

December 2009

Phillip Vernon becomes CEO of Australian Ethical...



Phillip Vernon has joined Australian Ethical as chief executive officer, taking over from Anne O'Donnell in early December.

Phillip has 25 years experience in financial services covering funds management, capital markets and superannuation. Most recently he was a member of the Executive Committee of Perpetual Limited heading up its Corporate Trust division. Over the past 10 years he grew the business organically and by acquisition from a small base to be a business of \$34 million profit, 400 staff and responsible for over \$200 billion in funds under administration.

With extensive experience in corporate governance and industry regulation Phillip has played a large role in industry affairs most recently as Chairman of the Australian Securitisation Forum where he helped forge many industry standards for investor protection and transparency in the Australian credit markets.

Phillip has a long held interest in sustainability and corporate social responsibility and has recently been invited to join the board of Planet Ark.

On his appointment, Phillip said 'With the increasing awareness amongst consumers toward sustainable products, the responsible investment sector is set to grow significantly over the coming years.'

'I'm delighted to be joining an organisation with Australian Ethical's pedigree, authenticity and commitment to this sector.'

...And Nathan Lim joins the investment team

Australian Ethical has strengthened its investment team with the recruitment of Nathan Lim as a senior equities analyst.

Nathan has fourteen years of international finance experience working in Australia, Canada and Malaysia as an equity research analyst and, most recently, as a fund manager with Three Pillars Portfolio Managers.

Nathan has strong experience in the alternative energy space, with a particular focus on wind, solar, geothermal and battery technologies.

Chief investment officer Martin Halloran said "Nathan comes to Australian Ethical with a reputation as a strong performer with significant experience in international finance."

"Australian Ethical has been a leader at investing in sustainable energy for more than two decades. Nathan's expertise in alternative energies will be a great boost to the smart energy focus of the International Equities Trust."

Nathan's appointment coincides with the departure of Michael O'Brien. After 9 years with Australian Ethical, Michael has decided to pursue his ethical interests further through consulting work.

Adviser online access

Advisers who have clients with Australian Ethical should have recently received their online log-ins and PIN from our new funds administrator, Registries Ltd. If you have not received this information in the post, please call Registries Ltd on 1300 308 089.

New investments in the Australian Ethical portfolios



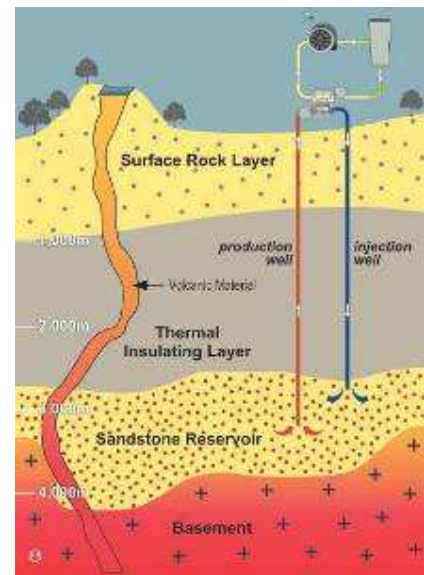
Australian Ethical has added a diverse range of new companies to the portfolios over the last few months, including Green Mountain Coffee Roasters, Dexion, Panax Geothermal and Tissue Therapies.

Green Mountain Coffee Roasters is an American-based supplier of coffee, tea, cocoa, brewing machines, and associated paraphernalia. Almost one-third of the coffee sold is Fair Trade certified, and it also sells a range of certified organic coffees. The company has been consistently recognised as a global sustainability leader for its commitment to its corporate responsibilities, and demonstrates a strong commitment to providing grants and charitable donations through its Brewing a Better World Fund.

Dexion is a provider of high quality commercial workspaces, integrated systems and industrial storage solutions. Dexion has a strong reputation for market-leading ideas in space utilisation and the effective storage and handling systems, and excellence in customer service.

Panax Geothermal is a pure geothermal energy company, well positioned to commercialise sustainable sources of base-load energy. Panax's key asset is the advanced and ready to drill-test [Limestone Coast Geothermal Project in South Australia](#), which has an estimated generating potential of approximately 1,500 MWe.

Tissue Therapies is an Australian company developing biomedical technologies for wound healing, tissue repair and various cell culture applications. The company has exclusive rights to commercialise VitroGro, a synthetic animal product-free platform technology with applications in research, industrial, pharmaceutical, clinical and medical markets. The company has also developed a human live skin model for simulating skin injuries and healing and potentially for testing cosmetics, reducing the requirement for cruel animal testing.



Advantages of offering responsible investment to your clients

Ethical or responsible investment aims to integrate personal values with investment decisions. For example, someone who feels strongly about the preservation of old growth forests may want to avoid investing in a company such as Gunns. Someone who feels strongly about poker machines may want to avoid investment in companies with gambling operations. Or someone who makes personal efforts to live sustainably may want to seek investment in companies involved in renewable energy, recycling or alternative transport.

In your information gathering with your client, why not ask whether they are involved with any community groups or social activities or whether the client makes regular donations to any charities? If your client is a supporter of the RSPCA, for instance, then a fund which actively considers issues such as animal testing may appeal to them.

Why not also ask your client how they feel about important issues such as climate change? If your client is particularly concerned about climate change, then a fund that actively seeks investment in areas such as renewable energy or recycling may appeal.

By knowing this sort of information about your client, it may help you to design plans that truly reflect their goals, needs and ideals. Your clients may feel more empowered with an investment choice that can help create a better world, aligned with their personal values.

The responsible investment process means loyalty, not a sole focus on the dollar return. This added dimension can assist in building client trust, thereby improving your reputation. This can lead to enhanced loyalty and referrals.

In our view, responsible investment attracts a wide range of investors and this has been enhanced further with the increased awareness of issues such as climate change, water shortages and corporate misconduct.

There are a number of groups that we find are particularly interested in responsible investment including:

- health and care workers;
- teachers and other educators;
- scientists and engineers;
- environmental groups and charities;
- religious groups and individuals.

Please contact Australian Ethical if you would like assistance including questions about responsible investment as part of your client information gathering process.

