Outcomes Assessment for the Australian [1]Ethical Retail Superannuation Fund – Accumulation

As at 30 June 2025

Overview

The information in this document is for the Australian Ethical Super Fund's Accumulation Division which consists of the MySuper and Choice products offered by the Fund.

Each year the Fund's Trustee conducts an assessment that considers all aspects of the Fund including fees, returns and insurance, and the ethical impact of its investments. The assessment for the year to 30 June 2025 is set out below and the Trustee has formed the view that the MySuper option, which is the Balanced (accumulation) option, and all the Choice options offered by the Fund promote the best financial interests of its members.

Determination

On completion of their assessment, which is summarised in this document, the Trustee concluded that the financial interests of the Fund's members and beneficiaries continue to be promoted in the MySuper and Choice products within the Accumulation Division. The following determinations reflect this:

- The Fund continues to invest in line with the Ethical Charter and the rigorous investment criteria adopted by Australian Ethical continues to evolve to develop an ethical investment universe of companies aligned with a better future for people, animals and the planet
- The options, benefits and facilities offered are appropriate for members and their beneficiaries
- The investment strategy, including the level of investment risk, is appropriate for members to align with their values
- The basis for the setting of fees is appropriate for members of the Fund
- The insurance strategy is appropriate for members and their beneficiaries
- The insurance fees charged do not inappropriately erode the retirement benefits of members
- The scale of the Fund and the Trustee's business operations does not disadvantage members
- The MySuper and Choice product's operating costs are not inappropriately affecting the financial interests of members

Assessment Criteria

[1] Refer to the relevant Product Disclosure Statement for further information in relation to the MySuper option or Choice options within the Accumulation Division.

A summary of the Trustee's assessment is set out below.

Ethical Investment

The key purpose of the Fund is to invest Australians' retirement savings to achieve competitive returns alongside influencing positive change for the people, animals, and the planet. The Ethical Charter sets out the 23 principles that guide the ethical criteria for investment decisions which can be found on the Australian Ethical website.

Over the past year, the principles have been met and the highlights for the year for Australian Ethical's listed share investments are:

- 75% lower carbon intensity (tonnes of carbon dioxide per $ company revenue) in listed companies in our share portfolio compared to a mainstream share market benchmark as at 30 June 2025.[2]
- 2.3x the revenue from sustainable impact solutions compared to a mainstream share market benchmark as of 30 June 2025. [3]
- 5.2x the revenue from sustainable water and agriculture and pollution prevention compared to a mainstream share benchmark as of 30 June 2025. [2]
- 4.1x the investment in renewables and energy solutions compared to a mainstream share benchmark as of 30 June 2025. [2]

The Trustee has determined that it has acted in accordance with, and furthered the aims of, the requirements of the Ethical Charter for the year and the Australian Ethical business continues to work for positive influence through its superannuation and investment activities.

Investment Returns

The MySuper option passed the APRA Your Future Your Super Performance Test (Test) at 30 June 2025 as it has done for each year since its inception. The Test assesses funds' long-term performance against set benchmarks for fees and investment returns, and its aim is to improve efficiency, transparency and accountability in the super industry. The Test was applied to our other pre-mixed Choice options which all passed at June 2025. The results of each of these options are further detailed in the Appendix.

Our objective is to provide our members with investment returns that meet their investment objectives, which we continue to achieve. Over the 10 years to June 2025 the MySuper option exceeded its performance objective, as did the High Growth, Growth, Defensive and Australian Shares options. The Balanced (MySuper) option achieved above

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[2] Carbon/C02 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 for which we hare relevant data.

[3] Based on the revenue from sustainable impact solutions earned by companies in which we invest, through both shareholdings and fixed incomes securities, and the proportion of out 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 society and the environment. Based on shareholdings at 30 June 2025 and analysis tools for which we hare relevant data. More information on Sustainable Impact Measures available at https://www.msci.com/documents/1296102/16472518/ESG_ImpactMetrics-cfs-en.pdf/7a03ddab-46fd-cef7-5211-c07ab992d17b

median returns for the year to 30 June 2025 when compared to peers, and long term (7 and 10 year) returns are also above median.

The Trustee is aware that when compared to peers in the relevant SuperRatings surveys, the returns of many of our investment options are below median.[4] The exception to this is the International Shares option, which is above median for 3 and 5 years, and the Australian Shares option over 10 years. Long term returns across all options are within a reasonable range of the median target, and the Trustee has determined that returns are appropriate to meet members long term retirement needs.

A breakdown of these results is provided in the Appendix.

Investment Risk

Our ethical investing approach aims to identify, understand and manage investment risk and opportunity at company, portfolio and systemic level which we believe can help construct better investment portfolios.

The calculation of investment risk is based on industry guidance and can be used to compare investment options that are expected to deliver a similar number of negative annual returns over any 20-year period. It is not a complete assessment of all forms of investment risk and does not take in to account the impact of administration fees and tax on the likelihood of a negative return, the size of potential positive and negative returns, or whether the likely returns will meet your individual needs. The level of risk is shown on a scale from Very Low to Very High. The "Medium to High" risk classification applies to funds with an estimated likelihood of "3 to less than 4" negative returns over any 20-year period.

Our ethical approach produces investment portfolios which are different to market portfolios constructed without ethical constraints. Our ethical exclusions mean that there will be no or lower investment in some sectors (e.g. fossil fuels and mining) which may offer higher or lower returns than the investments we include. This increases the likelihood of differences between investment performance of our funds and of market benchmarks, particularly over shorter time frames. We believe our ethical investment approach has the potential to contribute to stronger risk return characteristics and performance of our portfolios. Further information is available in our Ethical Investment Guide.

The minimum investment timeframe for the MySuper Balanced option is 8 years, and the Standard Risk Measure was 'Medium to High' during FY 2025 with an estimated 3.5 years of negative net investment returns over a 20-year period. This measure is unchanged from last year and meets the investment risk strategy set by the Trustee.

Comparisons available from the SuperRatings Volatility and Risk Adjusted Returns Survey dated 30 June 2025 show that the risk-adjusted returns for the MySuper and Choice product's investment options are below median for most of the options.

The Trustee has reviewed the investment risk measures for all investment options and has determined that they meet the investment risk strategy set by the Trustee, given the approach to risk described above.

[4] The Trustee has used the SR 25 High Growth Survey, the SR 50 Growth Survey, the SR 50 Balanced Survey, the SR 50 MySuper Survey, the SR 50 Capital Stable Survey, the SR 50 Cash Survey, the SR 50 Australian Shares Survey and the SR 50 International Shares Survey to make these determination.

Fees and Costs

The fees charged by the Fund are separated into administration and investment fees. The administration fee is the same across all products, however the investment fees differ for each option due to the complexities in managing the underlying investment portfolios of each option.

Fees have been benchmarked against peers using SuperRatings Surveys at 30 June 2025 and the total annual fee for a representative $50,000 account balance. The Trustee's analysis of fees found that in the SuperRatings MySuper Fee Survey, the Australian Ethical Balanced option administration fee is at the 83rd percentile and the 4th quartile for investment fees.

The same measure applied across all investment options found that the fees for the majority of investment options are in the fourth quartile for both administration fees and investment fees across corresponding SuperRatings Surveys.

The APRA Performance Test takes into account the fees charged and given that all tested options have passed the Test, the Trustee has determined that, despite the fees being higher relative to peers, they currently represent reasonable value to members.[5] The Trustee reviews its fee structure each year and is on a path of fee reduction over time.

Details of these findings can be found in the Appendix.

Options, Benefits and Facilities

The Fund offers the following services to members, including;

- A default MySuper investment option
- Access to a range of Choice investment options
- The ability to continue to invest ethically in retirement through access to a Pension product
- Insurances which can be adjusted to meet members' needs
- The ability for members to make additional contributions for themselves and their spouses
- Online tools and calculators
- Access to an online member portal

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The Trustee has determined that these services are consistent with its strategy, which is primarily to provide members with a superannuation fund that invests in line with its Ethical Charter, along with providing services that are cost effective and don't inappropriately erode members' retirement benefits and are therefore appropriate for members.

Over the last year the Trustee brought claims and complaints handling in-house to improve the Trustee's ability to communicate and transact with members.

[5] The tested options include the Balanced (MySuper) option, the Conservative option, the Growth option, and the High Growth option.

Fund Growth, Operating Expenses and Scale

The Fund's growth continues to be above the industry average, with substantial increases in total funds under management and membership over the last 5 years to 30 June 2025, the Fund has grown from $2.7 billion to $9.5 billion in that time. Total Fund membership was over 118,000 at 30 June 2025, growing approximately 130% in the last 5 years.

The Fund has grown significantly over the past number of years allowing the Trustee to capture the increasing economies of scale that this has brought. Despite being one of the smaller super funds in the industry we are one of the fastest growing and we have a unique differentiator by providing Australians with access to a range of ethical super investment options which are subjected to our ethical screening process which is detailed in our Ethical Guide.

Overall, the Fund's management expense ratio has decreased over time as the total number of members in the Fund and the funds under management have increased.

The Trustee continued the transition of administration services from the dual administration arrangements to GROW Super Ops Pty Ltd with the first tranche transferred in November 2024 and the second tranche is scheduled to be transferred during FY 2026. This move to a new administrator will put the Trustee in a stronger position to promote members outcomes and improve the sustainability of the Fund by providing:

- A more modern administration system will be in place with technology that will provide quicker member servicing and more effectively deliver member experiences;
- a reduction in operational costs through a more cost-effective administration services provider;
- a reduction of operational risks associated with older administration systems;
- improved ability to scale and support growth including with onboarding activities to improve scalability; and
- improved ability to bring member or product solutions to market more quickly.

As the Fund grows, the Trustee's strategy is to use this scale to continue to reduce fees charged to members. This has been demonstrated over the years with incremental reductions in costs and fees. The agreement in place with the Fund's administrator includes a stepped reduction in cost as the number of members increases, so gaining scale is an important part of the strategy to reduce member fees.

The Trustee has determined that members are not disadvantaged by the scale and size of the Fund, and continued growth will benefit members as increased scale is able to be used to further reduce fees and improve the benefits offered to members by the Fund.

Insurance Offering

The Trustee considers insurance to be a vital part of living life with financial health and understanding so it can provide financial peace of mind.

Eligible members are provided with default insurance cover made up of Death and Total and Permanent Disablement Insurance with the amount of cover determined by the member's age. The cost of cover for default insurance should be less than 1% of estimated annual salary and the Trustee has determined that the insurances offered by the Fund are competitive and are unlikely to inappropriately erode the retirement outcomes of members who take up default insurance cover.

The Trustee has reviewed its insurance offering through a revised insurance product which was designed to continue to address members' insurance needs with competitive premium rates and insurance benefits.

The process of updating its insurance product included a refresh of the insurance product design, updated insurance premium rates and benchmarking of the design against peers. As a result of this review the Trustee determined that the insurance product offering is competitive and appropriate for the Fund members.

Appendices

APRA Performance Test

APRA published the results of the Performance Test in August 2025, and the results for the four investment options that meet the criteria to be included in the Test are as follows:

Option	Performance Test Measure	Pass/Fail
Balanced (MySuper)	0.50%	Pass
Conservative	-0.10%	Pass
Growth	-0.09%	Pass
High Growth	-0.19%	Pass

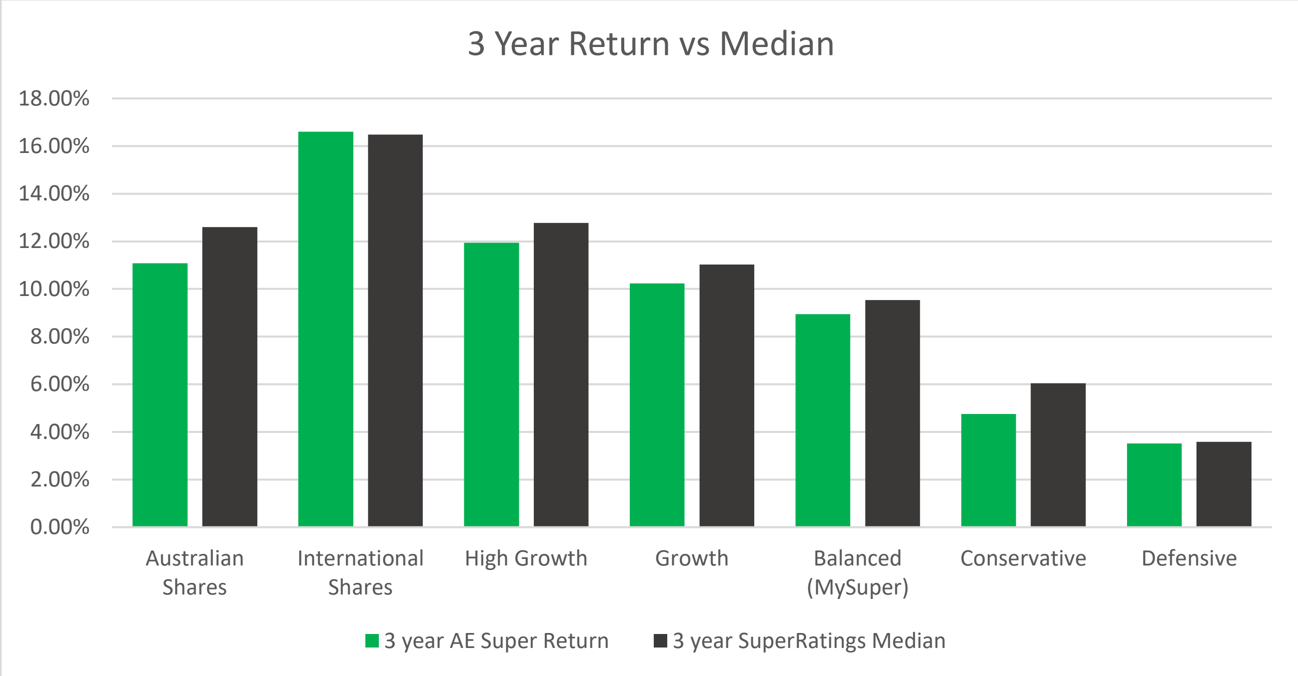
The Performance Test measure must be greater than -0.5% for the option to pass the Test.

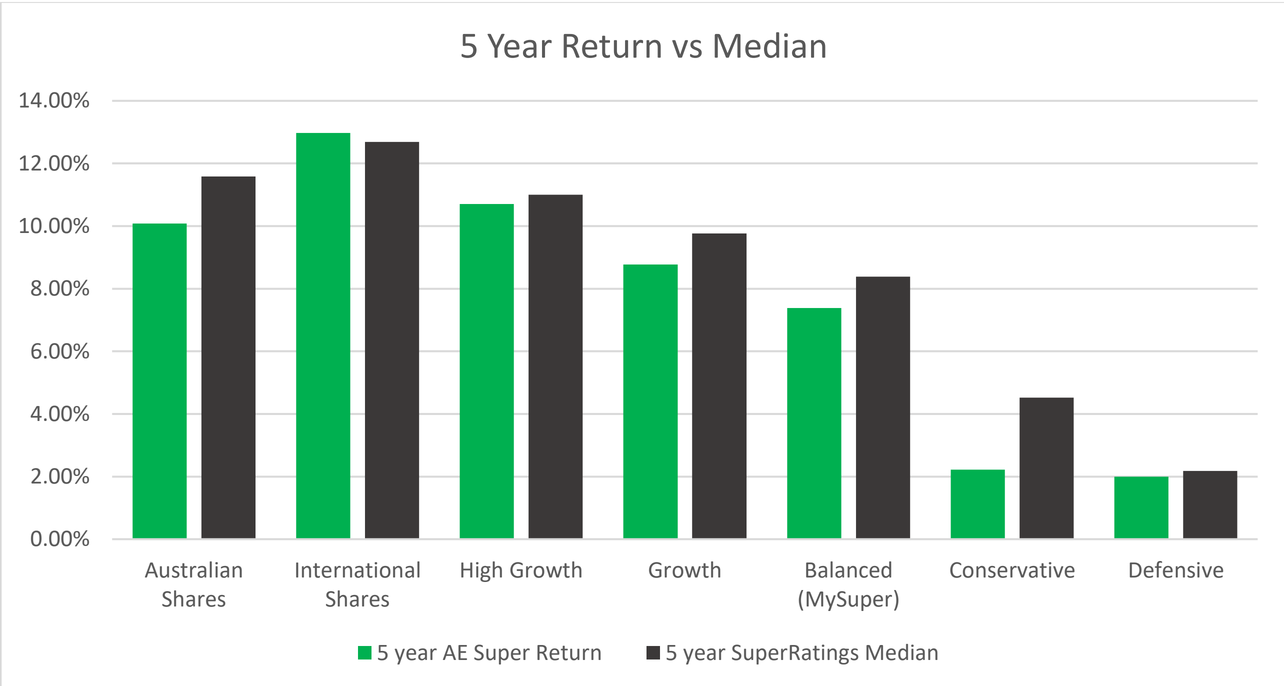
Investment Performance Assessment

Returns compared to objectives are as follows for all investment options.

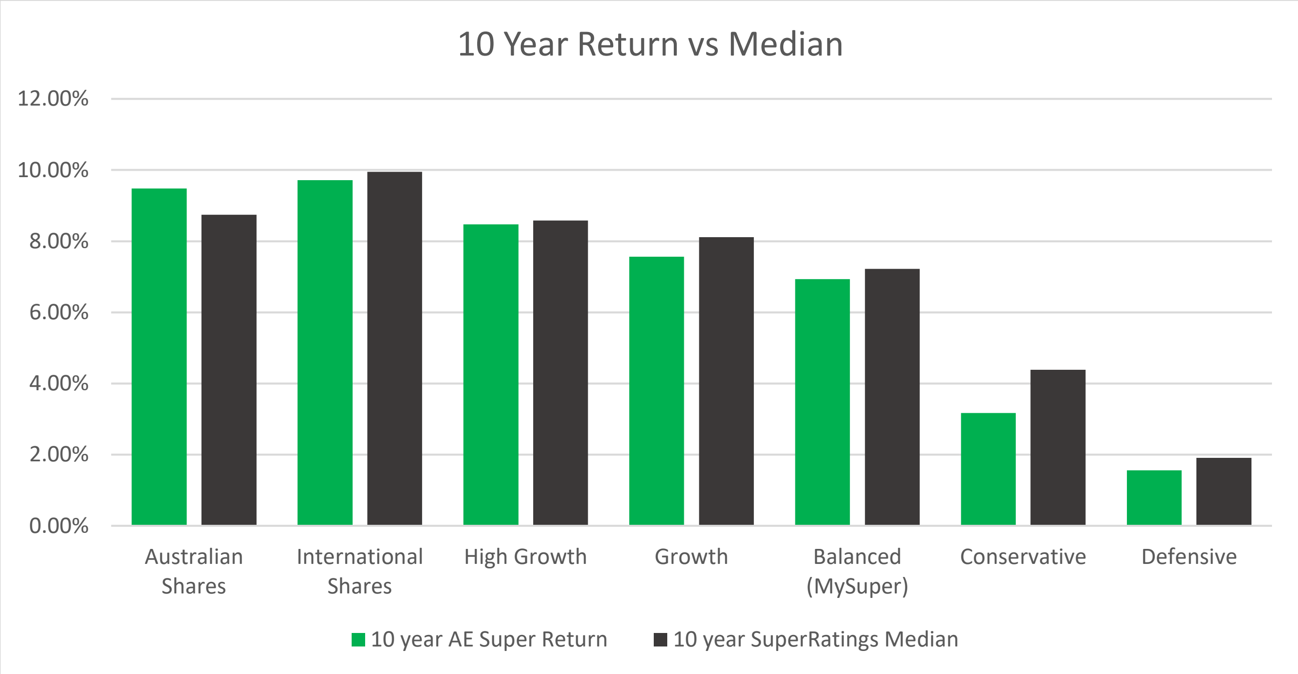
	Return pa	Objective pa	Objective Description
High Growth	8.4%	7.2%	CPI+4.25% relative performance over 10 years
Growth	7.5%	6.7%	CPI+3.75% relative performance over 10 years
Balanced (MySuper)	6.8%	6.2%	CPI+3.25% relative performance over 10 years
Conservative	3.1%	3.7%	CPI+1.25% relative performance over 10 years
Defensive	3.9%	3.7%	Bloomberg Ausbond Bank Bills relative performance over 1 year
Australian Shares	8.9%	7.1%	S&P/ASX 300 relative performance over 7 years
International Shares	16.5%	17.7%	MSCI World ex AUD unhedged relative performance over 3 years

The returns for each of the investment options including the MySuper (Balanced) option are set out below. The data has been sourced from SuperRatings Fund Crediting Rate Surveys of Funds at 30 June 2025 and the values shown are net of fees, costs and taxes, for 3, 5 and 10 year periods.[6]





[6] Investment returns are not guaranteed. Past performance is not a reliable indicator of future returns.



Fee Assessment

To benchmark the fees for each of Australian Ethical's options, an assessment of the total fee paid on an average balance of $50,000 account balance was undertaken using data from SuperRatings (SR) fee survey as at 30 June 2025.

MySuper option: When compared to MySuper products in the SuperRatings MySuper Fee survey, the total fee for the Australian Ethical MySuper (Balanced) option is in the fourth quartile.

Choice options: The comparison for each of the Choice options against their relevant SuperRatings fee survey shows that total fees for each of the options is in the fourth quartile.

The administration, investment and total fees were benchmarked against each of the relevant SuperRatings fee survey and the results are shown below.

		Percentile		
Option	Survey	Admin fee	Investment fee	Total fee
High Growth	SR 25 High Growth	74%	89%	89%
Growth	SR 50 Growth	90%	93%	95%
Balanced	SR 50 Balanced	81%	77%	85%
	SR 50 MySuper	83%	95%	95%
Conservative	SR 50 Capital Stable	79%	88%	91%
Defensive	SR 50 Cash	83%	88%	86%
Australian Shares	SR 50 Australian Shares	81%	98%	100%
International Shares	SR 50 International Shares	79%	86%	93%

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, Product Disclosure Statement (PDS), Target Market Determination (TMD) . You may wish to seek independent financial advice from a licensed or authorised financial adviser before making an investment decision.

Interests in the Australian Ethical Retail Superannuation Fund (ABN 49 633 667 743) are offered by Australian Ethical Investment Limited (ABN 47 003 188 930, AFSL 229949) and issued by the Trustee of the Fund, Australian Ethical Superannuation Pty Limited (ABN 43 079 259 733 RSE L0001441, AFSL 526 055).