

Earnings guidance & business update half year ending 31 December 2021

ASX ANNOUNCEMENT

Earnings guidance for the half year ending 31 December 2021

Australian Ethical Investment advises that Underlying Profit after Tax (UPAT) before performance fees for the half year ending 31 December 2021 is expected to be between \$5.0 million and \$5.5 million. This represents a mid-point increase of 8% on the 6 months ended 31 December 2020.

Any performance fee from the Emerging Companies Fund and the newly launched High Conviction Fund will only crystallise on 30 June 2022 if those funds outperform their benchmarks.

This earnings guidance is based on unaudited management accounts to 31 October 2021 and anticipates no significant market movements during the remainder of the financial year. More information will be provided when half year results are announced on 23 February 2022.

FUM movement since 30 June 2021

FUM increased to \$6.64 billion as at 31 October 2021 up 9% from 30 June 2021. The increase was driven by net flows of \$0.40 billion and investment performance of \$0.17 billion (net of distributions and fees).

Outlook

John McMurdo, CEO at Australian Ethical, said: "The positive momentum we have been experiencing has carried over into the current financial year.

"While the emergence of a new coronavirus strain shows COVID-19 remains an ongoing concern, discussions around mobilising private finance to tackle climate change were high on the agenda during COP26 and shifting capital flows is an essential part of the decarbonisation process.

Australian Ethical will continue to invest in its high growth strategy given the positive momentum we are experiencing and the scale of the opportunity ahead. As such, costs in the second half will grow compared to first half, as we continue to implement our strategic roadmap.

"This includes building the capability of our investment, sales and customer services teams and enhancing our product development and technology platforms. Further investment in brand and growing our reach in intermediated channels is also planned for the second half."

This announcement is authorised by the Board

About Australian Ethical

Australian Ethical is Australia's leading ethical investment manager. Since 1986, Australian Ethical has provided investors with investment management products that align with their values and provide competitive 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 \$6 billion in funds under management across managed funds and superannuation.

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