joined the Paris climate agreement and announced policies that are redefining what's necessary, reasonable and possible when it comes to climate action. Or when the International Energy Agency called for an immediate ban on new oil, coal and gas development back in May. And you know that when the IEA calls time on new fossil fuel exploration it's safe to assume something big is underway. Or when the EU's Sustainable Finance Action Plan became law, one of the most impactful pieces of regulation to hit the investment management industry since MiFID II and which is already driving a structural reboot of private market investing in Europe

Because as Australian RBA deputy governor Guy Debelle said just last week, no matter the opinions of Australians towards the move to net zero, it is going to happen. And it is happening!

Race To Zero is a global campaign that rallies support for a zero-carbon future which we're proud to be a part of. It now has over 5,000 members globally, including around 3,200 businesses. Our commitments, combined with those from governments, mean that more than 70% of global emissions are covered by net zero commitments.

Media enquiries Camilla Herring t 0432 988 980

Shareholder enquiries Tom May, Company Secretary t 0488 779 474 e tmay@australianethical.com.au

Australian Ethical Investment Ltd ABN 47 003 188 930 AFSL 229949 australianethical.com.au

But this will come to nothing if not backed by true vision, leadership and the conviction that climate action first movers will ultimately reap the benefit from their leadership. All of this considered, I don't think it's an exaggeration to say that we're at an inflection point in the history of humanity. As a Board we also believe we're at an inflection point in the history of Australian Ethical. Because while we have achieved incredible growth and captured widespread interest, we're still only generating a fraction of the impact we need to address the challenges that will be discussed at COP26.

That the last five years are the hottest on record only serves to underline the scale of the challenge ahead of us. To tackle it, we need to accelerate the transition to a less carbon-intensive economy. But money is power and in this crisis for humanity, the way we use money is one of the most effective ways we can drive this transition.

From our spending choices to our investment choices, our green bags to our nest eggs, money is a major path to change. Thankfully investors - not just young people, but now every generation - are increasingly looking for ways to achieve financial returns and make a difference.

And as Australia's original ethical investor, we have a 35-year head start over some of our more recently converted competitors

To better achieve our purpose and capture the once-in-a-business-lifetime opportunity we see ahead of us, at our full year results we gave more insight into the aggressive growth strategy that has already seen us start to reinvest heavily in our business to build a bigger, more impactful Australian Ethical. The market continues to respond very favourably to that strategy and the early successes we are already generating as Steve has highlighted. The continuing growth in our share price, in net flows, in brand awareness plus countless other metrics give us more confidence about the path we are on.

With our planned investment and market positioning, if we execute well, we believe it's possible to continue our current growth trajectory and grow our business 3, 4, 5 times over the next few years. If that ambition sounds big, it is purposefully so - the urgency demands it, the opportunity warrants it. And our strategy enables it.

Our strategy identifies four key pillars we are investing in and pursuing in tandem as we strengthen our business for impact and leadership.

Beginning with a compelling client experience.

Because not only do our customers trust us with their financial security, but many of them are passionate advocates for Australian Ethical and influence their networks to join them in making their money matter. During the last financial year we saw a 23% increase in customer numbers, and now have more than 74,000 today.

But how do you keep 74,000 customers happy? There's no doubt that maintaining and growing our success depends in large part on nurturing the special relationship we have with them, which is why we continue to invest to enhance their Australian Ethical experience.

In addition to the fee reductions and great financial returns, less visible customer projects we have successfully completed over the past 12 months include redesigning our insurance offer within super to remove cross subsidies, implementing a new customer relationship management system and issuing customer statements which allowed members to see for the first time ever impact of their chosen investment option. We have insourced the customer contact centre, a step we took to have more control over the customer journey.

Because for us, customer experience doesn't live in a void or bolted to the side of our business. It's a central part of who we are. Our objective now is to create a seamless digital experience for customers, a modern experience, digitising customers access and engagement options.

So, look out for the Australian Ethical app, sometime in 2022.

The compelling customer experience feeds through to our advocates for a better world pillar, where we are mobilising our network to help us create a better future.

We refer to this as people power advocacy and it complements the virtuous cycle created by ethical investing by growing public support for meaningful change. Most of you will now be familiar with our updated brand look and feel, a decision that was taken to better differentiate ourselves in what's becoming a very crowded market. It celebrates our ethical pedigree, our investment excellence and our visionary roots to create a unique visual identity quite unlike any other financial services company in Australia. It enhances our heritage as a game changer at a time when the stakes have never been higher. And we know it's working to capture Australians' hearts and minds. If you're reading some of the headlines at the bottom of the screen, you would have seen some of the regular feedback we receive from customers.

Earlier this year a campaign asking our customers about what opened their eyes to ethical investing resulted in thousands of authentic and heartfelt responses.

Just last week an initiative to put Australians' names on the front page of the Financial Times during COP26 saw more than 7,500 names being submitted - far exceeding the space that was available and prompting exciting Twitter conversations between very well-known Australians as our brand trended in the Twitter-sphere.

This uptick in brand awareness is reflected in our social posts, with engagement reaching new highs as we dig deeper into our role as an agent of change, harnessing the power of people, and advocating with our customers for a better world.

We were also delighted in the last few weeks to be named by Roy Morgan research as one of the top 100 most trusted brands in Australia. This is a taste of what is to come.

Our investment in brand over the next few years will see us be much more prominent in both social and mainstream media. To capture our natural and achievable share of a rapidly growing addressable market, we will ensure we are well known in addition to being well loved by Australians.

In our principled investment leadership strategic pillar, Steve has highlighted the stellar investment returns last year and for many years now and the awards we have collected again this year.

We are investing in key people and capability to further enhance our asset allocation expertise and outcomes. A vital aspect of a leading diversified fund manager. We have started doing much more active consumer and adviser research to inform what is now an exciting product development pipeline.

Our new High Conviction and High Growth Funds launched this month give investors access to portfolios across asset classes that deliver positive impact for people and the planet, as well as performance. Both these products are being actively promoted in the adviser and direct channels as the dizzying rate of demand for quality ethical investment solutions continues to rise and rise.

And to share an early alert - Look out for an active ETF version of the high conviction fund - we are on schedule to launch that in the next few weeks.

Our future strategy includes delivering active international equity capability alongside our market leading domestic capability, and creating themed products, for example a climate solutions fund - meeting growing customer demand to invest in particular causes and building on the valuable insights from the innovation work we have been undertaking.

Having a robust infrastructure, particularly as we continue to scale is essential. With the ongoing focus on cyber security risks, digital privacy and data security, we have continued to upgrade our technology platform. These initiatives will underpin our risk management and efficiency.

Media enquiries Camilla Herring t 0432 988 980

Shareholder enquiries Tom May, Company Secretary t 0488 779 474 e tmay@australianethical.com.au

Australian Ethical Investment Ltd ABN 47 003 188 930 AFSL 229949 australianethical.com.au

In terms of our impact, our scale and our customer reach, I have already mentioned our brand program, and our extended product ambitions. We are confident these aspects alone will significantly support our growth potential. But channel breadth and reach are now also playing a more material role and are a major plank of our strategy.

Our direct-to-consumer channel remains a very significant part of our success. We are a proudly retail brand, and we are confident of continuing to leverage our direct and digital marketing strengths to grow this part of our business.

We have also been more active in seeking to meet the growing demand in the adviser or intermediated channel. We have expanded our adviser-facing team, increased and improved our marketing approach with advisers and continue to grow our established reputation as the country's leading ethical investor. As a result of our investment in the adviser channel, during the last financial year we saw flows increase by 168% and exceed the \$1 billion total FUM milestone. Meanwhile, unprompted adviser brand recognition has more than doubled, and we have seen a strong uptick in adviser perception across many other metrics.

We are encouraged to push forward with our expansion strategy. Which brings me to our culture, which underpins everything

The results Steve and I have mentioned, the strategic capabilities already built and being rolled out, are not the result of the CEO or Board waving some magical wand. Instead, they're the expression of an internal culture that permeates from the inside out. Great people who love their job and believe in the purpose of their organisation, deliver a great customer experience. Happy customers stay with you and recommend you to others. The adage that employees are a company's most valuable asset has never been truer than it is today.

Our people are the creators of, consumers of, and advocates for investing for a better world and have a huge influence on the compelling customer experience we strive to deliver. It's extraordinary really to think we have had such a successful year despite the lockdowns, the closed borders, and continuing restrictions on face-to-face contact all while maintaining a best-in-class employee engagement score

So what is the secret to our unique culture? I think there are two reasons. The first of course is our clear commitment to our purpose of investing for a better world. For us, purpose is not just some words on a wall, or a website or in AGM addresses. It's defined by how employees - the people who know our business best - perceive the meaning and impact of their work.

Our mid-year employee engagement survey told us that 99% of our employees feel they can be themselves here at work, 93% would recommend Australian Ethical as a great place to work and 81% are motivated to go beyond what they would elsewhere in a similar role elsewhere. A key part of this is investing in an employee experience that is inclusive, rewarding and where everyone feels seen, heard and valued.

But a winning culture is not just about feeling good at work. Our view is that when you strategically invest in employees, you attract and keep all the best candidates, and you also build a strong work culture unafraid of innovation, of change, of failure and of success. Engaged employees also force leaders to grow and look to the future, which has never been so important given the many challenges the world faces.

And so, the second important component of our culture is the continuing investment in our employees' development. The investment in our people is helping to

- foster collaborative and focussed leadership
- build a more innovative and dynamic culture
- enable people to be their best

Again, we are already seeing dividends to the business in the form of the many innovations, successes and projects Steve and I have mentioned.

We're also seeing these dividends play out in our ongoing financial performance because pleasingly the positive momentum from the last financial year is carrying over into the new financial year. FUM for the September quarter was up 8% to reach \$6.54 billion with netflows up 88% compared with the prior comparative period. This includes record inflows into super, record managed fund netflows and a record number of new managed fund customers - all driven, at least in part, by the continuing investment in our high growth strategy.

And so as I conclude, let me circle right back and close where I started - with the 'why'. Why are we pursuing such an aggressive growth strategy? I've spoken about the urgency and the opportunity, but let me speak about the impact. Because when positive impact is applied at a product level, at a strategy level, and at a governance level - success and impact become intrinsically linked.

For example, our Foundation is continuing to grow in its scale distributing a record \$1.8 million in donations to charity partners fighting climate change in Australia and around the world. This includes \$500,000 through our new Visionary Grants program which will directly fund innovative, early-stage climate solutions. The Foundation is already making a tangible impact in the not-for-profit sector, but imagine the impact when Australian Ethical is 4 to 5 times bigger?

From a climate perspective, our growth will allow us to scale up our contribution to the rapid economic transformation needed to accelerate the reduction of greenhouse gas emissions. With this further in mind, we are announcing today that we have set a 2040 net zero target for Australian Ethical including our investment portfolio, bringing forward the 2050 target we set in 2015.

For global emissions to reach net zero by 2050, the world will need diverse successful zero emissions businesses operating across the economy by 2040. These businesses which are leading in the management of climate risk and opportunity are the businesses we want to invest in, so that by 2040 we can offer our investors high performing, zero emissions portfolios. Setting a net zero 2040 target helps drive capacity and innovation to make this a reality. We also continue to enhance our interim targets to ensure we are on path.

So, why the high growth strategy?

It's because we know that the financial success of our business enables us to maximise the impact of our purpose - to grow our portfolio of good money, to raise our voice as an active shareholder and to contribute to the world we operate in through the activities of the Australian Ethical Foundation.

As Australia's largest pureplay ethical investment manager and globally recognised for our approach, we have a considerable head start to capitalise on.

This alone, combined with our products, people, strong balance sheet and positive momentum, already positions us for success.

But our high growth strategy is not just about seeing us through the next 5 years

It's about building the Australian Ethical that will take us to 2030, 2040 and beyond. Because we may well be 35 years old - a veritable veteran in responsible investing terms - we're certain that our biggest opportunities are yet to come.

Thank you again for joining us and your ongoing support

Australian
Ethical

Annual General Meeting

John McMurdo, Managing Director & CEO

28 October 2021



AE

Our 'why'

UN Climate Change conference

200 nations
1 planet

01-12 NOV 2021
GLASGOW

COP26

IN PARTNERSHIP WITH ITALY





REUTERS

**EU turns to finance to achieve
climate neutral continent**

FINANCIAL TIMES

“Why the IEA is ‘calling time’ on
the fossil fuel industry”

**The
Guardian**

**US rejoins Paris climate accord with
warning: this year’s talks are ‘last, best hope’**

Race to Zero

- 733 cities
- 31 regions
- 3,000 + businesses
- 173 investors
- 622 higher education institutions*

The logo for 'Race to Zero' features a solid blue horizontal bar on the left, followed by the words 'RACE TO ZERO' in a bold, blue, sans-serif font. A thin blue vertical line is positioned to the right of the text.



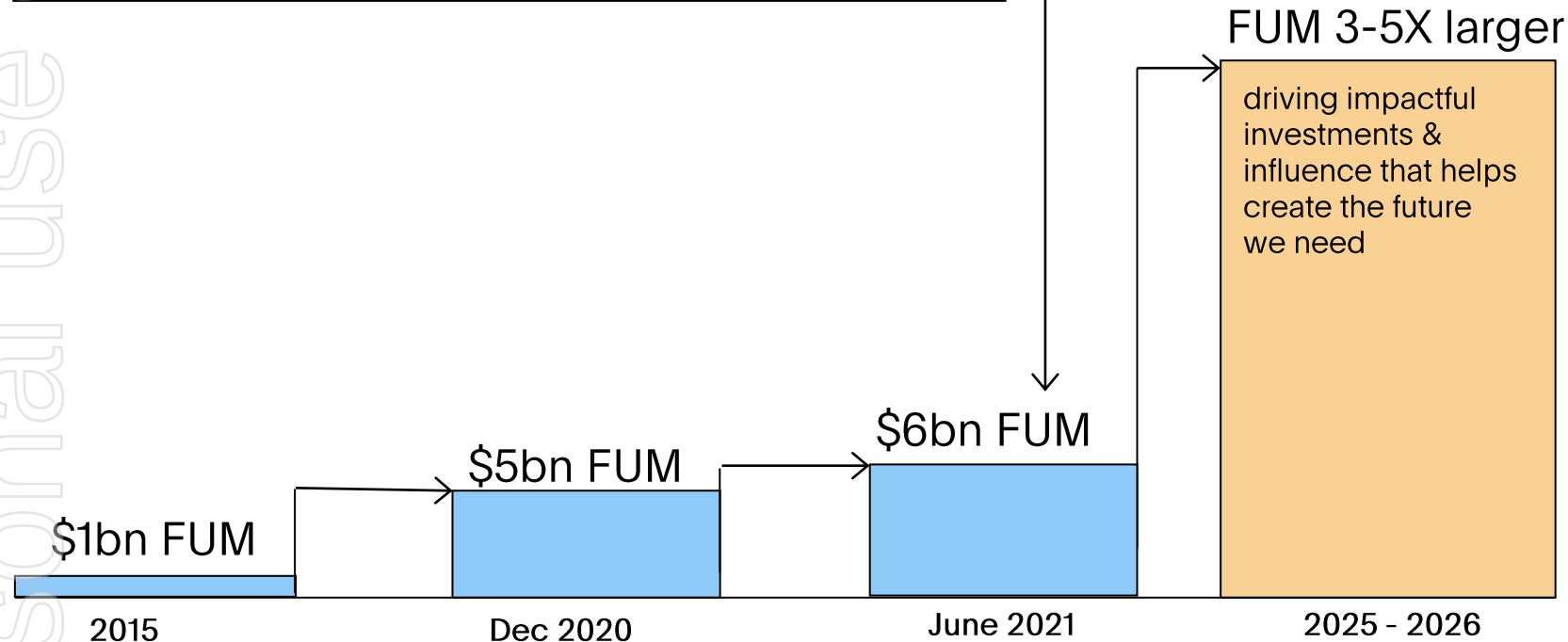
Inflection point in the history of humanity

Aggressive high growth strategy

With this investment & market positioning, if we execute well, we believe it is possible to grow our business 3-5 times over the next few years

Continuing great momentum*

- 50% increase in FUM
- 56% increase in net flows
- Adviser FUM reached \$1bn
- Key strategic initiatives implemented



The time is now

- Now is the right time to capture the seismic expansion of the responsible investing market
- Increasing scale and capital flows to responsible companies amplifies our impact
- Increasing competition and new entrants increases the urgency

What it means?

- Investing in our brand to ensure Australians are familiar with us
- Including active international and impact funds in our offering
- Transforming the customer experience through technology
- Accelerating new investor segments

Our strategic pillars

01



Principled investment leadership

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

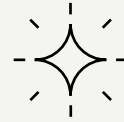
02



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 brand and purpose resonance.

03



Compelling client experience

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

04



Impactful business

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

Compelling client experience



74,000

Customers*

*74,183 customers as at 30 September 2021; note that the FUM announcement issued on 18 October 2021 erroneously stated this number as 71,273

Jonathan Boura
77 Bridge Street
Northcote VIC 3070

Your Annual Super Statement

To 30 June 2021

AUSTRALIAN ETHICAL SUPER

T 1800 021 227 (8.30am to 5.30pm AEST Mon-Fri)

E members@australianethical.com.au

australianethical.com.au | Australian Ethical Super, Locked Bag 20013,

Melbourne VIC 3001

Issued by Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733, RSE

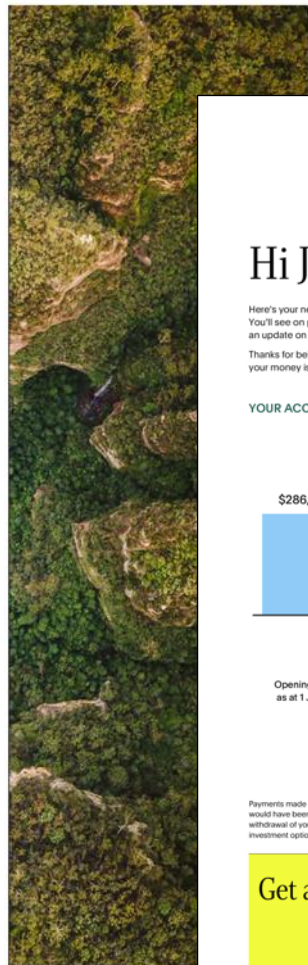
LO001441, AFSL 526055) as the Trustee of the Australian Ethical Retail Superannuation

Fund (the Fund)

(ABN 49 533 667 743, USI AET0100A0)

Australian Ethical Investment Ltd (ABN 47 003 188 930, AFSL 229949) arranges offers

for the issue of interests in the Fund.



Hi Jonathan,

Here's your new-look Annual Statement for the 12 month period to 30 June 2021. You'll see on pages 5 and 6 that we're now including, for informational purposes, an update on some of the impact Australian Ethical's investments are having.

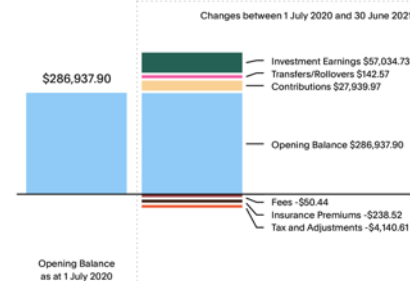
Thanks for being a member of Australian Ethical Super, you can feel proud that your money is invested in good things.

Your Details
Name
Member number
Account number
Tax file number
Email
Mobile

Statement Period
1 July 2020

Your Account Balance
\$367,625.10

YOUR ACCOUNT SUMMARY



Payments made to you from your account may be subject to government tax. Your withdrawal benefit at the end of the report would have been attributable had you withdrawn your benefit as at 30 June 2021. It has been calculated on the basis that a withdrawal of your account balance. It is not shown as a separate transaction on your statement. The buy-sell spread ranges investment option (which equals an amount between \$0 to \$75 for every \$50,000 you withdraw).

Get an estimate of your total retirement our Retirement Income Calculator

FIND OUT MORE

This information is of a general nature and is not intended to provide you with financial advice or take into account your personal objectives, financial situation or needs. Before acting on the information, consider its appropriateness to your circumstances and read the Financial Services Guide and the Super product disclosure statement (PDS) available on our website. You may wish to seek financial advice from an authorised financial adviser before making an investment decision. Past performance is not a reliable indicator of future performance.

Australian
Ethical

PAGE 2 OF 17

Investment Impact

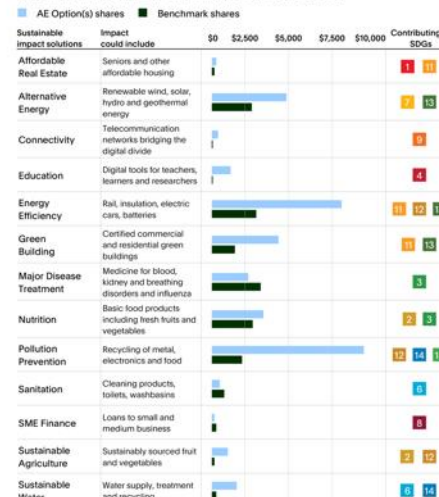
To give you an indication of the impact of some of the companies you have exposure to through Australian Ethical Super, below is the estimated annual revenue earned by those companies that can be attributed to products and services that contribute to sustainability goals such as the Sustainable Development Goals. This information is only shown for those listed shares your Option(s) have invested in ("AE Option(s) shares") where we have the necessary 'sustainable impact revenue data' for those shares.

We have compared that data against shares in a general share market benchmark which also have relevant 'sustainable impact revenue data' ("Benchmark shares").

Given we do not have 'sustainable impact revenue data' for all shares or other investments that comprise your Option(s), the below information should not be taken to be a representation of the impact of your actual account balance. For further information, please visit our website australianethical.com.au/investment-impact.

SUSTAINABLE IMPACT REVENUE AS AT 30 JUNE 2021

The impact revenue is calculated per \$1M invested by your Option(s) in shares for which we have 'sustainable impact revenue data' compared to Benchmark (Shares and based on shareholdings at 30 June 2021).



For this table we have used sustainable impact revenue data and analysis tools provided by MSCI ESG Research LLC and 27 Investing Initiative. Further details at the end of this statement. MSCI ESG Research is not responsible for the way we have used their data and tools to calculate the amounts in the table. We present information and the benchmark comparison only for investment in listed shares in those companies which have been analysed by global research from MSCI ESG Research for their sustainable impact. Because your Option(s) may hold other investments (e.g. cash, fixed income, property and other shares), the information and comparison relate only to part of your super, approximately 67% by value. The revenue and comparison will be different for the balance of your super for which we do not have this impact data. However, we apply our ethical investment criteria to the selection of all our investments.

For the comparison we have selected indices which we consider to be an appropriate investment benchmark for the share investments of your Option(s) (further details at the end of this statement). The indices are based on the composition of relevant share markets and companies, without selection of companies based on ethical, sustainability or ESG factors. The industry mix and other characteristics of companies comprising the AE Option(s) shares and the indices are different.

Australian
Ethical

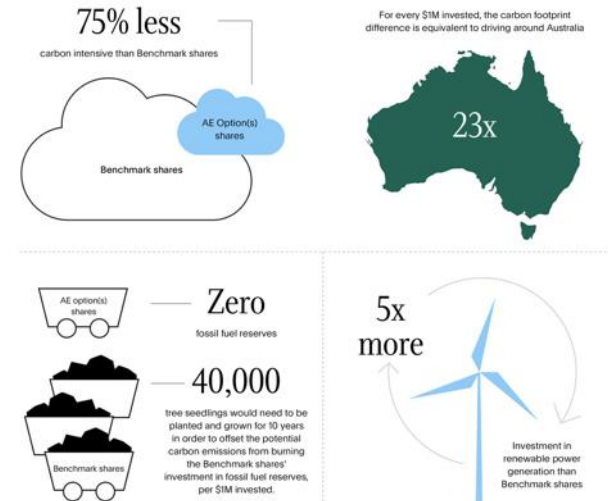
IMPORTANT NOTE

This information is of a general nature and is not intended to provide you with financial advice or take into account your personal objectives.

not the
an the
should
box in
Affor
higher
fem, i
Please
relate
acting
appro
read i
availa
financ
advise

Investment Impact

To give you an indication of the climate impact of companies you invest in, below are some carbon and climate measures. Where we have the relevant data, we show carbon and climate measures for listed shares your AE Option(s) is invested in, compared against the Benchmark shares. This is based on shareholdings at 30 June 2021.



For the information on this page we have used data and analysis tools provided by MSCI ESG Research LLC and 27 Investing Initiative. Further details at the end of this statement. MSCI ESG Research is not responsible for the way we have used their data and tools to calculate the amounts in the table. We present information and the benchmark comparison only for investment in listed shares in those companies which have been analysed by global research from MSCI ESG Research for their sustainable impact. Because your Option(s) may hold other investments (e.g. cash, fixed income, property and other shares), the information and comparison relate only to part of your super, approximately 67% by value for the renewable power information, and 70 by value for the carbon information. The revenue and comparison will be different for the balance of your super for which we do not have this impact data. However, we apply our ethical investment criteria to the selection of all our investments.

For the comparison we have selected a share market Benchmark which we consider to be an appropriate investment benchmark for the share investments of your Option(s) (further details at the end of this statement).

The information has been calculated as follows, based on shareholdings as at 30 June 2021.

The carbon intensity (tonnes CO2e/\$M revenue) of an investment is calculated as the investor's share of annual carbon emissions of the companies invested in (including their direct and some indirect emissions), divided by the investor's share of annual revenue earned by those companies.

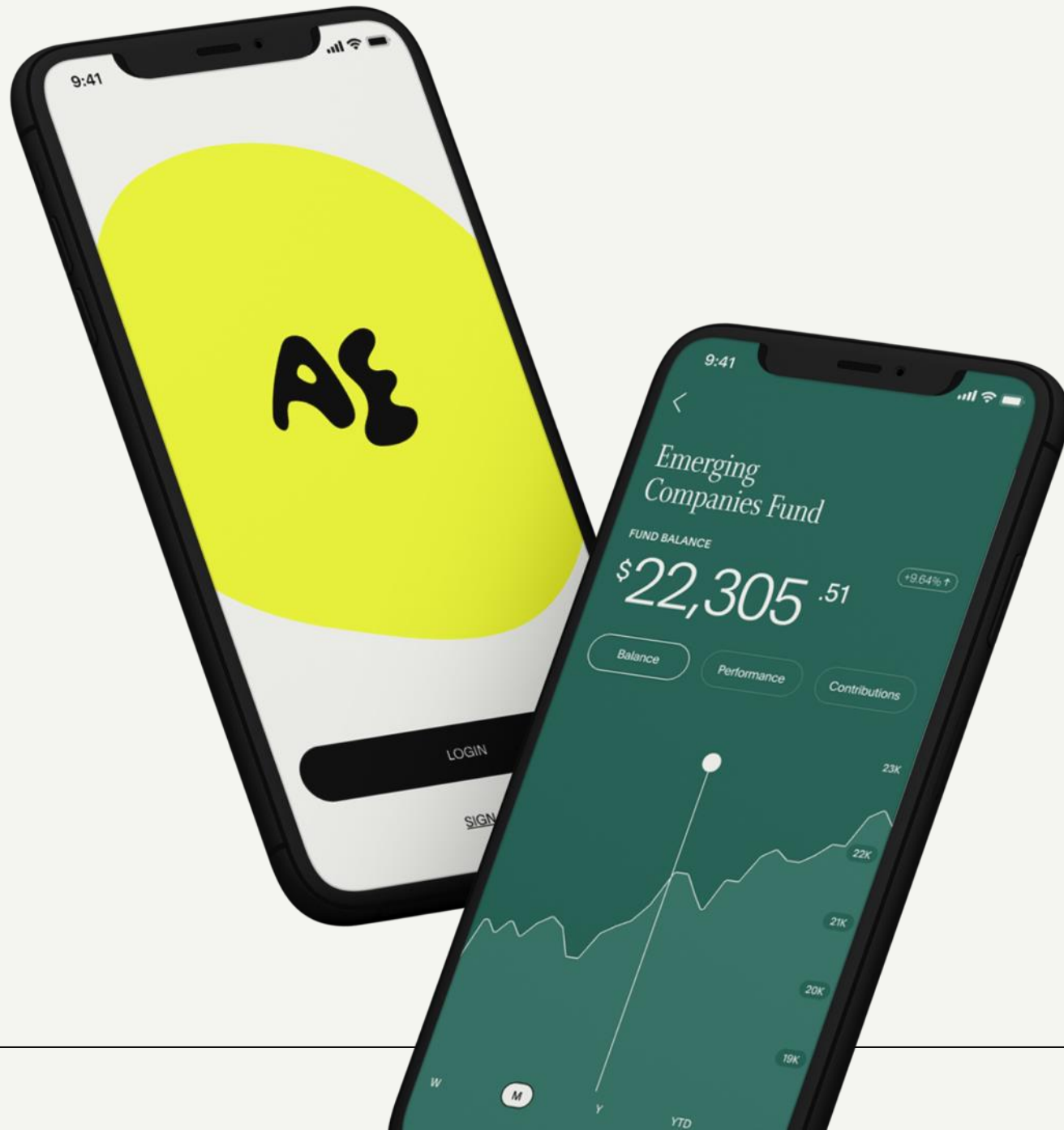
The carbon footprint (tonnes CO2e/\$M invested) of an investment is calculated as the investor's share of annual carbon emissions of the companies invested in (including their direct and some indirect emissions), divided by the value of the investor's investment. We present the difference between the lower carbon footprint of your Option(s) compared to the Benchmark measured as a number of trips driving a car around Australia, using the conversion 2.46 tonnes CO2 emissions per trip around Australia. The conversion factor is based on the average emissions intensity for new passenger vehicles in Australia in 2019 of 189.3 grams of carbon per km.

The potential carbon emissions from fossil fuel reserves (tonnes CO2e/\$M invested) of an investment is calculated as the estimated emissions from burning the investor's share of coal, oil and gas reserves of the companies invested in, per \$1M invested. We present the amount of these potential emissions for the Benchmark as the number of tree seedlings which would need to be planted and grown for 10 years in order to offset them. The conversion factor is 16.54 planted trees per tonne of carbon.

Investment in renewable power (\$M invested) of an investment is the proportion of the investment invested in renewable energy technology.

Australian
Ethical

PAGE 6 OF 17



Advocates for a better world



When messaging/typography is applied on top of a colour, please ensure the message appears in either black or white. The matrix on the right notes the preferred foreground messaging colour to ensure readability and contrast.

For examples of how to use colour in layouts, please refer to p.29-30.

Black
PMS Black 6U / Black 6C
RG 90 90
CMYK M40 Y40 K100
#000000

White
R255 G255 B255
CMYK M0 Y0 K0
#FFFFFF

18

Type is to be set in white on Forest Green background.

Umber
PMS 7639U / 7631C
R56 G28 B15
CMYK M74 Y74 K58
#3B2C2F

Type is to be set in white on Umber background.

#FFA338

Type is to be set in black on Citrus background.

Type is to be set in black on Sky Blue background.

Red earth
PMS 194U / 194C
R105 G68 B71
CMYK M80 Y50 K40
#8B4447

Type is to be set in white on Red Earth background.

BRAND GUIDELINES

LOGO

AUSTRALIAN ETHICAL

Horizontal logo lock-up

In instances where a fixed logo lock-up is required that is our primary logo placement cannot be achieved, p.10 a horizontal lock-up option of our wordmark and icon has been created. The horizontal configuration as shown to the right optimises wordmark and icon relationship and presence within an application.

Guides of how we apply this lock-up can be found on p.12.

When applying our logo in application, please ensure to use a digital file from our master logo suite. No alterations should be made to our logo.

Australian Ethical



6

BRAND GUIDELINES

IMAGERY

AUSTRALIAN ETHICAL

Iconography

Icons are a great way for us to communicate key ideas using simple, stylised symbols. Here we reduce an idea to basic, meaningful line-work. Always in black, and playing with form and figure, icons live alongside our photography and illustration bringing immediacy and familiarity.

Abstract thinking is encouraged in the approach to icons. However, sometimes the content would require a more literal approach. This is fine, as long as the icon style is consistent. Note the stroke weight and miter joins.



e.g. Good keeps growing



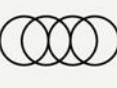
e.g. A good result



e.g. What good looks like



e.g. Principle



e.g. Process



e.g. Performance



e.g. Peace of mind



e.g. Increase your impact



e.g. Ethical experts

Brand typefaces

Typography enables a visual personality to live within our messaging. Within external marketing and communications we use two distinct typefaces: Whitman Display Condensed and Plain.

Whitman Display Condensed is a serif that expresses professionalism, positivity and approachability. It is supported by Plain a simple sans-serif ensuring all our messaging is clear and compelling.

Fonts are available from:

Whitman Display
<https://www.typekit.com/whitman-display/>

Plain
<https://lopmo.ch/typefaces/plain>

Aa Aa

Whitman Display
Condensed Regular
ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890!@#\$%^&*()_.,?

Plain
Light
Regular
Medium
ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890!@#\$%^&*~&"0_.

BRAND GUIDELINES

IMAGERY

AUSTRALIAN ETHICAL

People, place and lifestyle

Our first category of photography is developed to capture conceptual ideas or express the emotion and people quality of our brand.

This photography style is active, spirited and positive – bringing themes and subjects from personal and everyday life that speak to our key messages and connection to the world.

When selecting images, there should be human or wildlife presence in the photograph out in the world – where appropriate be considerate of diversity in subjects (age, sex, nationality).

Ensure that images fit stylistically within the natural lighting, framing and compositional treatments of the reference images shown on this page. Distinct to our style is a sense of closeness to the subject matter and a feeling and surprising crop.

Images are reference positionals only. Photographs to be replaced with licensed imagery.

22






BRAND GUIDELINES

IMAGERY

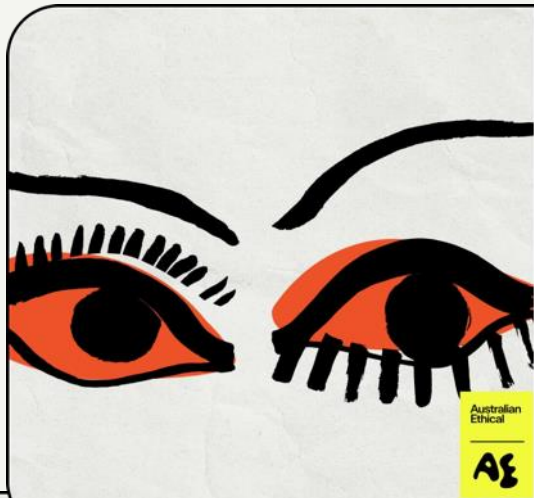
AUSTRALIAN ETHICAL

Illustration

The addition of illustration to our visual language provides a strong distinctive element to our brand identity.

Illustration is used to communicate single-minded concepts in a metaphorical and intelligent manner. The style defined by line-work and bright and vivid colours – derivative from our



"I am passionate about leaving the world a better place for the next generation, and I realised I could act on this by moving my super to a truly ethical fund."



"The amount of damage we are doing to the earth. It is my biggest fear my kids will inherit a planet on which they can not live."



"In a system where money talks and money wins, voting with your wallet is the only way to make a difference without overhauling the system."



"The realisation that our government or big businesses aren't going to make an effort towards change without pressure from the nation's citizens."



70% من الأستراليين يريدون
إجراءات مناخية حقيقية.

70% 的澳大利亚人希望采取真正的气候行动。

70% από τους Αυστραλούς θέλουν
δράση την αλλαγή του κλίματος

70% ऑस्ट्रेलिया वासी जलवायु बदलाव के प्रति वास्तविक कार्य
योजना चाहते हैं।

70% người Úc muốn thay đổi khí hậu thực sự

70% des Australiens veulent une
action sur le changement climatique

70% ng mga Australian ang
akasyon para sa pagbabagong klima

Il 70% degli Australiani
reale sul cambiamento climatico

El 70% de los Australianos
real frente al cambio climático

70% Австралийцев
в связи с изменением климата

Australian Ethical
founded on
insight: that
financial ma
be harnesse
about social

ADVERTISEMENT

ADVERTISEMENT

ADVERTISEMENT

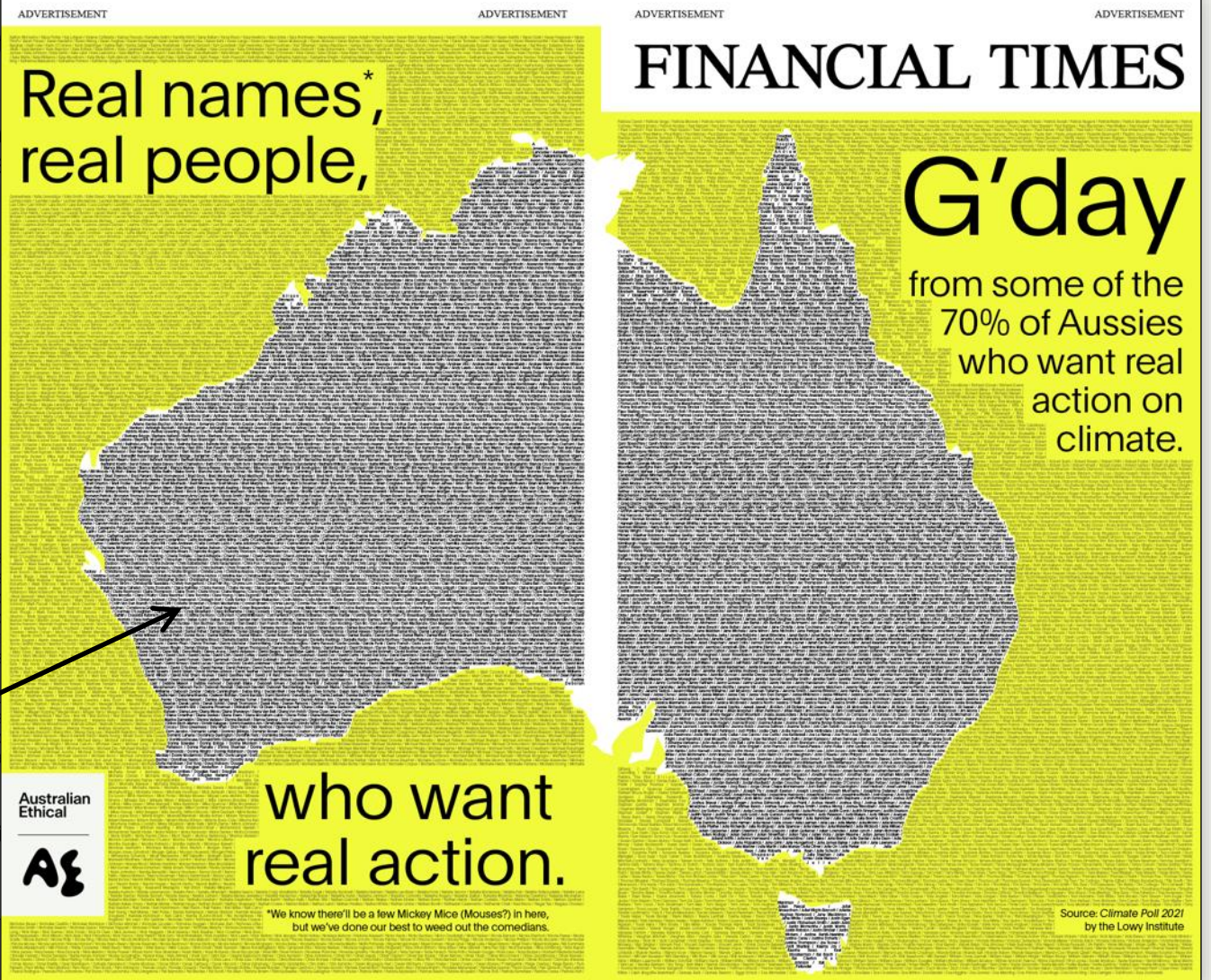
ADVERTISEMENT

FINANCIAL TIMES

Real names*, real people,

G'day

from some of the
70% of Aussies
who want real
action on
climate.

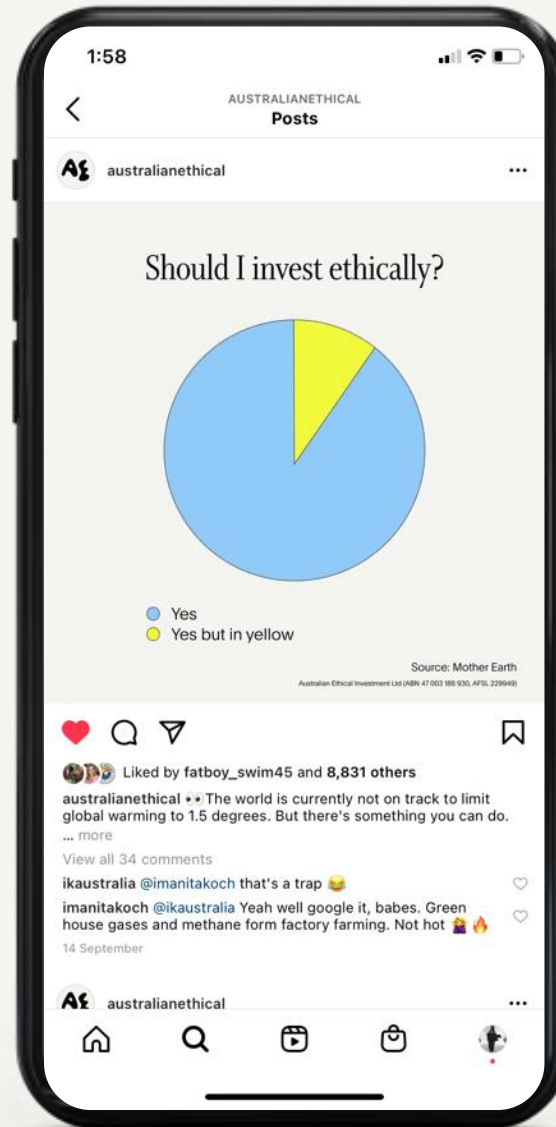


who want
real action.

*We know there'll be a few Mickey Mice (Mouses?) in here,
but we've done our best to weed out the comedians.

Source: Climate Poll 2021
by the Lowy Institute

Australian Ethical
A&E





Principled investment leadership

FY21 investment highlights



Excellent investment performance continues

^ Wholesale fund, after fees for the 1 year period ending 30 June 2021
^^ For the wholesale funds in their respective Mercer surveys



\$2.9m

in performance fees for **Emerging Companies Fund** which outperformed benchmark by 18.1%^



43.1%

1 year performance for **Australian Shares Fund** which also outperformed its benchmark across all time periods^



Top quartile performance

for **Diversified Shares, Australian Shares & Emerging Companies Funds** for periods 1 year and greater^^



No.1

Australian Shares super option over 1, 3, 5, 7 and 10 years ¹



No.1

Balanced option over 3 years ¹



Top 10

Super fund for 10 year performance (MySuper) – only retail fund ²

LAUNCHED ³

High Conviction Fund

LAUNCHED ⁴

High Growth Fund

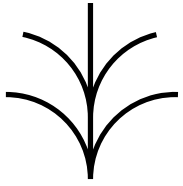
COMING SOON

High Conviction ETF

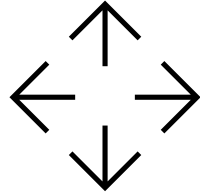
Impactful business



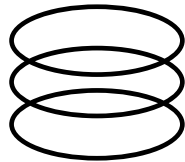
Investing in...



Upgrading our technology platform

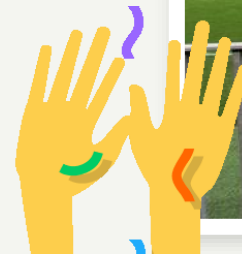
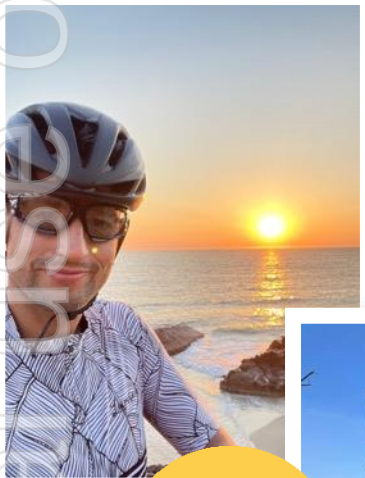


Expanding our adviser-facing team



Exploring different customer channels

Our culture



99%

of our employees feel they
can be themselves at work

93%

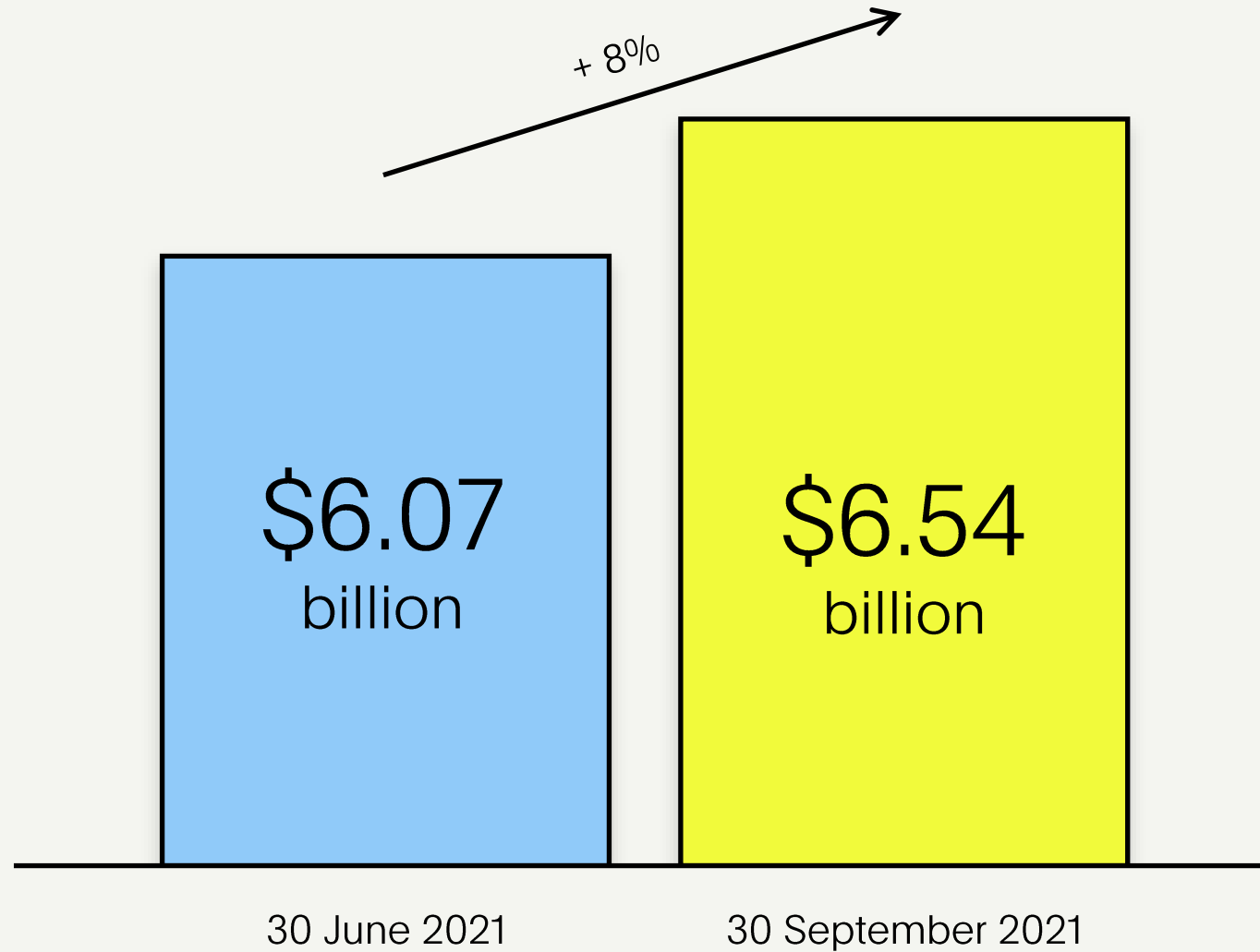
would recommend AE as a
great place to work



81%

are motivated to go beyond
what they would in a similar
role elsewhere*

FUM update as at 30 September 2021



Personal use only

Foundation highlights

Australian Ethical Foundation

The Australian Ethical Foundation aims to unearth & fund the most effective charities and solutions addressing climate change.



\$1.8m

allocated for impact initiatives in FY21



10% of AEI profits

allocated to not-for-profit organisations*



>\$6m

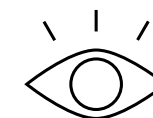
allocated to not-for-profit profits since inception



Strategic grants program

focused on:

- Stopping sources of carbon pollution
 - Supporting carbon sinks
- Educating & empowering women



New Visionary Grants program

launched with \$500k to fund innovative climate solutions



2040 net zero target for our investment portfolio⁵

Bringing forward the 2050 target we set in 2015

The best is
yet to come





Thank you

Summary of FY 21 highlights

1. FY21 Financial highlights (all financial results and metrics relate to year ended 30 June 2021 with comparatives relating to year ended 30 June 2020)
2. \$1.03 billion record net flows (up 56%)
3. \$58.7 million operating revenue (up 18%)
4. \$11.3 million NPAT attributable to shareholders (up 19%)
5. \$11.05 million UPAT (up 19%)
6. FY21 Investment performance highlights
7. \$2.9m in performance fees for Emerging Companies Fund which outperformed benchmark by 18.1% (wholesale fund, after fees for the 1-year period ending 30 June 2021)
8. 43.1% 1-year performance for Australian Shares Fund which also outperformed its benchmark across all time periods (wholesale fund, after fees for the 1-year period ending 30 June 2021)
9. Top quartile performance for Diversified Shares, Australian Shares & Emerging Companies Funds for periods 1-year and greater (for the wholesale funds in their respective Mercer surveys)
10. No. 1 Australian Shares super option over 1, 3, 5, 7 and 10 years and No. 1 Balanced super option over 3 years (Australian Ethical Super's Australian Shares option ranks no.1 out of 50 over 1 year, 3 years, 5 years, 7 years and 10 years according to the SuperRatings Fund Crediting Rate Survey – SR50 Australian Shares Index as at 30 June 2021. Balanced Accumulation Option ranks no.1 out of 50 in the SR50 MySuper Index over 3-years as at 30 June 2021, and achieved top quartile performance over 3, 5 and 7-years ending 30 June 2021 in the SuperRatings Balanced Survey June 2021)
11. FY21 Impact highlights for investment portfolio
12. 77% less CO2 produced by the companies we invest in, compared to benchmark (carbon intensity (tonnes CO2e per \$ revenue) of Australia Ethical share investments compared to blended benchmark of S&P ASX 200 Index (for Australian and NZ shareholdings) and MSCI World ex Australia Index (for international shareholdings). Shareholdings as at 30 June 2021)
13. 2.5x more impact towards the Sustainable Development Goals (based on the 'sustainable impact' revenue earned by companies whose shares we invest in, compared to the blended benchmark. Shareholdings as at 30 June 2021)
14. 13x more investment in renewable power generation than benchmark (Proportion of our share investments in renewable power generation compared to the blended benchmark. Shareholdings as at 30 June 2021)
15. We engaged with 500+ companies to understand & influence their positive & negative impact, supporting shareholder resolutions & voting for the changes we want to see (this includes lending our voice to support others' initiatives, engaging with companies directly (on our own or with others) and filing and voting on shareholder resolutions)
16. FY21 Awards highlights
17. Best for the World for Customer & Governance by BCorps (B Corps 'Best for the World Honouree' Customer 2021 and Corps 'Best for the World Honouree' Governance. The Best for the World are B Corps whose score in the top 5% of all 3,500+ B Corps worldwide. This relates to the Australian Ethical entity, not the investment portfolio)
18. 1 of only 6 fund managers globally to be named a "leader" for ESG commitment by Morningstar (in November 2020, Morningstar named Australian Ethical as one of just six global leaders, out of 40 asset managers assessed for ESG commitment. Australian Ethical was the only Australian asset manager to achieve this rating. Based on the second assessment (May 2021), one further asset manager was added as a "leader", who was an Australian asset manager. Inaugural ESG assessment: The Morningstar ESG Commitment Level: Our first assessment of 100-plus strategies and 40 asset managers, second assessment: The Morningstar ESG Commitment Level: Our second assessment of 140 strategies and 31 asset managers)

Summary of FY 21 highlights (continued)

19. Best ESG Trailblazer, Money Magazine, Best of the Best 2021
20. Australian Ethical Australian Shares Fund - Winner Responsible Investments 2021, Money Management, Fund Manager of the Year
21. Australian Ethical Australian Shares Fund – Winner ESG Australian Equities 2021, Financial Standard Leadership Awards
22. Super Fund of the Year 2021, Finder Green
23. GOLD For MySuper, MyChoice & Pension, SuperRatings
24. Most Recommended Superannuation, Mozo People's Choice 2021
25. Best Performing SR50 Australian Shares Option over 5 years 2015–2020, SuperRatings
26. FY21 Australian Ethical Foundation highlights
27. The Australian Ethical Foundation has allocated more than \$6 million to not for profits since inception
28. During FY21, this included \$1.8 million allocated for impact initiatives
29. We supported more than 30 charities addressing climate change
30. We allocated \$500,000 to be distributed through a new Visionary Grants program, directly funding innovative, early-stage climate change solutions
31. FY21 Shareholder highlights
32. The Board declared a fully franked final dividend of 4.0 cents per share for the full year ended 30 June 2021, as well as a special performance fee dividend of 1 cent per share, bringing the total dividend for the year to 8 cents per share, an increase of 33% on the previous year.
33. A 22% increase in shareholder numbers over the 12 months to 30 September 2021
34. FY21 Customer highlights
35. Our customer base grew by 23% during the financial year with managed fund customers increasing by 31% and super members by 22%
36. We remain one of the fastest growing super funds in the country by both number of members and funds under management (KPMG 2020 Super Insights Report – published May 2020 using statistics published by APRA and ATO as at 30 June 2019)
37. 11.6% increase in customer referral numbers during the financial year
38. No. 1 NPS for customer advocacy and No. 2 for customer satisfaction (Investment Trends research, June 2021)

References and disclaimer

1. Australian Ethical Super's Australian Shares option ranks no.1 out of 50 over 1 year, 3 years, 5 years, 7 years and 10 years according to the SuperRatings Fund Crediting Rate Survey – SR50 Australian Shares Index as at 30 June 2021. Balanced Accumulation Option ranks no.1 out of 50 in the SR50 MySuper Index over 3-years as at 30 June 2021, and achieved top quartile performance over 3, 5 and 7-years ending 30 June 2021 in the SuperRatings Balanced Survey June 2021.
2. "...only one for-profit fund – Australian Ethical Super Balanced (MySuper) – made the top-10 list when performance was compared over the past decade." AFR 19 July 2021, Source: Chant West
3. Launched 1 October 2021 <https://www.australianethical.com.au/managed-funds/high-conviction/>
4. Launched 1 October 2021 <https://www.australianethical.com.au/managed-funds/investment-options/high-growth-fund/>
5. We have set a 2040 net zero target for our company and other private sector investments, bringing forward the 2050 target we set in Our net zero target is for our investment in the private sector, not for our investment in government bonds and other public sector investments. Governments have a huge role to play in setting policies and allocating capital to drive the transition to net zero. However, we recognise that whereas a company can take action to decarbonise ahead of others, individual countries may have less flexibility to do this when they have responsibilities and activities across the entire economy and society. Some developing economies may be slower to transition, and responsible investors will have a role to continue to contribute capital to support this transition.

Australian Ethical Investment Ltd (ABN 47 003 188 930; AFSL No. 229949) is the Responsible Entity and Investment Manager of the Australian Ethical Managed Investment Funds. Interests in the Australian Ethical Retail Superannuation Fund (ABN 49 633 667 743; Fund Registration No. R1004731) are offered by Australian Ethical Investment Ltd by arrangement with its subsidiary and trustee of the Super Fund, Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733, Registerable Superannuation Entity Licence No. L0001441, AFSL No. 526055).

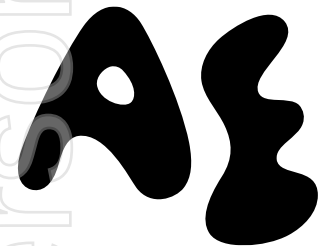
The information contained in this presentation is general information only, and does not take into account your individual investment objectives, financial situation or needs. Before acting on it, you should consider seeking independent financial advice that is tailored to your personal circumstances and refer to the Financial Services Guide, Product Disclosure Statements and Additional Information Booklets available on our website (www.australianethical.com.au).

Certain statements in this presentation relate to the future. Such statements involve known and unknown risks and uncertainties and other important factors that could cause the actual results, performance or achievements to be materially different from expected future results. Australian Ethical Investment Ltd does not give any representation, assurance or guarantee that the events expressed or implied in any forward looking statements in this update will actually occur and you are cautioned not to place undue reliance on such statements.

The content of this presentation is intended to provide a summary and general overview concerning matters of interest and is correct as at the date of publication. It has not been subject to auditor review. Australian Ethical Investment Ltd does not accept any liability, either directly or indirectly, arising from any person relying, either wholly or partially, upon any information shown in, or omitted from, this update. Under no circumstances will Australian Ethical Investment Ltd be liable for any loss or damage caused by your reliance on information obtained from this update. You should consider seeking independent advice from a legal or other professional adviser before acting in response to the content of this update.

Proxies received

Resolution	For	Open	Against	Abstain
2	34,466,096	2,331,182	229,617	497,331
3	32,340,629	1,415,127	4,080,066	57,325
4	35,837,900	1,415,094	601,348	38,805
5	32,289,669	2,177,609	3,065,873	70,925



Personal use only