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8 June 2012

Mr André Morony
Chairman
Australian Ethical Investment Limited
34 Thynne Street
BRUCE ACT 2617

Dear André,

Australian Ethical: Intention of IOOF to vote against proposed resolutions at the 21 June EGM

I refer to the extraordinary general meeting of Australian Ethical Investment Limited ("**Australian Ethical**") convened for 21 June 2012 ("**EGM**").

I am writing to advise that it is the current intention of Select Managed Funds Limited, a wholly owned subsidiary of IOOF, ("**IOOF**") to vote against all of the resolutions proposed to be put at the EGM.

As you are aware, IOOF holds 19.59% of the voting shares in Australian Ethical.

Further, IOOF would like to take this opportunity to express its support for the current directors of Australian Ethical and its current management team.

Yours sincerely,

CHRISTOPHER F. KELAHER
Director
Select Managed Funds Limited