

---

## Australian Ethical AGM 2016

### Chairman & MD speeches

#### Chairman – Steve Gibbs

I would like to acknowledge the traditional owners of the land on which we meet – the Gadigal people of the Eora Nation. I pay my respects to their Elders past and present.

This year signals an impressive milestone for Australian Ethical – our 30<sup>th</sup> year in operation.

And what a year it's been. Funds under management, member numbers, revenue, inflows and our share price have all increased significantly. I'll touch on those in more detail in a moment.

But first, it's worth looking at where we have come from, and where we are going.

Over the past three decades, we've witnessed a significant shift in attitudes towards ethical investing. What was once a niche area is now part of the mainstream – or what we call the enlightened mainstream.

As Australians have become more conscious about their impact on the world – from what they eat to how they invest – we have been positioning Australian Ethical as the go-to choice for people who want to make money do good.

This year's results demonstrate our success in achieving that goal. We've increased our net flows by 78%, growing funds under management to more than \$1.5 billion. It's great to think that a couple of years ago, we had been celebrating reaching the \$1 billion FUM milestone – something that took us the best part of three decades to reach. In just one year, we added more than half a billion dollars to that total.

How did this happen? I will leave it to our managing director to talk more about that. But speaking broadly, our success comes down to a consistent and dedicated focus on clients, shareholders, employees and the community.

When you build an organisation that genuinely cares about its stakeholders, and combine that with investment and operational excellence, then it's possible to deliver and grow shareholder value over the long-term, as we have been doing.

Looking ahead, we see this approach as the foundation of our future success as well. We have a clear vision: to be the financial services company of choice for ethically conscious consumers. Our goal is to reach \$5 billion in funds under management by 2020, and while we know this is ambitious, we also think it's achievable.

And we are not just chasing growth for the sake of it. We know that achieving this kind of scale will allow us to deliver more services to clients, have a greater positive impact on society and the planet and continue delivering strong returns for you, our shareholders. With \$3 million after-tax profit, 27% return on equity, 282 cents in earnings per share, and three dollars in dividends, it's not surprising that our share price has climbed from around \$59 in the middle of last year, to around \$89 today.

Reaching our future goals – and indeed, the goals we have already reached – can only be achieved with a cohesive, dedicated and talented team of people.

I would like to congratulate our managing director, Phil Vernon, his management team and indeed all the staff at Australian Ethical and thank them for their hard work and for helping to build a positive culture that delivers outstanding results for all of our stakeholders.

And now I'd like to hand over to Phil Vernon.