

Australian Ethical Investment Funds under Management and Net Flows 30 September to 31 December 2016

Australian Ethical increased funds under management (FUM) by 7.5% to \$1,841.0 million for the quarter ended 31 December 2016, up from \$1,712.3 million reported for the quarter ended 30 September 2016.

FUM and flows by product for the three months to 31 December 2016 were as follows:

| Product Category | FUM Sep 16 (\$m) | Net Flows (\$m) | Market & Other* (\$m) | FUM Dec 16 (\$m) |
|-------------------------|---------------------------------|----------------------------|--------------------------------------|---------------------------------|
| Managed Funds | 545.1 | 28.7 | 8.7 | 582.5 |
| Superannuation | 1,167.2 | 77.1 | 14.2 | 1,258.5 |
| <i>All Products</i> | 1,712.3 | 105.8 | 22.9 | 1,841.0 |

* Includes changes in asset value due to market movements and net income.

Net flows continue to be strong. October 2016 was a record month with net flows of \$39.5 million and November 2016 saw a record for new superannuation members of 989. The strong growth is attributed to strong investment performance, continued growing awareness of ethical investment and targeted marketing.

Update on unit pricing remediation

Since our Earnings Guidance of 8 November 2016 we have concluded the investigation into unit pricing errors in respect of our superannuation fund. No further material errors were identified. Remediation of member accounts is expected to be substantially complete by 31 March 2017.

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 shapes both our ethical approach and our culture and vision.

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Quarterly Flow Analysis - Australian Ethical Managed Funds & Superannuation

