

**ASX ANNOUNCEMENT**ASX Code: AEF  
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## Third Quarter FUM update – 31 March 2026

### ASX ANNOUNCEMENT

#### **Australian Ethical reports \$13.57 billion FUM at 31 March 2026 with new product momentum and key middle market and institutional wins**

Australian Ethical recorded \$13.57 billion in funds under management (FUM) at 31 March 2026, supported by continued positive net flows in superannuation. The quarter also saw the delivery of important strategic milestones including the launch of a new product to strengthen the private markets offering and middle market sales pipeline.

Positive net flows during the quarter reflected the resilience of Australian Ethical's diversified business model, although investment performance from market movements in this challenging period resulted in a 3.7% decrease in FUM over the quarter.

Managing Director John McMurdo said today:

"Australian Ethical continued to deliver positive superannuation net flows and made strong progress across newer growth channels during the quarter. The diversity of our business model is supporting resilience while enabling us to build momentum beyond our core superannuation offering.

"We are particularly pleased with the early traction we're seeing in the middle market channel, alongside the launch of a new product and securing a commitment of up to \$125 million from the Clean Energy Finance Corporation.

"These milestones represent meaningful progress in establishing our second growth engine and reflect strong demand for ethical and impact aligned investment solutions. With a growing middle market pipeline, we are well positioned to continue executing on our strategy and delivering sustainable long-term growth."

### Q3 FUM and flows

#### Organic net flows - retail and wholesale

##### Superannuation

Australian Ethical reported positive superannuation net flows of \$0.10 billion during the quarter, with SG contributions increasing and continuing to underpin flows.

New member joins increased 17% compared to the prior quarter, reflecting the full period benefit of restored Employment Hero platform functionality. New join momentum is expected to translate into net flows in future quarters, given the lag between joining and full account activation, whilst the fourth quarter is expected to be further bolstered by end-of-financial-year contributions.

## Investments

Australian Ethical continues to make progress across its newer growth channels, including gaining traction in the middle market segment.

During the quarter, Australian Ethical secured a new \$50 million Not-for-Profit client, with the first \$20 million of flows received in March 26. A number of smaller middle market inflows were also recorded during the period. Additional middle market opportunities are progressing through the pipeline.

These positive middle market inflows provided some resilience against the anticipated higher-than-usual redemptions in both advised and direct channels during the period amid highly volatile market conditions. Overall retail and wholesale investments net flows were -\$0.01 billion.

## Organic net flows - institutional

Australian Ethical reported new flows from existing institutional clients into the fixed income funds, with Q3 institutional net flows of \$0.01 billion.

## Fund movements relating to client capital management

During Q3, client capital management activities led to a positive FUM movement of \$4.9 million (*refer note 2 below*).

## Investment performance

Investment performance during the quarter was impacted by challenging market conditions, including heightened geopolitical uncertainty arising from the ongoing conflict in the Middle East, which contributed to increased volatility across equity and investment markets. As a result, Australian Ethical recorded negative investment performance of \$0.63 billion, or -4%, for the period.

## FUM and flows for the three months to 31 March 2026:

Product Category (\$bn)	FUM Dec 25	Net flows		Capital management fund movements <sup>2</sup>	Market & other <sup>3</sup>	FUM Mar 26
		Organic				
		Retail & Wholesale <sup>1</sup>	Institutional			
Investments <sup>4</sup>	4.11	(0.01)	0.01	0.00	(0.21)	3.91
Superannuation	9.98	0.10	-	-	(0.41)	9.66
<b>Total</b>	<b>14.08</b>	<b>0.09</b>	<b>0.01</b>	<b>0.00</b>	<b>(0.63)</b>	<b>13.57</b>

<sup>1</sup> Retail & wholesale includes net flows from direct, advised, employer and values-aligned middle market channels.

<sup>2</sup> Reflects changes in FUM relating to an institutional client's capital management requirements. These FUM movements are typically subject to variability and cyclical trends and have a small revenue impact given the low margin on these funds.

<sup>3</sup> Includes changes in asset value due to market movements, net income and cash distributions.

<sup>4</sup> Investments includes Managed Funds, SMA, ETF and mandates.

<sup>5</sup> Variances in totals may occur due to rounding.

## Key strategic milestones achieved during the quarter

During the period, Australian Ethical reported strong progress in expanding its second growth engine – investment products beyond superannuation.

### Private Markets Growth Opportunities Fund launched with up to \$125 million commitment

At the end of March, Australian Ethical expanded its private markets offering with the launch of the Australian Ethical Growth Opportunities Fund, expanding their private markets capability and providing wholesale investors with access to long-term, ethically aligned private markets investments. This fund has received a cornerstone institutional

commitment from the Clean Energy Finance Corporation (CEFC) of up to \$125 million, which is expected to be received during Q4.

The Growth Opportunities Fund provides wholesale investors access to a diversified portfolio of private markets investments aligned with Australian Ethical's unique investment approach, designed to deliver both market rate returns and measurable impact. The fund also provides additional diversification benefits for Australian Ethical, particularly during periods of heightened equity market volatility.

### **Continued expansion of the values-aligned middle market channel**

The new \$50 million Not-for-Profit client onboarded during the period reflects a growing interest from the \$50 billion<sup>1</sup> philanthropic and foundation sector in Australia, who seek to align their investments with their purpose and values. Australian Ethical will provide further updates on product and pipeline developments in the fourth-quarter FUM announcement.

This announcement is authorised by Karen Hughes, Company Secretary.

## **About Australian Ethical**

Australian Ethical is one of Australia's leading ethical investment managers<sup>^</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 \$13.5 billion in funds under management across investments and superannuation. Visit: [www.australianethical.com.au](http://www.australianethical.com.au)

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

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<sup>1</sup> Philanthropic trusts and foundations in Australia manage more than \$50 billion in investible assets - Australian Charities and Not-for-profits Commission (2025). Australian Charities Report 11th Edition.