

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 Pension Division 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 and returns, 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 Pension product offered by the Fund promotes 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 pension 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 also 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 Pension Division can be found in the Australian Ethical Pension Product Disclosure Statement and Additional Information Booklet at <https://www.australianethical.com.au/super/pds-forms-documents>.

About this Assessment

Australian Ethical Pension exists to help members convert their retirement savings into sustainable retirement income while remaining invested in accordance with their values.

This assessment outlines how the Trustee evaluated outcomes delivered to pension 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 retirement savings and make decisions that match their needs.
4. Provide a competitive, effective and suitable product and service offering.
5. Provide competitive, effective and suitable insurance where relevant.
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

Pension members rely on their retirement savings to generate income throughout retirement. The Trustee therefore considers investment performance, risk, fees, product design and retirement support together when assessing value delivered to pension members.

What we assessed

We assessed:

- pension investment performance;
- investment risk;
- fees and costs;
- value delivered through the pension product;
- retirement income support; and
- initiatives designed to improve retirement outcomes.

FY26 outcome

The Trustee reviewed whether pension members continued to receive value from the Fund's retirement offering.

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.²

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.³

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.

Trustee conclusion

The Trustee concluded that pension members continued to receive value through:

- access to diversified investment options;
- management of retirement savings in accordance with members' values;
- positive long-term retirement investment outcomes; and
- continued investment in retirement support capabilities.

Investment performance relative to benchmarks and fee competitiveness remain important areas of focus.

Looking ahead

In FY27 we will continue to:

- improve long-term investment outcomes;
- strengthen retirement income support;
- enhance retirement planning tools; and
- improve value delivered through the retirement proposition.

² Further information on investment performance can be found in the Appendices.

³ 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.

Outcome 2

Adhere to the requirements of the Australian Ethical Charter

Why this matters

Many pension members choose Australian Ethical because they want their retirement savings invested in accordance with strong ethical principles throughout retirement.

The Australian Ethical Charter remains central to how pension assets are invested and managed.

What we assessed

We assessed:

- compliance with the Australian Ethical Charter;
- ethical investment governance;
- stewardship and engagement activity;
- advocacy outcomes;
- alignment of investments with ethical criteria; and
- whether pension members continued to receive the ethical value proposition they expect.

FY26 outcome

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^[1]⁴
- 2.2 x revenue from sustainable impact solutions compared to Benchmark⁵
- 1.6 x revenue from health and education compared to Benchmark[^]
- 2.1 x investment in climate solutions than Benchmark^{^*}

Australian Ethical continued extensive stewardship and advocacy activities, including approximately:

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

The Trustee considered these activities an important part of delivering value to pension members by promoting positive environmental and social outcomes while encouraging long-term value creation.

[^] 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.

⁴ Scope 1,2 and 3 carbon intensity is measured as tonnes CO2e per million \$ invested.

⁵ Based on the revenue from sustainable impact solutions earned by companies and other entities in which we invested.

The Trustee also recognised that the ethical investment approach may result in different investment exposures compared with broader market indices, particularly where sectors do not meet the requirements of the Australian Ethical Charter.

Trustee conclusion

The Trustee concluded that pension members continued to receive the ethical outcomes they seek through investment in accordance with the Australian Ethical Charter.

The Trustee considers ethical research, stewardship, engagement and advocacy activities to be integral components of the value delivered to pension members and a key differentiator of the Fund.

Looking ahead

In FY27 we will continue to:

- strengthen stewardship activities;
- enhance advocacy outcomes;
- improve transparency around ethical outcomes and impact; and
- help members better understand the impact of their retirement savings.

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.⁶

Outcome 3

Provide a high standard of member service, education and engagement

Why this matters

Pension members need support to make informed retirement decisions and confidence that they can access assistance when required.

What we assessed

We assessed:

- member satisfaction;
- retirement guidance;
- member confidence;
- service delivery;
- communications and education; and
- digital experiences.

⁶ Further information in relation to the impacts of Australian Ethical's investment philosophy can be found in the relevant Product Disclosure Statement and Ethical Guide at <https://www.australianethical.com.au/super/pds-forms-documents..>

FY26 outcome

The Trustee considered a range of member experience measures, including satisfaction and confidence outcomes.

Member feedback continued to demonstrate strong confidence in Australian Ethical's positive impact and ethical proposition. Overall satisfaction outcomes remained positive. 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.

At the same time, opportunities were identified to strengthen:

- retirement guidance;
- financial advice support;
- digital experiences;
- retirement planning resources; and
- self-service capabilities.

Trustee conclusion

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

The Trustee also recognised opportunities to further strengthen retirement-specific support services and digital member experiences.

Looking ahead

In FY27 we will continue to:

- improve retirement guidance;
- enhance education and communications;
- strengthen digital tools; and
- improve member experiences across the retirement journey.

Outcome 4

Provide a competitive, effective and suitable retirement product and service offering

Why this matters

Retirement needs differ significantly from accumulation needs. Pension members require products, services and tools that help them manage retirement income and make informed financial decisions throughout retirement.

What we assessed

We assessed:

- pension product suitability;
- retirement support;
- retirement planning tools;
- guidance and advice pathways;
- digital services; and
- the overall retirement proposition.

FY26 outcome

A key focus during FY26 was strengthening retirement support for members.

During the year:

- retirement support capabilities were enhanced with a new Retirement Hub online;
- retirement comms were continued with extra content; and
- a new online retirement calculator was introduced to assist members in understanding retirement income outcomes and retirement planning scenarios.

The Trustee also considered feedback from member experience research, which identified opportunities to further improve retirement planning tools, digital capability and member support resources.

Trustee conclusion

The Trustee concluded that the pension offering remained suitable for its intended members and continued to support retirement income objectives.

The introduction of retirement planning tools during FY26 represented a positive enhancement to the retirement experience. Further opportunities exist to strengthen retirement guidance and support.

Looking ahead

In FY27 we will continue to:

- strengthen retirement pathways;
- improve retirement guidance;
- enhance digital retirement tools;
- expand member education; and
- further develop the pension value proposition.

Outcome 5

Provide competitive, effective and suitable insurance where relevant

Why this matters

Insurance is generally less significant for pension members than for accumulation members. However, where insurance remains relevant, the Trustee continues to assess affordability, suitability and member outcomes.

What we assessed

We assessed:

- insurance design;

- affordability;
- insurer performance; and
- the appropriateness of insurance arrangements for members transitioning into retirement.

FY26 outcome

The Trustee reviewed insurance arrangements and the broader insurance framework throughout FY26. Insurance harmonisation activities were completed and affordability remained within Trustee-approved parameters.

Trustee conclusion

The Trustee concluded that the insurance framework remained appropriate and did not adversely impact retirement outcomes for pension members.

Looking ahead

In FY27 we will continue to monitor insurance arrangements and ensure they remain appropriate for members transitioning into and through retirement.

Outcome 6

Protect members from significant risks

Why this matters

Pension members depend on uninterrupted access to their retirement savings and income payments. Strong governance and operational resilience are essential to maintaining member confidence and protecting retirement outcomes.

What we assessed

We assessed:

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

FY26 outcome

The Trustee reviewed risk management and governance arrangements throughout FY26.

The assessment confirmed that:

- risk management frameworks continued to operate effectively;
- regulatory obligations continued to be met;
- reserve arrangements remained within approved limits; and

- regulatory engagement continued throughout the year.⁷

The most significant operational challenge remained service provider performance associated with administration transition activities. While progress was made during FY26, the Trustee continued to closely oversee remediation and service improvements.

Trustee conclusion

The Trustee concluded that governance, risk management and compliance arrangements continued to protect pension members and support sustainable retirement outcomes.

Service provider performance and operational resilience remain areas of continued focus.

Looking ahead

In FY27 we will continue to:

- improve service provider performance;
- strengthen operational resilience;
- maintain strong governance and risk management practices; and
- protect member data, services and retirement income payments.

Continuous Improvement

The Trustee uses the annual outcomes assessment to identify opportunities to improve future retirement outcomes.

Key priorities for FY27 include:

- improving investment outcomes relative to benchmarks;
- strengthening retirement guidance and support;
- enhancing digital retirement tools;
- improving service provider performance; and
- improving member experiences;

Important Information

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

The assessment considers whether Australian Ethical Pension continues to promote members' financial interests and support sustainable retirement outcomes 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.

⁷ 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.

Appendices

Investment Performance Assessment

Pension

	Defensive Pension	Conservative Pension	Conservative Balanced Pension	Growth Pension	International Shares Pension	Australian Shares Pension
1Y Return	4.4%	5.4%	5.8%	7.2%	15.1%	-5.3%
3Y Return (% p.a.)	4.6%	5.6%	7.4%	9.5%	16.6%	5.2%
3Y vs Objective	+0.6%	+0.6%	+1.2%	+1.7%	-0.9%	-5.1%
3Y vs Median	+0.1%	-1.5%	-1.2%	-2.5%	-1.1%	-5.7%
5Y Return (% p.a.)	3.2%	2.5%	4.6%	6.4%	11.5%	2.0%
5Y vs Objective	+0.3%	-3.0%	-2.6%	-2.0%	-1.6%	-5.3%
5Y vs Median	-0.2%	-2.1%	-1.5%	-1.8%	+0.2%	-6.3%
10Y Return (% p.a.)	2.1%	3.6%	6.5%	8.8%	12.6%	8.7%
10Y vs Objective	+0.3%	-0.4%	+0.7%	+1.8%	-1.1%	+0.2%
10Y vs Median	-0.3%	-1.4%	-0.5%	-0.9%	-0.6%	-1.4%

Fee Assessment

Fee by investment option

To benchmark the fees for each of Australian Ethical's options available in the Pension product, an assessment of the total fee paid on average balance of \$50,000 account balance was completed using data from SuperRatings Pension product fee surveys as at 30 June 2026 and the fee compared to peers. The administration, investment and total fees were benchmarked against each survey and the results are shown below. The total fee for all options are in the fourth quartile of their relevant survey.

Australian Ethical's pension 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.

Pension option	Applicable SuperRatings survey	Admin fee percentile	IMF fee percentile	Total fee percentile
Defensive	SRP 50 Cash	↑ 89%	↓ 89%	↑ 100%
Conservative	SRP 50 Capital Stable	↓ 93%	↓ 93%	↑ 98%
Conservative Balanced	SRP 25 Conservative Balanced	↑ 89%	↓ 89%	↑ 97%
Balanced	SRP 50 Balanced	↑ 89%	↓ 87%	↑ 89%
Growth	SRP 50 Growth	↑ 77%	↓ 94%	↑ 94%
Australian Shares	SRP 50 Australian Shares	↑ 94%	↑ 95%	↑ 100%
International Shares	SRP 50 International Shares	↑ 97%	↑ 90%	↑ 100%