

ASX Code: AEF

25 July 2016

Australian Ethical Investment

Funds under Management and Net Flows

1 April to 30 June 2016

Movement for quarter

Australian Ethical increased funds under management (FUM) by 9.0% to \$1,556.7 million for the quarter ended 30 June 2016, up from \$1,428.0 million reported for the quarter ended 31 March 2016.

FUM and flows by product for the three months to 30 June 2016 were:

Product Category	FUM Mar 16 (\$m)	Net Flows (\$m)	Market & Other* (\$m)	FUM Jun 16 (\$m)
Managed Funds	477.8	14.8	23.1	515.7
Superannuation	950.2	78.0	12.8	1041.0
<i>All Products</i>	1,428.0	92.8	35.9	1,556.7

* Includes changes in asset value due to market movements, income, reinvestments and distributions.

Movement for full year

Over the financial year to 30 June 2016 Australian Ethical increased FUM by 33.4% to \$1,556.7million, up from \$1,166.7 million reported for the year ended 30 June 2015.

FUM and flows by product for the twelve months to 30 June 2016 were:

Product Category	FUM Jun 15 (\$m)	Net Flows (\$m)	Market & Other* (\$m)	FUM Jun 16 (\$m)
Managed Funds	379.0	81.9	54.8	515.7
Superannuation	787.7	236.7	16.5	1041.0
<i>All Products</i>	1,166.7	318.7	71.3	1,556.7

* Includes changes in asset value due to market movements, income, reinvestments and distributions.

Annual Revenue Margins

As advised on 24 June 2016 we reduced the average FUM based revenue margin¹ for our superannuation product on 30 June 2016 by 0.15%².

The following table illustrates the impact on FUM based revenue margins:

Product Category	FUM Based Revenue Margins		Adjusted margin ³
	FY15	FY16	FY17
Managed Funds	2.09%	1.71%	
Superannuation	1.74%	1.40%	1.24%
<i>All Products</i>	1.86%	1.50%	

Notes

- 1 FUM based revenue is one component of total revenue. Other revenue includes member and withdrawal fees, interest and rent. Details can be found in Note 6 of the Financial Statements on page 59 of the 2015 Annual Report.
- 2 Fees charged to members reduced by 0.22%. Of that amount, 0.07% was a reduction of the Operational Risk Financial Requirement levy.
- 3 Margin taking into account the superannuation fee reduction on 30 June 2016 assuming that the funds under management mix between investment options remains the same as 30 June 2016.

Member Numbers

Over the financial year to 30 June 2016 Superannuation membership increased by 24%:

Member Numbers Jun 15	New Members	Exited Members ¹	Member Numbers Jun 16
21,680	7,367	(2,221)	26,342

Notes

- 1 Includes 1,218 non-financial members exited during the year.

About Australian Ethical

Australian Ethical is Australia's leading ethical wealth manager. Since 1986, Australian Ethical has provided investors with wealth management products that align with their values and deliver strong returns. Investments are guided by the Australian Ethical Charter which both shapes its ethical approach and underpins the Company's culture and vision.

Visit: www.australianethical.com.au

Media inquiries: Rebecca Piercy, Honner: 0422 916 422

Quarterly Flow Analysis - Australian Ethical Managed Funds & Superannuation

