

1 October 2025

## Significant Event Notice – Australian Ethical Super –Risk Level and Strategic Asset Allocation changes

We're letting you know that we've made changes to our product. The changes include:

1. Reduction to the Standard Risk Measure that applies to some Super and Pension Investment options
2. Changes to the Strategic Asset Allocation targets for some investment options

We've provided more details on these changes below.

### Reduction to the Risk Levels

Each of our investment options has a risk label that has been evaluated using the Standard Risk Measure ("SRM", see Table on next page). The SRM is based on industry guidance as to the likely number of negative annual returns expected over any 20 year period. Its purpose is to provide members with a label to assist in comparing investment options both within and across superannuation funds using a simplified risk measure. It is not a complete assessment of all forms of investment risk. For instance, it does not detail what the size of a negative return could be or the potential for a positive return to be less than you may require to meet your objectives. Further, it does not take into account the impact of administration fees and tax. You should still ensure you are comfortable with the risks and potential losses associated with your chosen investment option(s).

### Super Investment options

Investment option	Previous Risk Level	New Risk Level from 1 October 2025
Australian Shares	Very High	High
Conservative	Low to medium	Low
Balanced (accumulation)	Medium to High	Medium
Growth	High	Medium to High

There is no change to the Risk Measure of the Defensive, High Growth or International Shares investment options.

### Pension Investment options

Investment option	Previous Risk Level	New Risk Level from 1 October 2025
Australian Shares	Very High	High
Conservative	Low to medium	Low
Balanced (Pension)	Medium	Low to medium
Growth	High	Medium to High

There is no change to the Risk Level of the Defensive or International Shares investment options.

## Standard Risk Measure

Risk Band	Risk Label	Estimated number of negative annual returns over any 20-year period
1	Very low	Less than 0.5
2	Low	0.5 to less than 1
3	Low to medium	1 to less than 2
4	Medium	2 to less than 3
5	Medium to high	3 to less than 4
6	High	4 to less than 6
7	Very high	6 or greater

The Standard Risk Measures are produced in accordance with the Standard Risk Measure Guidance issued jointly by The Association of Superannuation Funds of Australia Limited and Financial Services Council.

## Changes to Strategic Asset Allocation ranges and targets

### Defensive investment option

Asset class	Previous range	New range from 1 October 2025	Previous target	New target from 1 October 2025
Alternatives	0%	0-10%	0%	10%
Cash and short-term interest-bearing securities	0-100%	90-100%	100%	90%

## Changes to Strategic Asset Allocation targets

An asset allocation range is the disclosed range that each option may hold investments within a specific class. Following an annual review, we've made changes to the strategic asset allocation targets effective 1 October 2025 to reflect updated market conditions. These changes aim at improving investment outcomes for members by increasing our ability to meet the investment objective for each option.

### Conservative investment option

Asset class	Previous Range	New range from 1 October 2025	Previous Target	New target from 1 October 2025
Australian and New Zealand Shares ^	0-17.5%	0-18%	7.5%	8%
International Shares	0-17.5%	0-18%	7.5%	8%

Alternatives	0-20%	1-21%	10%	11%
Property and Infrastructure	0-17.5%	1-21%	7.5%	11%
Fixed Interest	37.5-57.5%	32-52%	47.5%	42%
Cash and short-term interest-bearing securities	10-30%	10-30%	20%	20%

#### Balanced (pension) investment option

Asset class	Previous Range	New range from 1 October 2025	Previous Target	New target from 1 October 2025
Australian and New Zealand Shares ^	8.75-28.75%	9-29%	18.75%	19%
International Shares	8.75-28.75%	8-28%	18.75%	18%
Alternatives	0-20%	1-21%	10%	11%
Property and Infrastructure	0-17.5%	1-21%	7.5%	11%
Fixed Interest	20-40%	16-36%	30%	26%
Cash and short-term interest-bearing securities	5-25%	5-25%	15%	15%

#### Balanced (accumulation) investment option

Asset class	Previous Range	New range from 1 October 2025	Previous Target	New target from 1 October 2025
Australian and New Zealand Shares ^	17.5-37.5%	17-37%	27.5%	27%
International Shares	17.5-37.5%	16-36%	27.5%	26%
Alternatives	0-20%	1-21%	10%	11%
Property and Infrastructure	0-17.5%	1-21%	7.5%	11%
Fixed Interest	7.5-27.5%	5-25%	17.5%	15%
Cash and short-term interest-bearing securities	0-20%	0-20%	10%	10%

### Growth investment option

Asset class	Previous Range	New range from 1 October 2025	Previous Target	New target from 1 October 2025
Australian and New Zealand Shares ^	25-45%	24-44%	35%	34%
International Shares	22.5-42.5%	23-43%	32.5%	33%
Alternatives	0-20%	1-21%	10%	11%
Property and Infrastructure	0-17.5%	1-21%	7.5%	11%
Fixed Interest	0-17.5%	0-13%	7.5%	3%
Cash and short-term interest-bearing securities	0-20%	0-18%	7.5%	8%

### High Growth investment option (available in accumulation only)

Asset class	Previous Range	New range from 1 October 2025	Previous Target	New target from 1 October 2025
Australian and New Zealand Shares ^	30-50%	27-47%	40%	37%
International Shares	27.5-47.5%	26-46%	37.5%	36%
Alternatives	0-20%	1-21%	10%	11%
Property and Infrastructure	0-17.5%	1-21%	7.5%	11%
Fixed Interest	0-10%	0-10%	0%	0%
Cash and short-term interest-bearing securities	0-15%	0-15%	5%	5%

### Australian Shares investment option

Asset class	Range – no change	Previous Target	New target from 1 October 2025
Australian and New Zealand Shares ^	80-100%	95%	100%
International Shares	0-5%	0%	0%
Cash and short-term interest-bearing securities	0-20%	5%	0%

## International Shares investment option

Asset class	Range – no change	Previous Target	New target from 1 October 2025
International Shares	85-100%	95%	100%
Cash and short-term interest-bearing securities	0-15%	5%	0%

^ No more than 20% of the option's exposure to Australian and New Zealand shares will come from securities listed on the New Zealand stock exchange.

## Here to help

If you have questions about these changes, please call us on 1800 021 227, Monday to Friday 8:30am to 5:30pm AEST.

These changes are important, so we encourage you to take the time to consider how they might affect you and keep a copy of this letter for your records. You may wish to consult a financial adviser if you're not sure what impact this has on your financial objectives, situation or needs.

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 Product Disclosure Statement, Additional Information Booklet and Target Market Determination available at [australianethical.com.au/super/pds](http://australianethical.com.au/super/pds). You may wish to seek professional advice from a licensed financial adviser before making a decision.

Interest in the Australian Ethical Retail Superannuation Fund (ABN 49 633 667 743 SPIN/USI AET0100AU) 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). Australian Ethical respects your privacy. All information is handled in accordance with Australian Ethical's Privacy Policy. This communication contains important information about our interests in the Fund that we are required by law to provide to you, and accordingly you cannot unsubscribe from these types of communication.