

Member Outcomes Assessment for the Australian Ethical Retail Superannuation Fund

As at 30 June 2026

Overview

The information in this document is for the Australian Ethical Retail Superannuation Fund's Accumulation Division which consists of the MySuper and Choice products offered by the Fund.¹

Each year the Fund's Trustee, Australian Ethical Superannuation Pty Limited (**Australian Ethical Super or Trustee**), conducts an assessment that considers certain factors of the Fund including fees, returns and insurance, and the ethical impact of its investments. The assessment for the year to 30 June 2026 is set out below and the Trustee has formed the view that the MySuper (the default option) and the Choice options offered by the Fund promote the best financial interests of its members.

Determination

For the year ended 30 June 2026, the Trustee determined that Australian Ethical Super continued to promote the financial interests of accumulation members and substantially achieved the outcomes sought for members through the delivery of its investment strategy, products, services and ethical investment approach.

The Trustee considered:

- investment performance and risk;
- fees and costs;
- ethical investment outcomes;
- member service and engagement;
- product suitability;
- insurance arrangements;
- scale and advantage; and
- governance and risk management.

In reaching its determination, the Trustee identified several areas for continued improvement, including investment performance relative to benchmarks, fee competitiveness, retirement support, digital experiences and service provider performance.

¹ Further information in relation to the products offered within the Accumulation Division can be found in the relevant Product Disclosure Statement and Additional Information Booklet at <https://www.australianethical.com.au/super/pds-forms-documents>.

About this Assessment

Australian Ethical Super exists to help members grow their retirement savings while investing in line with the Australian Ethical Charter.

This assessment outlines how the Trustee evaluated outcomes delivered to accumulation members during FY26. It is based on the Fund's annual Business Performance Review, strategic objectives and outcomes framework.

The assessment is structured around six key member outcomes:

1. Deliver value by helping members achieve the financial and ethical outcomes they seek in retirement.
2. Adhere to the requirements of the Australian Ethical Charter.
3. Provide a high standard of member services, including education, that encourages members to engage with their superannuation and make decisions that match their requirements.
4. Provide a competitive, effective and suitable product and service offering.
5. Provide competitive, effective and suitable insurance.
6. Protect members from significant risks that could impact their retirement outcomes.

Outcome 1

Deliver value by helping members achieve the financial and ethical outcomes they seek in retirement

Why this matters

Most members join Australian Ethical seeking to achieve strong long-term retirement outcomes while investing in accordance with their values.

The Trustee therefore considers investment performance, risk, fees, scale and long-term retirement outcomes together when assessing member value whilst also considering ethical outcomes required under the Fund's Trust Deed. The latter is a big reason why our members join our Fund.

What we assessed

We assessed:

- investment performance;
- investment risk;
- fees and costs;
- APRA Performance Test outcomes;
- fund growth and scale;
- member balances; and
- retirement readiness initiatives.

FY26 outcome

All relevant Super options passed the APRA Performance Test².

Investment options generally delivered outcomes consistent with their risk and return objectives and all diversified options produced positive returns during FY26. However, investment performance did not consistently exceed benchmark or peer median outcomes across all options and periods assessed.³

Fee benchmarking indicated that fees remained positioned in the higher quartiles of relevant peer groups despite fee reductions implemented during FY26. However, independent fair value assessments concluded that members continue to receive fair value from the Fund.⁴

The Trustee completed the transition of administration services from the dual administration arrangements to GROW Super Ops Pty Ltd with the second tranche transferred in November 2025. This move to a new administrator 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.

In addition, all the Fund's products have maintained a SuperRatings Gold rating for 2026.

Also during FY26:

- Superannuation funds under management increased to approximately \$10.4 billion.
- Group funds under management increased to approximately \$14.5 billion.
- Funded membership grew to approximately 118,780 members.
- Average funded member balances increased to approximately \$87,500.
- Net superannuation flows remained positive at approximately \$527.5 million.
- Contribution levels remained strong throughout the year, with Superannuation Guarantee contributions reaching record levels and continuing to support member balance growth.

² The tested options include Balanced (MySuper), Conservative, and Growth options, further information can be found in the Appendices.

³ Further information on investment performance can be found in the Appendices.

⁴ The Trustee has used the relevant SuperRatings Fee Survey to benchmark with relevant peer groups, further information on the specific surveys used can be found in the Appendices.

Trustee conclusion

The Trustee concluded that accumulation members continued to benefit from an investment approach consistent with members' financial and ethical objectives.

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.

Investment performance relative to benchmarks and fee competitiveness remain important priorities for improvement.

Looking ahead

In FY27 we will continue to focus on:

- improving long-term investment outcomes;
- enhancing value delivered through scale;
- improving fee competitiveness where possible; and
- supporting members to build retirement readiness earlier in their journey.

Outcome 2

Adhere to the requirements of the Australian Ethical Charter

Why this matters

Members choose Australian Ethical because they want their retirement savings invested in accordance with clearly defined ethical principles.

The Australian Ethical Charter is central to our investment philosophy and decision-making framework.

What we assessed

We assessed:

- compliance with the Australian Ethical Charter;
- ethical investment governance;
- stewardship and engagement activities;
- ethical advocacy outcomes; and
- alignment between member expectations and investment activity.

FY26 outcome

Throughout FY26:

- investment decisions continued to be managed in accordance with the Australian Ethical Charter;
- ethical screening processes remained in operation;
- governance oversight continued across the investment portfolio; and
- stewardship and engagement activities were undertaken across a broad range of environmental, social and governance issues.

Throughout FY26, investments continued to be managed in accordance with the Australian Ethical Charter and the Fund's established ethical investment processes. There were no reported issues relating to Charter compliance, and the highlights for the year for Australian Ethical's listed share investments are:

- 75% lower CO2 intensity compared to Benchmark^{^5}
- 2.2 x revenue from sustainable impact solutions compared to Benchmark^{^6}
- 1.6 x revenue from health and education compared to Benchmark[^]
- 2.1 x investment in climate solutions than Benchmark^{^*}

Australian Ethical continued to actively engage with companies and other stakeholders on environmental, social and governance issues. During FY26, the Ethics team undertook substantial stewardship activity, including approximately:

- 230 total engagements;
- 130 proactive engagements; and
- 62 in-depth engagements.

These activities are intended to encourage improved corporate behaviour and support positive environmental and social outcomes while enhancing long-term value creation for members.

The Trustee also considered how ethical investment settings affected member outcomes. During FY26, performance headwinds were experienced in some areas of the market, particularly resources and energy sectors that are generally outside the Fund's investable universe because they do not meet the requirements of the Australian Ethical Charter. Despite these constraints, investment options generally delivered outcomes consistent with their intended risk and return profiles.

Member research continued to demonstrate that confidence in Australian Ethical's positive impact remains one of the most highly valued aspects of membership and a key differentiator of the Fund.

Trustee conclusion

The Trustee concluded that the Fund continued to invest consistently with the Australian Ethical Charter and delivered the ethical proposition expected by members.

The Trustee considers the Charter, ethical investment research, stewardship activities and advocacy efforts to be integral components of the value delivered to members and an important contributor to long-term retirement outcomes.

[^] Compared to a blended benchmark that best reflects the benchmarks used by the underlying investment strategies. Based on holdings at 30 June 2026 and analysis tools provided by external sources which cover ~67-68% of the investments we hold by value. Both carbon intensity and sustainable impact solutions revenue and investment relate to the listed companies and public non-government fixed income securities in which we invest across our funds and options. We report on our investments in listed shares and public non-government fixed income securities because these comprise a large proportion of our total funds under management (~75%), and because data is less readily available across our other investments. This should not be considered representative of individual funds or options which will have their own mix of share and other investments.

⁵ Scope 1,2 and 3 carbon intensity is measured as tonnes CO2e per million \$ invested.

⁶ Based on the revenue from sustainable impact solutions earned by companies and other entities in which we invested.

The Trustee further concluded that members continued to receive the ethical outcomes they seek through investment in a fund that applies rigorous ethical investment criteria, active stewardship and engagement to support positive change.

Looking ahead

In FY27 we will continue to:

- strengthen stewardship and advocacy activities;
- expand engagement with companies on environmental and social issues;
- improve transparency around ethical outcomes and impact reporting;
- continue evolving ethical investment research and portfolio construction practices; and
- help members better understand the real-world impact of their investments.

Why Australian Ethical's approach may differ from other funds

Australian Ethical's investment philosophy means some sectors and investments are excluded from consideration where they do not align with the Australian Ethical Charter. While this can at times affect relative performance when excluded sectors outperform broader markets, the Trustee believes the ethical integrity of the investment approach remains fundamental to delivering the long-term financial and ethical outcomes sought by members.⁷

Outcome 3

Provide a high standard of member service, education and engagement

Why this matters

Good retirement outcomes depend on more than investment performance. Members need reliable services, useful information and support to help them make informed decisions throughout their superannuation journey.

What we assessed

We assessed:

- member satisfaction;
- service delivery;
- complaints and feedback;
- digital experience;
- education initiatives; and
- member engagement.

FY26 outcome

Member satisfaction and confidence continued to improve during FY26.

⁷ Further information in relation to the impacts of Australian Ethical's investment philosophy can be found in the Australian Ethical Super Product Disclosure Statement and Ethical Guide at <https://www.australianethical.com.au/super/pds-forms-documents>.

Positive outcomes included:

- growth in overall member satisfaction;
- high satisfaction among new members;
- strong member confidence in Australian Ethical's positive impact; and
- net promoter outcomes that exceeded industry averages.

Australian Ethical won the Roy Morgan Award -Super Fund of the year for Customer Satisfaction in 2026.

However, member feedback also highlighted opportunities for improvement in:

- retirement guidance;
- advice support;
- insurance support;
- mobile and digital experiences; and
- online tools and calculators.

Trustee conclusion

The Trustee concluded that members continued to receive a high standard of service and engagement support.

While satisfaction outcomes remain strong, opportunities exist to further improve digital experiences, retirement education and self-service capabilities.

Looking ahead

In FY27 we will continue to:

- enhance member communications;
- improve education and guidance;
- improve digital experiences;
- strengthen self-service capability; and
- increase engagement opportunities for members.

Outcome 4

Provide a competitive, effective and suitable product and service offering

Why this matters

Members should have access to products, services and tools that remain appropriate for their needs throughout different stages of their working life.

What we assessed

We assessed:

- product suitability;
- Target Market Determinations;
- product governance;
- digital tools;

- advice and guidance pathways;
- retirement support; and
- the overall member value proposition.

FY26 outcome

The Trustee assessed whether the Fund's product offering remained appropriate for accumulation members.

During FY26:

- no material concerns were identified with Target Market Determinations;
- product suitability reviews identified no significant issues;
- retirement support capabilities were enhanced including a new online retirement calculator which was introduced to help members model retirement outcomes and understand future retirement income scenarios.

The Trustee also considered member feedback and market benchmarking which identified opportunities to improve:

- retirement support;
- financial guidance;
- digital tools; and
- member planning resources.

Trustee conclusion

The Trustee concluded that the Fund's products and services remained suitable for their intended target markets and continued to support members throughout the accumulation phase.

Opportunities remain to strengthen retirement planning support and digital engagement tools.

Looking ahead

In FY27 we will continue to:

- develop retirement support tools;
- improve digital experiences;
- enhance advice and guidance pathways; and
- strengthen the overall member value proposition.

Outcome 5

Provide competitive, effective and suitable insurance

Why this matters

Insurance provides an important safety net for accumulation members and their families by helping protect against the financial impact of illness, injury or death.

What we assessed

We assessed:

- affordability;
- appropriateness of cover;
- claims outcomes;
- insurer performance;
- insurance service delivery; and
- sustainability of the insurance offering.

FY26 outcome

The Trustee reviewed insurance arrangements throughout FY26.

This included consideration of:

- default cover settings;
- insurance affordability;
- claims experience;
- insurance administration;
- premium levels; and
- insurance harmonisation activities completed during the year.

The annual insurance review concluded that the Fund's default insurance design continued to satisfy the Trustee's affordability criteria and remained an appropriate safety net for members.

Trustee conclusion

The Trustee concluded that the insurance offering remained appropriate for accumulation members and continued to balance affordability, sustainability and adequacy of cover.

Insurance administration performance remains an area of ongoing focus.

Looking ahead

In FY27 we will continue to:

- monitor affordability;
- assess claims experience;
- oversee insurer performance; and
- improve insurance administration outcomes.

Outcome 6

Protect members from significant risks

Why this matters

Members rely on the Trustee to protect their retirement savings, personal information and access to services.

Strong governance, risk management and operational resilience arrangements are essential to achieving this objective.

What we assessed

We assessed:

- governance and risk management;
- operational resilience;
- service provider performance;
- outsourcing arrangements;
- regulatory compliance; and
- member protection controls.

FY26 outcome

The Trustee reviewed whether risk management and governance arrangements continued to support positive member outcomes.

The assessment confirmed that:

- risk management frameworks operated throughout FY26;
- regulatory obligations continued to be met;
- reserve arrangements remained within approved limits; and
- ongoing engagement with regulators continued.⁸

The most significant operational challenge during FY26 remained service provider performance associated with administration transition activity. While progress was made, this remained an important area of Trustee and management focus.

Trustee conclusion

The Trustee concluded that governance, risk management and compliance arrangements remained effective in supporting and protecting members.

Service provider performance and operational resilience remain key priorities for ongoing improvement.

Looking ahead

In FY27 we will continue to:

- improve service provider performance;
- strengthen operational resilience;
- enhance member protection controls; and
- maintain strong governance and risk management practices.

⁸ This assessment included consideration of the additional licence conditions under section 29EA of the Superannuation Industry (Supervision) Act on the RSE Licence of Australian Ethical Superannuation Pty Ltd.

Continuous Improvement

The annual outcomes assessment supports continuous improvement across the Fund.

Priority areas for FY27 include:

- improving investment performance relative to benchmarks;
- strengthening retirement support and guidance;
- improving digital tools and member experiences;
- evolving the ethical investment proposition;
- improving service provider performance; and
- maintaining strong governance and risk management frameworks.

Important Information

This summary provides an overview of the Trustee's annual assessment of outcomes delivered to accumulation members for the year ended 30 June 2026.

The assessment considers whether the Fund continues to promote members' financial interests and support members in building retirement savings while investing in accordance with the Australian Ethical Charter. It forms part of the Trustee's broader strategic planning, business performance review and continuous improvement framework.

Appendices

Investment Performance Assessment

APRA Performance Test

APRA published the results of the Performance Test in August 2026, and the results for the three investment options that meet the criteria to be included in the Test are as follows:

Option	Pass/Fail
Balanced (MySuper)	Pass
Conservative	Pass
Growth	Pass

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

Superannuation

	Defensive Super	Conservative Super	Balanced Super	Growth Super	International Shares Super	Australian Shares Super
1Y Return	3.8%	4.8%	5.9%	6.6%	13.7%	-5.7%
3Y Return (% p.a.)	3.9%	5.0%	7.8%	8.7%	15.4%	4.7%
3Y vs Objective	+0.4%	+0.3%	+1.1%	+1.4%	-0.1%	-4.5%
3Y vs Median	0.0%	-1.4%	-1.8%	-2.3%	-0.8%	-5.0%
5Y Return (% p.a.)	2.7%	2.3%	5.1%	6.1%	10.8%	1.9%
5Y vs Objective	+0.2%	-3.1%	-2.5%	-2.0%	-0.9%	-4.7%
5Y vs Median	-0.2%	-1.8%	-1.5%	-1.5%	+0.4%	-5.8%
10Y Return (% p.a.)	1.8%	3.3%	7.2%	8.1%	11.8%	7.9%
10Y vs Objective	+0.2%	-0.7%	+0.9%	+1.2%	-0.4%	+0.2%
10Y vs Median	-0.2%	-1.3%	-0.4%	-0.8%	-0.1%	-1.1%

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 2026.

MySuper option: When compared to peers 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.

Option	Survey	Percentile		
		Admin fee	IMF fee	Total fee
High Growth	SR 25 High Growth	Option closed	Option Closed	Option Closed
Growth	SR 50 Growth	↑ 97%	= 95%	↑ 97%
Balanced	SR 50 Balanced	↑ 89%	↑ 87%	↑ 89%
	SR 50 MySuper	↑ 97%	↑ 100%	↑ 97%
Conservative	SR 50 Capital Stable	↑ 98%	↑ 92%	↑ 98%
Defensive	SR 50 Cash	↑ 90%	↑ 90%	↑ 90%
Australian Shares	SR 50 Australian Shares	↑ 98%	= 98%	↓ 98%
International Shares	SR 50 International Shares	↑ 90%	↑ 88%	↓ 90%

Australian Ethical's accumulation super fees reflect its premium investment and ethical proposition and member research conducted during FY26 indicates that members assessed the proposition to offer fair value relative to the benefits delivered.