

# Quarterly FUM update

## ASX ANNOUNCEMENT

### FUM announcement – 1 October to 31 December 2023

### **Australian Ethical reports record FUM of \$9.67 billion underpinned by further customer growth, positive net inflows and investment performance**

"Australian Ethical is delighted to report yet another high-water mark with funds under management reaching a new record high of \$9.67 billion. Further customer growth, another quarter of positive net flows and solid investment performance underpinned the result." Managing Director John McMurdo said today.

"This impressive result has been achieved despite the continued challenging conditions impacting the broader market, with our superannuation product set providing diversification to our growth in these volatile conditions.

"With more than 10 years of consecutive positive quarterly net inflows, Australian Ethical continues to deliver strong and consistent business growth, through different market cycles.

"Our strategic transformation plan has meant the company continues to move from strength to strength, supported by strong headline growth, increased scale and improving underlying operating leverage. The consistent and continued business growth we are delivering, reflects the growing consumer demand for our style of investing and the quality of our business model and delivery."

#### **Funds under management**

FUM reached \$9.67 billion at 31 December 2023, up 5% from September 2023, driven by positive net flows and solid investment performance.

#### **Positive net flows**

Australian Ethical reported positive net flows of \$145 million in the December 2023 quarter underpinned by solid superannuation net flows, with continued new customer growth, and superannuation guarantee contributions providing a strong annuity-based source of net flows.

During the quarter, managed fund net flows continued to be impacted by cautious investor sentiment relating to broader market volatility. Despite the market challenges, this product set demonstrated resilience, with a modest net outflow of \$7 million.

For the half year ending 31 December 2023, net flows were \$259 million, up from \$186 million in the first half FY23.

## Investment performance

Australian Ethical reported strong investment performance during the quarter of \$325 million. Half year performance was positive \$202 million, with the most recent quarter offsetting the negative first quarter performance.

## FUM & flows detail

FUM and flows by product for the three months to 31 December 2023 were:

| Product Category           | FUM Sept 23 (\$bn) | Net flows (\$bn) | Market & other <sup>1</sup> (\$bn) | FUM Dec 23 (\$bn) |
|----------------------------|--------------------|------------------|------------------------------------|-------------------|
| Managed Funds <sup>2</sup> | 1.96               | (0.01)           | 0.08                               | 2.04              |
| Superannuation             | 7.23               | 0.15             | 0.24                               | 7.63              |
| <b>Total<sup>3</sup></b>   | <b>9.20</b>        | <b>0.14</b>      | <b>0.32</b>                        | <b>9.67</b>       |

FUM and flows by product for the six months to 31 December 2023 were:

| Product Category           | FUM June 23 (\$bn) | Net flows (\$bn) | Market & other <sup>1</sup> (\$bn) | FUM Dec 23 (\$bn) |
|----------------------------|--------------------|------------------|------------------------------------|-------------------|
| Managed Funds <sup>2</sup> | 2.00               | (0.01)           | 0.05                               | 2.04              |
| Superannuation             | 7.21               | 0.27             | 0.15                               | 7.63              |
| <b>Total<sup>3</sup></b>   | <b>9.20</b>        | <b>0.26</b>      | <b>0.20</b>                        | <b>9.67</b>       |

<sup>1</sup> Includes changes in asset value due to market movements and net income.

<sup>2</sup> Includes SMA; reflects retail, wholesale, and mezzanine investors.

<sup>3</sup> Variances in totals due to rounding.

Further information will be provided in the half-year results announcement on 23 February 2024.

This announcement is authorised by Karen Hughes, Company Secretary.

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## About Australian Ethical

Australian Ethical is Australia's leading ethical investment manager<sup>1</sup>. 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 \$9.0 billion in funds under management across managed funds and superannuation. Visit: [www.australianethical.com.au](http://www.australianethical.com.au)

<sup>1</sup> Please refer to <https://www.australianethical.com.au/why-ae/investment/#awards> for specific awards Australian Ethical has won, including the specific categories.

