

1 August 2019

Charlotte Hope
Senior Adviser, Listings Compliance
ASX Limited

Dear Charlotte,

Appendix 3Y

Please find enclosed an Appendix 3Y in relation to a sale of AEF shares by Phil Vernon, CEO and Managing Director of Australian Ethical Investment Limited

The shares were sold inadvertently during the closed period currently applying under the company's Share Trading Policy in the lead up to the release of the company's full-year financial results in late August.

The relevant circumstances are:

1. Pursuant to an approval to trade in AEF shares granted by the Chair in accordance with the company's Share Trading Policy in late May 2019, a sale offer of 5,000 shares at \$2.10 was entered into the CEO and Managing Director's online share trading account.
2. The sale did not take place at this time as the AEF share price did not reach \$2.10. A number of other trades were executed at lower prices by the CEO and Managing Director under this approval and these were disclosed to the market in the Appendix 3Y released on 24 May 2019.
3. Inadvertently, the offer of 5,000 shares at \$2.10 remained live (as the share price remained below \$2.10) and the trade occurred automatically without any action by the CEO and Managing Director when the AEF share price reached \$2.10 during trade on 29 July 2019.
4. The profits derived from the sale will be donated to charity.

The company has strong processes in relation to share trading and is confident that the circumstances of this breach of its Share Trading Policy will not be repeated.

Yours sincerely,



Nick Parkin
Company Secretary & Corporate Counsel

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

Name of entity	Australian Ethical Investment Limited
ABN	47 003 188 930

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Phillip Vernon
Date of last notice	24 May 2019

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Direct
Nature of indirect interest (including registered holder) <small>Note: Provide details of the circumstances giving rise to the relevant interest.</small>	N/a
Date of change	29 July 2019
No. of securities held prior to change	<ol style="list-style-type: none"> 1. 1,321,200 fully paid ordinary shares 2. 155,600 deferred fully paid ordinary shares held by Pacific Custodians Pty Limited for the benefit of Phillip Vernon under the Australian Ethical Investment Deferred Share Plan
Class	Fully paid ordinary shares
Number acquired	Nil
Number disposed	5,000 fully paid ordinary shares

+ See chapter 19 for defined terms.

Appendix 3Y Change of Director's Interest Notice

Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	\$10,500
No. of securities held after change	<ol style="list-style-type: none"> 1. 1,316,200 fully paid ordinary shares 2. 155,600 deferred fully paid ordinary shares held by Pacific Custodians Pty Limited for the benefit of Phillip Vernon under the Australian Ethical Investment Deferred Share Plan
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	On-market trade.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	N/a
Nature of interest	N/a
Name of registered holder (if issued securities)	N/a
Date of change	N/a
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	N/a
Interest acquired	N/a
Interest disposed	N/a
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	N/a
Interest after change	N/a

+ See chapter 19 for defined terms.

Part 3 – +Closed period

Were the interests in the securities or contracts detailed above traded during a +closed period where prior written clearance was required?	Yes
If so, was prior written clearance provided to allow the trade to proceed during this period?	No
If prior written clearance was provided, on what date was this provided?	N/a

+ See chapter 19 for defined terms.