

## ASX ANNOUNCEMENT

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# Quarterly FUM Update

1 January – 31 March 2025

## **Australian Ethical maintains positive net flows, as market volatility sees Funds Under Management (FUM) fall by 1% to \$13.10 billion in the third quarter of FY25.**

Australian Ethical's superannuation business and values aligned channel prove resilient through a challenging market environment over the quarter, with the business reporting positive retail and wholesale flows of \$0.11 billion.

### **Retail and wholesale net flows**

The positive result was underpinned by the superannuation business where continued superannuation guarantee contributions provide resilience during challenging market conditions.

Following the resumption of marketing campaigns post the super administration transition to GROW, Australian Ethical saw super member numbers growing during the quarter. Further, super outflows have moderated post completion of this transition of approximately 100,000 members from the Mercer platform to GROW Inc in the second quarter. While this transition is now complete and operational, improvements to the digital experience to lift rollovers from new members are a key focus area during the fourth quarter.

Australian Ethical continues to see traction in their channel for values-aligned organisations with another \$30 million inflow during the quarter. This largely offset redemptions in managed funds and investment products resulting from the market volatility. Net flows into the non-super investment products were \$1 million for the quarter.

### **Institutional net flows**

During the quarter, net institutional outflows of \$0.06 billion were reported, which related to fixed income funds and mandates. This was driven by an institutional client's working capital requirements and mortgage capital management. These funds are low margin and the impact on revenue is slight.

### **Investment Performance**

Significant market volatility during the quarter saw the ASX300 lose around 4%. By comparison, Australian Ethical's diversified asset base which encompasses international equities, private markets and fixed income as well as Australian equities resulted in negative investment performance of just 1.6% for the quarter or \$0.22 billion.

## FUM & flows detail

FUM and flows for the three months to 31 March 2025 were:

Product Category	FUM Dec 24 (\$bn)	Net Flows		Market & other <sup>2</sup> (\$bn)	FUM Mar 25 (\$bn)
		Retail & wholesale <sup>1</sup> (\$bn)	Institutional (\$bn)		
Investments <sup>3</sup>	4.29	0.00	(0.06)	(0.07)	4.17
Superannuation	8.96	0.11	-	(0.15)	8.92
<b>Total</b>	<b>13.26</b>	<b>0.11</b>	<b>(0.06)</b>	<b>(0.22)</b>	<b>13.10</b>

<sup>1</sup> Retail & wholesale includes net flows from direct, advised, employer and values-aligned channels.

<sup>2</sup> Includes changes in asset value due to market movements and net income.

<sup>3</sup> Investments includes Managed Funds, SMA, ETF and mandates.

<sup>4</sup> Variances in totals due to rounding.

Managing Director John McMurdo said today:

"In what has become a challenging market environment, I am pleased that our diversified business model and asset base continues to be resilient with FUM down only 1 per cent to \$13.10 billion.

"Regardless of the context, we remain firmly focused on investing in line with our Ethical Charter as we have done for over 38 years and during which we have proven that investing ethically delivers over the long term, and during various economic and geo-political cycles.

"We remain focused on our strategy which continues to deliver positive outcomes for our various stakeholders."

This announcement is authorised by Karen Hughes, Company Secretary.

## About Australian Ethical

Australian Ethical is one of Australia's leading ethical investment managers\*. Since 1986, Australian Ethical has provided investors with investment management products that align with their values and provide long-term, risk adjusted returns. Investments are guided by the Australian Ethical Charter which shapes its ethical approach and underpins both its culture and its vision. Australian Ethical has over \$13 billion in funds under management across investments and superannuation. Visit: [www.australianethical.com.au](https://www.australianethical.com.au)

\*Please refer to <https://www.australianethical.com.au/why-ae/investment/#awards> for specific awards Australian Ethical has won, including the specific categories.