

June 2009

Strong performance continues

The Australian Ethical trusts have continued to show strong relative performance. The flagship Equities Trust and Large Companies Share Trust continue to be among the leaders in their categories.

To 31 May 2009	1 year		3 years		5 years	
	Return	Rank	Return (p.a)	Rank	Return (p.a)	Rank
Equities Trust	-11.54%	2	4.22%	3	9.83%	5
Large Companies Share Trust	-17.46%	1	-5.30%	1	4.45%	1
Balanced Trust	-9.93%	5	-1.92%	18	3.72%	11
Income Trust	3.05%	55	4.43%	34	4.64%	19

Second Infinity Award

For the second year in a row, the Australian Ethical Superannuation Fund has won the Infinity Award at the Conference of Major Super Funds (CMSF).

The Infinity Award, presented by SuperRatings, signifies the Fund as Australia's most environmentally and socially conscious fund and a leader in sustainable investment and sustainable business practices.

CEO of Australian Ethical, Anne O'Donnell, said "The Award recognises our long-term commitment to sustainability and our significant experience in the area. For 23 years we have built expertise in investing in truly sustainable companies and doing this in a true to label way.

"Our positive sustainable screening means we invest in the industries of the future. Renewable and efficient energy, organic foods, sustainable transport, recycling and water are the industries which will meet our future needs.

The Award comes at a time when many super managers are trying to gain traction in the sustainability space. "Investors sell themselves short when they invest their super in pale-green funds. If people want to invest in a truly sustainable way, they should avoid super managers who treat sustainable investment like an add-on investment option."

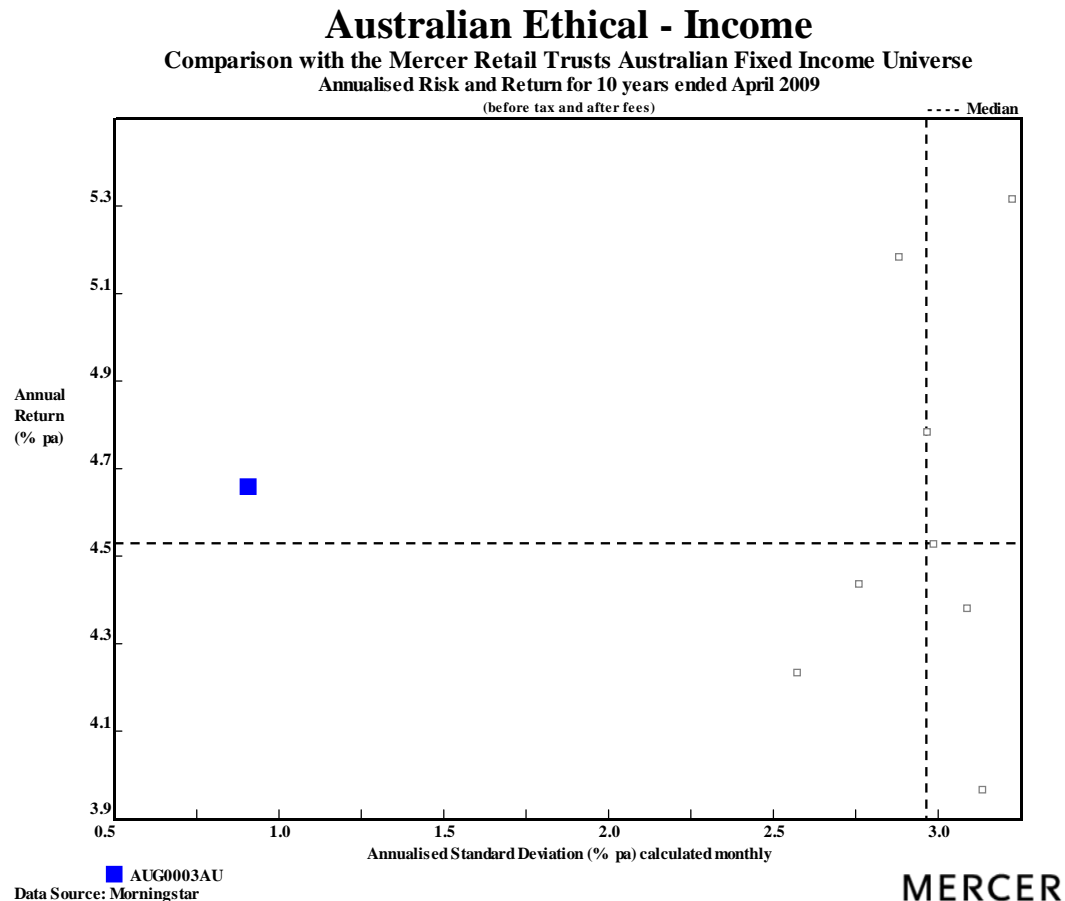
Large Companies Trust added to Colonial FirstWrap

The Australian Ethical Large Companies Share Trust is now available on Colonial's new FirstWrap, launched on 8 June. FirstWrap was previously known as the Avanteos platform. The Large Companies Share Trust is one of FirstWrap's diversified growth options.

Australian Ethical is continually looking to enhance the presence of our products on platforms to increase adviser access. Currently we are seeking adviser support for the addition of our Large Companies Share Trust and Equities Trust on the BT Wrap. If you would like to access our products through BT then please contact Adam on 02 6201 1926 or professional@austethical.com.au.

The Income Trust keeps on keeping on

The last two years of volatile markets has had cautious investors looking to fixed income and similar conservative funds. As shown in the graph below, over the last ten years the Australian Ethical Income Trust has produced an above median return with a much lower standard deviation than its peers in its Mercer category.



Health and biotechnology investments

The current swine flu pandemic has put the focus on health and biotechnology companies. The Australian Ethical portfolios contain numerous companies involved in healthcare products and services, including Genera Biosystems and CSL.

Genera Biosystems is an Australian publicly listed company that develops and commercialises multiplexed molecular diagnostic tests. Genera's first product on sale is PapType, a molecular diagnostic test for the simultaneous detection and genotyping of the 14 types of human papillomavirus known to cause cervical cancer.

CSL develops, manufactures and markets pharmaceutical products of biological origin. CSL is responsible for the cervical cancer vaccine Gardasil and expects to have a human swine flu vaccine available by August.

Australian Ethical has in place internal structures and planning to respond to a pandemic.