

March 2010

International Equities Trust focuses on Global Smart Energy

Australian Ethical has repositioned its International Equities Trust to focus on Global Smart Energy.

The trust will target investment in companies involved in global sustainable energy supply and demand. This dual focus will allow the trust to benefit from the opportunities presented in combating and managing the impact of climate change.

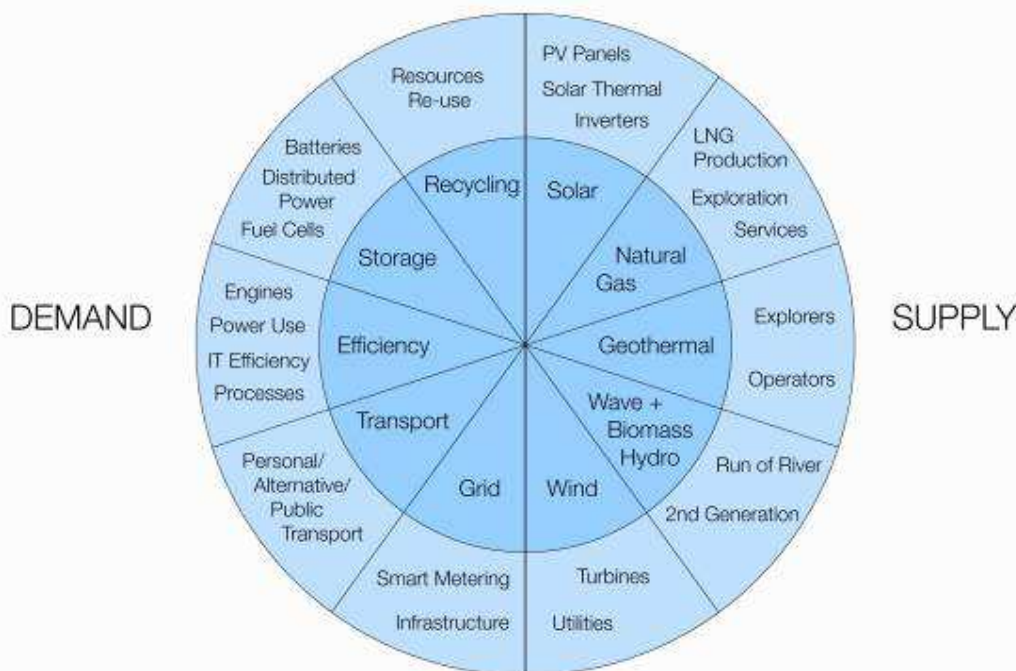
The trust will provide specialist exposure to renewable energy supply through sources such as wind, solar and geothermal, as well as exposure to efficient and adaptive technologies in areas such as electric vehicles, recycling and smart grid systems.

This repositioning will enhance the sustainability profile of the International Equities Trust and allow for greater potential for outperformance.

We believe that whilst renewable energy supply is growing and will become a significant contributor to lower emissions over time, large reductions in emissions can be achieved now through innovation, adaptation and consumer preference for less energy intensive products and services.

Other pure thematic funds invest only in the supply side of clean energy. Global Smart Energy has a dual focus on both the supply and demand sides of energy use, and this is what will set it apart in the marketplace.

Global Smart Energy Concept



The International Equities Trust has always invested in renewable energy, recycling, efficient transport and other smart energy companies, but this will now be the focus.

Global Smart Energy –new company examples

First Solar manufactures solar cells, solar modules and develops large scale solar installations. The company's proprietary cadmium telluride solar cells have the lowest 'cost per watt' ratio in the industry and produce the lowest life cycle emissions. The company recently signed an agreement to build what will be one of the world largest solar power plants in China.



American Superconductor Corporation offers an array of proprietary technologies and solutions spanning the electric power infrastructure – from generation to delivery to end use. The company develops wind turbine hardware as well as highly efficient superconducting motors, generators, power converters and transmission lines.

Advisers Big Day Out

Australian Ethical will be a presenting sponsor at the Advisers Big Day Out events to be held in most capital cities from 20-28 April. The Advisers Big Day Out has been designed to give advisers an insight into the latest topics from a select group of fund managers in a time effective manner. To find out more visit - http://www.rainmaker.com.au/events/advisers_big_day_out/

Money magazine award

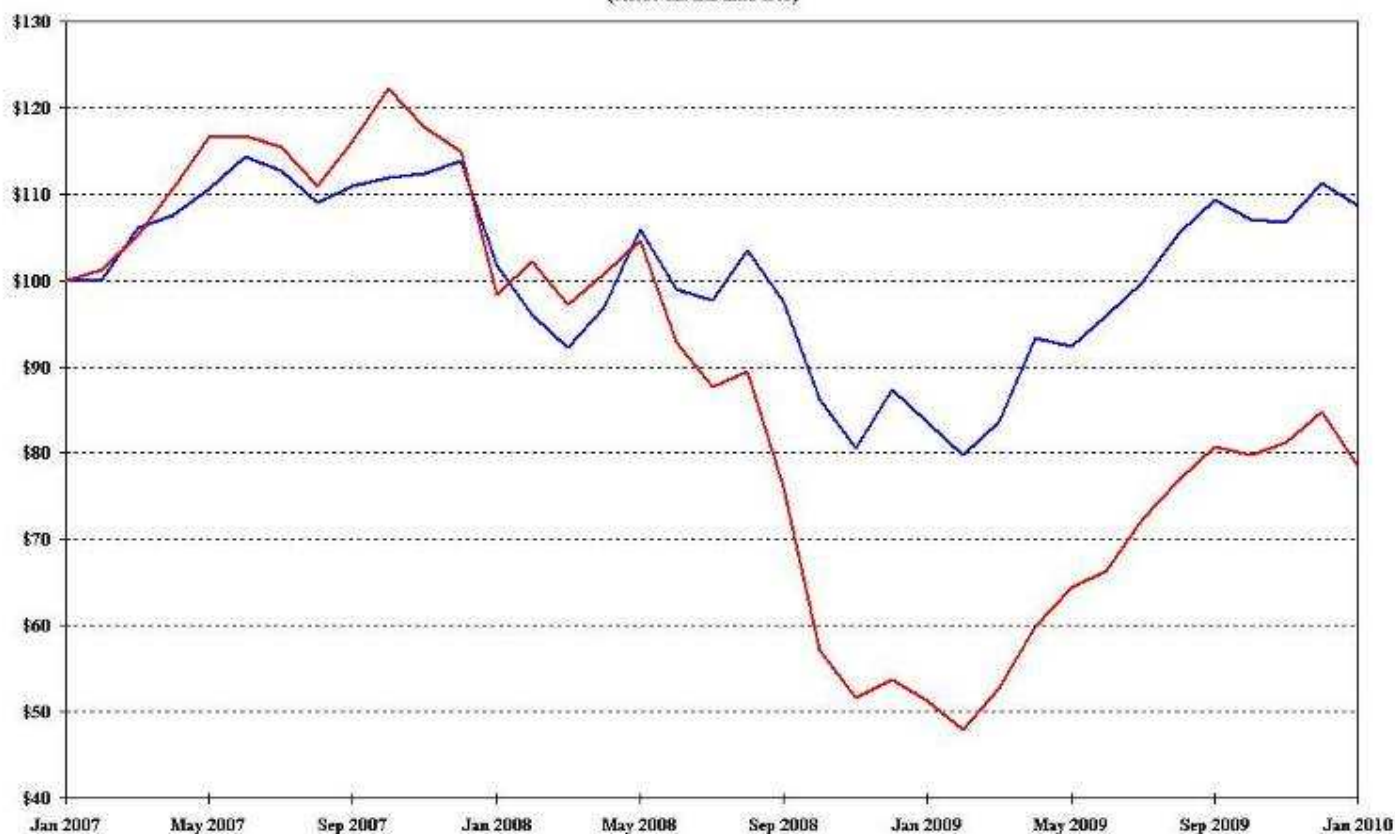
For the second year in a row, the Australian Ethical Super Fund won Best Green Super Fund in *Money* magazine's Best of the Best awards for 2010.



Smaller Companies Trust – outperformance over a volatile period

The Australian Ethical Smaller Companies Trust has continued to be a strong performer over the recently volatile periods for share markets. The graph below shows the Smaller Companies Trust performance over the last three years against the S&P/ASX Small Ordinaries.

Australian Ethical Smaller Companies Trust
Value of \$100 invested in Retail Equity - Australia - Small Cap from Feb 2007 to Jan 2010
(before tax and after fees)



Data Source: Linfoer, A Thomson Reuters Company

— Australian Ethical Smaller Companies Trust

— S&P/ASX Small Ordinaries TR

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Australian Ethical has recently moved into a new office in the Sydney CBD which will operate chiefly as a small caps investment hub. This will build on the strong success Australian Ethical has had in small cap investments for over two decades. We have bolstered our small cap expertise with the recruitment of highly-credentialed analysts Nathan Lim, David Macri and Dane Roberts in the last 12 months.

The Smaller Companies Trust is available on a number of platforms including Freedom of Choice, Macquarie, Asgard and Navigator. The trust has a Recommended rating from Lonsec.