

Australian Ethical Investment Limited

Earnings guidance & FUM

ASX ANNOUNCEMENT

2019 Earnings guidance

Australian Ethical Investment Limited (ASX:AEF) advises that Underlying Net Profit after Tax (UPAT) for the 6 months ending 31 December 2018 is expected to be between \$3.0 and \$3.4 million, a mid-point increase of 48% on the 6 months ended 31 December 2017 and 13% on the 6 months ended 30 June 2018.

FUM movement for the quarter to date

Funds under management (FUM) decreased 3% to \$2.86 billion as at 31 October 2018, down from \$2.96 billion as at 30 September 2018. This decrease was primarily driven by negative market movements.

FUM and flows by product for the period 30 September to 31 October 2018 were:

Product Category	FUM Sep 18 (\$bn)	Net Flows (\$bn)	Market & other* (\$bn)	FUM Oct 18 (\$bn)
Managed Funds	1.02	0.01	(0.05)	0.98
Superannuation	1.94	0.02	(0.08)	1.88
All products	2.96	0.03	(0.13)	2.86

* Includes changes in asset value due to market movements and net income.

Outlook

Factors impacting the expected result in the second half of the financial year compared to the first half include:

- i) Investment in upgrading our digital marketing and customer management platform;
- ii) Additional resources in product, technology and marketing to support continued growth;
- iii) The filling of a number of roles that have been vacant for the first half;
- iv) The full half impact of fee reductions implemented in October 2018.

This earnings guidance is based on unaudited management accounts to 31 October 2018. More information will be provided in the half year results that will be released in late February 2019.

About Australian Ethical

Australian Ethical is Australia's leading ethical wealth manager. Since 1986, Australian Ethical has provided investors with wealth management products that align with their values and deliver strong returns. Investments are guided by the Australian Ethical Charter which shapes our ethical approach and underpins our culture and vision.