

Tuesday, 11 November 2025

Australian Ethical 2025 AGM Speeches

ASX Announcement

The Chair and Managing Director's speeches are attached.

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.

Chair AGM speech, Nov 2025

Financial year 2025 has been an important and successful year for Australian Ethical.

We've grown, delivered strong results for shareholders, and continued to prove that you can do well by doing good.

Both organic and inorganic successes contributed to our business's strong financial performance in FY25... Our Funds Under Management increased to \$13.94 billion, a 34% lift on FY24.

And I'm thrilled that we've exceeded \$14 billion in Funds Under Management in the first quarter of the current financial year.

The Altius acquisition has been good for the business – not just adding enhanced Fixed Income capability to the team, but also adding \$1.93 billion in FUM.

Investment performance and organic net flows added an additional combined \$1.64 billion.

In FY25 our underlying profit after tax was up 29% on the previous year to \$23.8 million... total dividends increased by 56% to 14 cents per share, reflecting stronger earnings and our commitment to disciplined capital management while preserving balance sheet strength.

We've been doing this for a long time. Since our inception in 1986 – coming up to 40 years next year – we have been investing in line with our Ethical Charter using a sophisticated two-stage investment process, which makes us unique and true to our label of Australian Ethical.

For us, ethics comes first ... it always has. Our team assesses assets and sectors against our ethical criteria before then applying our rigorous investment process.

This process leads us towards future focused investment opportunities.

It's led us to investing in new innovations and technologies across industries and sectors over the years, including in healthcare, education, climate technologies.

Today, we are an investor in sustainable housing, low carbon infrastructure technologies, as well as private market and venture-style investments enabling emerging energy and climate technology¹.

Our Ethical Charter also steers us away from dying industries and the possibility of stranded assets.

We invest this way because it's who we are... We believe the power of money can be harnessed to deliver both competitive returns and positive change for people, planet and animals.

The evidence of this power is reflected in the returns we deliver through market cycles and economic conditions, and in the measurement of the difference our portfolios make.

In the last year our flagship Australian Shares and Emerging Companies Funds celebrated 30 and 10 years of ethical outperformance respectively²

While three of our super options ranked in the top 20 super fund options in the country³.

Every year we also measure how our Ethical Charter makes our listed portfolios look different ...

We have 2.3 times the revenue from sustainable impact solutions compared to Benchmark⁴ ...

¹ Recent new investments in our Multi-Assets and superannuation funds include Macquarie Green Energy and Climate Opportunities Fund, an infrastructure fund that invests in development platforms in renewable energy, storage and adjacent sustainable infrastructure, Vertelo, a fleet electrification solutions platform focused on decarbonising transport in India with financing support from the United Nations Green Climate Fund, and Climate Tech Partners Fund I, a venture capital fund that aims to invest in scalable technology companies that help transition the world toward a net-zero future. Read more here [Q1-FY26 Infrastructure Debt Fund Commentary | Australian Ethical](#)

² Australian Share Fund (Retail, net of fees) returned 9.7% p.a. since inception in Sept 1994 compared to its benchmark which returned 7.5% p.a. over the same period. (Benchmark changed from S&P/ASX 300 Accum Index to 65% ASX 100 Total Return Index & 35% ASX Small Ordinaries Total Return Index from 30 Sep 2023. Previously, benchmark changed from S&P/ASX Small Industrials Index to S&P/ASX 300 Accum Index from 13 Aug 2019. The historical benchmark returns are calculated by linking these indices Emerging Companies Fund (Retail, net of fees) returned 11.5% p.a. since inception in June 2015 compared its S&P/ASX Small Industrials benchmark which returned 6.8% p.a. over the same period.

³ The returns for our Balanced, Growth and High Growth superannuation options ranked these options in the top 20 in the country for the 12 months to the end of June, according to SuperRatings, Fund Credit Rating Survey, June 2025

⁴ Based on the revenue from sustainable impact solutions earned by companies in which we invest, through both shareholdings and fixed income securities, and the proportion of our investments in the relevant category of solutions. Compared to a blended benchmark that best reflects the benchmarks used by the underlying investment strategies. Sustainable impact solutions are defined by MSCI as products or services with positive impact on the society and the environment. Based on shareholdings at 30 June 2025 and analysis tools provided by external sources for which we

5.2 times the revenue from sustainable water and agriculture and pollution prevention solutions than the Benchmark⁵.

And on the climate front, we have 75%⁶ lower emissions intensity and 4.1x the level of renewables and energy solution.

Investing for the future is what the world needs. But to be effective, we also know we need the right signals from government and right policy settings.

We were disappointed the Government wasn't more ambitious when it set its 2035 Nationally Determined Contribution target in September – which was for emissions to be 62-70% below 2005 levels.

This is the emissions reduction target Australia agreed to set every five-years when we became a signatory under the Paris Agreement in 2015...

What's shocking is that fossil fuels still account for more than 80% of greenhouse gas emissions globally⁷. Which is why we continue to engage with Banks about their lending to fossil fuel companies and new projects and with insurers about why they continue to provide insurance to those companies and projects. And I am personally more than disappointed that the Australian Government continues to subsidise fossil fuel companies, amounting to close to an estimated \$15 billion in the last year⁸.

have relevant data. More information on Sustainable Impact Metrics available at https://www.msci.com/documents/1296102/16472518/ESG_ImpactMetrics-cfs-en.pdf

⁵ Same as above

⁶ Carbon/CO2 intensity is measured as tonnes CO2e per million \$ revenue earned by companies in which we invest through both shareholdings and public corporate fixed income securities. The comparison benchmark is a blended benchmark that best reflects the benchmarks used by the underlying investment strategies. Based on shareholdings at 30 June 2025 and analysis tools provided by external sources for which we have relevant data.

⁷ [2023 Set Records in Global Fossil Fuel Use and Carbon Dioxide Emissions - IER](#), [Fossil fuels are the biggest source of CO2 emissions in most countries, but there are a few exceptions - Our World in Data](#) and <https://www.pbs.org/newshour/world/al-gore-blasts-cop28-climate-chief-and-oil-companies-emissions-pledges>

⁸ [P1669-Fossil-fuel-subsidies-2025-Web.pdf](#)

While we wanted to see more ambition from the government on fossil fuel expansion emissions reduction, we have now shifted our focus to the role we can play to ensure the nation reaches our next set of targets.

We are now also looking forward to COP30 this month and the possibility the global conference will come to Australia in 2026...

Our Foundation is supporting Professor Anne Poelina from the Martuwarra Fitzroy River Council to join a delegation in Belem, Brazil, this month. The goal is to advocate for the protection of the pristine Kimberley region and its communities in Western Australia, highlighting Indigenous leadership and scientific knowledge in nature conservation.

The Foundation's refreshed strategy and vision to empower communities to preserve nature and regenerate ecosystems comes at a time when investors and markets are starting to consider the dependencies on nature and the impact their investments are having on nature.

While nature is already deeply embedded in our ethical assessment process, we are now developing a formal position on Nature to guide our assessment of companies and their links to nature loss and impacts on vulnerable species, and sites with high biodiversity.

Before handing over to our Chief Executive Officer and Managing Director, John McMurdo, I'd like to say a few words of thanks and acknowledgement.

I want to acknowledge and welcome Richard Brandweiner and Brian Bissaker... who were appointed non-executive directors in September last year and April this year respectively.

Both individuals bring a wealth of experience and knowledge to help the business elevate its position and deliver on its vision and purpose.

Most recently Richard was Chief Executive Officer of Pandal Australia... and prior to this he was Chief Investment Officer of Aware Super and Group Executive at Perpetual Investments.

Meanwhile Brian was the CEO of Colonial First State and CEO of Virgin Money Australia, an Executive Vice President at BT Funds Management and a Group Executive of the Bank of Queensland

Finally, a big THANK YOU and acknowledgement of Kate Greenhill who has recently retired as a non-executive director.

As well as being a non-executive Director of Australian Ethical and our super Fund Kate has been the Chair of the Australian Ethical Investment and Australian Ethical Superannuation Audit, Risk & Compliance Committees and a Member of the People & Remuneration Committee, the Due Diligence Committee and the Insurance and Benefits committee.

Kate was first appointed a Director of Australian Ethical Investment in 2013 and has played a significant role in the transformation of what it was then to what it is today. It is always a touch sad when someone who has made such a profound difference leaves, SO THANK YOU Kate.

I also would like to take this opportunity to thank everyone who contributed to the success that FY25 was.

My Fellow Directors, Our MD/CEO and his leadership team, all AE employees and our key service providers. THANK YOU.

Managing Director & CEO 2025 AGM Speech

Thanks Steve, good morning everyone, its great to be together again.

I also acknowledge the traditional owners of the country on which we meet today, and pay my respects for their custodianship of country, country we are blessed to be on today.

I want to begin this morning by publicly extending my gratitude to the entire Australian Ethical team - our staff, leadership group and Board, many of whom are gathered today in the room or online around the country. I'd also like to acknowledge Anthony Lane, our new Chief Operating Officer who started with the team yesterday.

We have had another incredible year in financial year 2025, indeed a transformational one, which in large part is due to the deep commitment and fabulous capability of our people. The purpose-driven, high-performing culture, which I observe every day - is the absolute foundation of our success.

Our purpose remains clear and unwavering: To invest for a better world.

This is not a slogan - it's the lens through which we make every decision in our organisation.

In a year marked by record-breaking climate events, regulatory scrutiny, swaying political agendas, and shifting global sentiment on sustainable investing, or in fact sustainability in general, our role as ethical investors has never been more important.

While many investment managers have indeed pulled back¹, weakening their focus, we continue to allocate capital to future-focused opportunities, advocate for systemic change, and use our growing influence to catalyse positive outcomes for people, planet and animals.

Our Theory of Change is working. As our Funds Under Management have grown, our brand recognition has increased and our credibility as an organisation is further recognised – so has our ability to create change both through our investments and our stewardship activities². We are proud of what we do.

¹ "Just three new ESG-focused ETFs were launched in Australia this year, a significant decline compared to the 15 ESG products introduced in 2022". AFR, 20 December 2024 <https://www.afr.com/markets/equity-markets/esg-investing-on-shaky-footing-as-green-fatigue-sweeps-etf-market-20241219-p5kzli>

² Stewardship report <https://www.australianethical.com.au/globalassets/pdf-files/sustainability-reports/2025/stewardship-report-2025.pdf>

But there's much more to be done. The 2025 Planetary Health Check³ reveals that seven of the nine planetary boundaries have been breached, with greenhouse gas concentrations rising, overuse of nutrients, deforestation, ocean acidity and biodiversity all reaching levels that are unsustainable and that will challenge our way of life.

In Australia we've seen first-hand the economic and personal cost of the climate crisis with more frequent extreme weather events, bush fires, coral bleaching and more recently the significant algal bloom in South Australia.

Australia's first National Climate Risk Assessment⁴ published last month was sobering reading, flagging the future risks and costs that the country may bear.

It's clear that to protect our future we must protect our planet. To do that the world needs to continue to reduce its reliance on emissions-intensive energy to slow warming in line with science-based targets.

While it doesn't seem so at times - this message is getting through.

For the first time this year, global renewable energy generation surpassed coal with solar expansion and steady wind growth driving the world's shift away from fossil fuels⁵. This is a natural consequence of the global investment in clean energy, now nearly doubling that of fossil fuels⁶.

As investors we have had an important role to play, not just directing capital, but also guiding business leaders and regulators to set the right conditions to enable the acceleration of the transition to cheaper and cleaner, renewable energy. We are driven by the science AND the opportunity – investing in technology and solutions reshaping industries and delivering long-term investment returns as the world shifts towards a lower carbon future.

We have been and will continue to be a loud, public voice calling for change but given the growing scale and influence of Australia's superannuation system, which is on track to be the second largest in the world by 2030 – it's disappointing that there are not more loud voices seeking better disclosure of climate risk, commitments to end deforestation, pushing for alternatives to animal research, or standing up to protect the natural habitats that underpin our ecological systems.

³ "Planetary Health Check: 7 of 9 Boundaries Breached" Earth Commission, 24 September 2025, <https://earthcommission.org/planetary-health-check-7-of-9-boundaries-breached/>

⁴ <https://www.acs.gov.au/pages/national-climate-risk-assessment>

⁵ "Global renewable energy generation surpasses coal for the first time" The Guardian, 7 October 2025 <https://www.theguardian.com/environment/2025/oct/07/global-renewable-energy-generation-surpasses-coal-first-time>

⁶ "World Energy investment 2025 highlights electricity demand and energy security as new drivers" IGGC, 10 June 2025 <https://www.iigcc.org/insights/world-energy-investment-2025-highlights-electricity-demand-and-energy-security-new-drivers>

We are garnering support though. In the last 12 months, shareholder resolutions we co-filed, including with Westpac and Macquarie Group, saw an increase in support. Our most recent co-filed shareholder resolution in July, calling on Macquarie Group to improve climate risk disclosure, got 35% support from shareholders, ranking it in the top 5 climate-related shareholder resolutions in the world in the last 12 months⁷.

Following the lead of Aldi and Woolworths last year, Coles confirmed they are developing a formal commitment through the Science Based Targets initiative to eliminate deforestation from its supply chains. But sometimes we also see companies take a backward step and sadly, in August this year, Woolworths walked back their commitment to no deforestation in their beef supply chain. So, our investment and stewardship teams are again engaged in active discussions with them on this, as well as their policy on farmed salmon sourcing, caged eggs and governance more broadly.

These kinds of initiatives are integral to who we are. Multi-year strategic initiatives designed to drive meaningful change that will make businesses more sustainable, better for investors and ultimately better for everyone. It's how we realise our vision of Money as a force for good!

In terms of business performance and highlights in FY25 I am proud to share that our team has again delivered quite remarkable results.

- Underlying profit was up a significant 29% to \$23.8m.
- Our statutory profit or NPAT, was up 68% to \$19.9m.
- This was enabled by strong 19% year on year revenue growth - to \$119.4m, combined with disciplined cost management.
- With that combination being reflected in our Cost to Income Ratio improving to 71.4% from 73.7% in FY24, further demonstrating the structural improvement in our operating leverage - that I have consistently said would begin to emerge from our increased scale.
- Funds under Management reached a new record high of \$13.94bn, and went past \$14bn in September, as you know, aided most importantly by continued organic growth, but further supplemented through the successful acquisition and integration of Altius Asset Management.
- Our financial momentum and the structural improvement in our profit realisation enabled the Board, with confidence to increase our dividend to 14 cents per share for the year, a 56% uplift on FY24.

Clearly, an excellent year on all key measures.

But as most of you know, this has not been a 1-year journey or a "flash in the pan" result.

⁷ Australian Ethical Stewardship Report 2025 <https://www.australianethical.com.au/globalassets/pdf-files/sustainability-reports/2025/stewardship-report-2025.pdf>

When we embarked on our growth strategy in 2020, we were clear that funds under management and revenue capture, if we were successful, WOULD result in stronger medium to longer term profit growth and a business more capable of capturing further upside beyond that.

As I stand here today, the Australian Ethical team continue to deliver on that promise.

FUM capture has been strong. Predominantly from strong and consistent organic growth. We have now delivered more than 50 consecutive quarters of positive net flows, when other fund managers have at times struggled. We achieved that through various economic and political cycles, inflationary environments, global pandemics and geo-political tensions.

That organic growth has been augmented by accretive M&A, which has delivered further valuable scale and in the more recent case of Altius Asset Management which we completed in late September 2024, both scale and aligned capability, that increases the strength and breadth of our economic engine – being investment management margin capture.

Revenue growth even after sharpening our pricing over the 5 years - to intentionally create a better moat for customer retention - has been very pleasing.

That has enabled us now - to present 5-year underlying EPS growth running at 20% compound, and significantly increased dividends in recent periods.

For me, even more pleasing than the results we have already delivered – is the unquestionably stronger, more diversified, more capable business we now have, that positions us strongly for further growth.

We have built (with intention) one of the most trusted brands in the country

With very strong customer satisfaction measured by net-promoter scores

We were awarded the NEO Brand Awards for financial Partner of the year. The NEO segment being those more progressive, more likely to connect with brands because they reflect how they themselves feel about issues. Exactly our target market.

We are further advanced in the build of our target operating platform, with significant transitions of superannuation providers, custodians and investment platform partners, providing us modern, agile, scalable solutions – with significant underlying unit-cost efficiencies at the same time.

And our investment capabilities (including human capital, asset classes and product offering) are broader and deeper than ever before.

That investing and impact capability is underpinning exactly what our target market is attracted to. High quality, repeatable investment returns, while putting our stronger shoulder to the wheel on creating a better world.

As Steve mentioned earlier, our retail Australian Shares Fund celebrated its 30-year anniversary during the year. During this period this Fund has delivered an amazing 9.7% per annum

investment return, net of fees to the end of June⁸. This is around 2.0% p.a compound above benchmark. A remarkable evidence point of our successful long term investment capability, delivering strong outcomes for our customers.

And we are using our growing scale, credibility and trusted voice to help deliver on our purpose – to steward and advocate - in boardrooms, with CEO's, at AGM's, via the media, through sponsoring research and through submission to industry bodies and governments, as I shared earlier.

Not only with businesses and assets we direct capital to, but also in sectors where we don't.

Add to that the valuable and growing work of our Foundation, and our customers value our approach and efforts immensely. Done for reasons of mission, but also instrumental in building our brand trust.

A better series of proof-points than me talking about the quality of the company, are the number of external awards we are receiving- across almost every facet of our business.

For

- Investments and Superannuation excellence and performance
- Responsible investment leadership
- Brand resonance
- For Growth
- For our Customer experience and service
- Our B Corp leadership across Australia and N.Z
- And most recently, last week we won the People's Choice Award in the consumer website Finder's Green Innovation Category.

Australian Ethical is now a business that has been able to invest for growth, achieve growth, achieve accelerated profit realisation, and build a true platform to capture more.

Our medium-term opportunity is exciting to us.

We believe the drivers for and the demand for responsible investing will continue over time, even as political regimes change and rhetoric oscillates – because the existential threat to the planet and the urgency of many if not all humans to address these problems – is growing.

⁸ Australian Share Fund (Retail, net of fees) returned 9.7% p.a. since inception in Sept 1994 compared to its benchmark which returned 7.5% p.a. over the same period. (Benchmark changed from S&P/ASX 300 Accum Index to 65% ASX 100 Total Return Index & 35% ASX Small Ordinaries Total Return Index from 30 Sep 2023. Previously, benchmark changed from S&P/ASX Small Industrials Index to S&P/ASX 300 Accum Index from 13 Aug 2019. The historical benchmark returns are calculated by linking these indices
Emerging Companies Fund (Retail, net of fees) returned 11.5% p.a. since inception in June 2015 compared its S&P/ASX Small Industrials benchmark which returned 6.8% p.a. over the same period.

We have a clear and disciplined strategy to succeed, and the strong, authentic brand that Australian Ethical now has, will position us strongly.

We have worked hard and as a priority over the last few years to build deep and perpetual capability in the high-margin, sticky, high-system growth part of the market – being retail Superannuation and believe we are now very strongly positioned with brand trust, investment capability and performance, direct to consumer marketing capability, channel breadth, and momentum. It has been our priority – and we are pleased with the traction. It will underpin our forward growth, and will continue to be a major focus of our strategy.

But as I have highlighted in more recent times, we have also been systematically building the capability and infrastructure to compete and succeed in the investment (or non-superannuation) space.

We see potential for new revenue capture through the asset class expansion we have already embarked on in private markets and fixed income, and future potential in international equities. The investment talent, product expansion, systems and process we continue to build and believe we can package in the years ahead – combined with our natural reach into the adviser market and now further augmented with resource pointed at the values aligned middle market is we believe, deeply prospective for us. This capability is now supported with recommended ratings for all of our multi-asset funds, our Australian Shares, Emerging Companies, and High conviction funds, and in recent days our green bond and sustainable bond funds. We are winning numerous awards for many aspects of our investing capability.

We expect the early green shoots of that work to continue to emerge over the next 12-24 months as we present recent and new product development to market, and build what is already a growing pipeline of opportunities.

We also remain intent on landing the benefits of scale over-time.

Our successful transitions to (GROW) and (State Street), are enhancing our customer delivery and operational efficiency, while delivering valuable unit cost reductions. Our implementation of the Charles River and Alpha data platform will first and foremost support the resilience of our investment business but also allow us to present a more institutional grade platform to market, secure further investment consultant and external stakeholder support and position us even more strongly to compete in the values aligned middle market space.

We are making meaningful progress in the use of our improved data capability (aided by more agile service providers) to further optimise and target our marketing and retention activities. This now includes the early use of AI to support optimisation.

And as I've shared, the people capability we have been able to build and secure, really underpins a great platform for further growth.

In summary I'm describing a strategy that sees us start to leverage the optionality and growth platform we have built – for revenue growth AND will see us continue to focus effort to build and partner for more efficient systems and process and leverage our scalable rate cards over the medium term.

We are adamant that we can continue to grow the top line both organically and periodically inorganically also (as you've seen), and further widen the cost to income jaws.

This is a strategy that will benefit all our stakeholders, and as I stand in front of shareholders this morning – I expect you to continue to be well rewarded for your support of our company.

CONCLUSION

In conclusion, we recognise that challenges remain - geopolitical uncertainty, cost of living pressures, and lower superannuation switching rates across the sector will continue to test us. But our strong balance sheet, enhanced capability and clear strategy give us confidence in our ability to navigate these headwinds and capture the opportunities ahead.

We remain resolute in our pursuit of a more sustainable and ethical future, one where our investments yield not only financial returns but also contribute to a world that thrives for generations to come.

Steve and I want to extend our gratitude to our shareholders, investors, super fund members, partners and the entire Australian Ethical team for your unwavering support and dedication. Together, we are proving that it is possible to deliver strong financial returns and create real, lasting impact for people, planet and animals.

Resolute in our purpose, confident in our strategy and excited for the next phase of our journey.

Thank you for being with us this morning.