

Directors' Report

For the year ended 30 June 2012

Australian Ethical Investment Limited, the responsible entity of the:

- Australian Ethical Balanced Trust (AEBT);
- Australian Ethical Property Trust (AEPT);
- Australian Ethical Smaller Companies Trust (AEST);
- Australian Ethical Cash Trust (AEIT);
- Australian Ethical Larger Companies Trust (AELT);
- Australian Ethical World Trust (AEWT);
- Australian Ethical International Equities Trust (AEIET);
- The Climate Advocacy Fund (CAF); and
- Australian Ethical Fixed Interest Trust (AEFIT).

Responsible entity

Australian Ethical Investment Limited was appointed the responsible entity for the AEBT, AEST, AEIT and AELT and by election of unitholders on 20 August 1999 and those schemes were registered as managed investment schemes with the Australian Securities and Investments Commission (ASIC) on 2 November 1999.

The AEWT was registered as a managed investment scheme with ASIC on 2 February 2007 with Australian Ethical Investment Limited as its responsible entity.

The AEIET was registered as a managed investment scheme with ASIC on 23 April 2007 with Australian Ethical Investment Limited as its responsible entity.

The AEPT was registered as a managed investment scheme with ASIC on 17 July 2009 with Australian Ethical Investment Limited as its responsible entity.

Australian Ethical Investment Limited was appointed the responsible entity of the CAF upon commencement on 26 August 2009 and this scheme was registered as a managed investment scheme with the Australian Securities and Investments Commission (ASIC) on 18 November 2009.

Australian Ethical Investment Limited was appointed the responsible entity of the AEFIT upon commencement on 25 May 2012. As the scheme is not open for investment the scheme is not registered with ASIC.

The following persons were directors of Australian Ethical Investment Limited during the whole of the financial year and up to the date of this report unless otherwise indicated:

André Morony

Phillip Vernon

Justine Hickey

Stephen Newnham

Howard Pender. Ceased 17 November 2011

Les Coleman. Ceased 17 November 2011

Louise Herron. Appointed 20 February 2012, ceased 25 July 2012

Stephen Gibbs. Appointed 25 July 2012

Principal activities and state of affairs

The principal activity of each of the schemes is to pool investors' savings to invest in diversified portfolios of securities, in accordance with their respective investment objectives and guidelines as set out in the current Product Disclosure Statement and within the provisions of each scheme's constitution. The constitution of each scheme authorises investments in a range of assets, which may include capital stable interest bearing securities and equity investments, both domestic and international. Investments are sought to pursue the goal of a just and sustainable society and the protection of the natural environment as well as providing unitholders (the scheme investors) with a competitive financial return.

Except as otherwise described in the directors' report or the financial statements, there were no significant changes in the nature of each scheme's principal activities during the year and there were no significant changes in each scheme's state of affairs.

Review of year's operations

Australian Ethical Balanced Trust

The scheme achieved a total return of 0.2% for the financial year. The scheme paid distributions of 2.87 cents per unit over the year.

The value of the scheme's net assets attributable to unitholders as at 30 June 2012 was \$226,841,915.

Australian Ethical Property Trust

The scheme achieved a total return of 9.4% for the financial year. The scheme paid distributions of 0.00 cents per unit over the year.

The value of the scheme's net assets attributable to unitholders as at 30 June 2012 was \$37,139,428.

Australian Ethical Smaller Companies Trust

The scheme achieved a total return of -4.2% for the financial year. The scheme paid distributions of 2.80 cents per unit over the year.

The value of the scheme's net assets attributable to unitholders as at 30 June 2012 was \$220,372,677.

Australian Ethical Cash Trust

The scheme achieved a total return of 4.4% for the financial year. The scheme paid distributions of 4.41 cents per unit over the year.

The value of the scheme's net assets attributable to unitholders as at 30 June 2012 was \$43,939,689.

Australian Ethical Larger Companies Trust

The scheme achieved a total return of -6.3% for the financial year. The scheme paid distributions of 1.71 cents per unit over the year.

The value of the scheme's net assets attributable to unitholders as at 30 June 2012 was \$151,695,816.

Australian Ethical World Trust

The responsible entity is in the process of winding up the operations of the AEWT.

Australian Ethical International Equities Trust

The scheme achieved a total return of -18.1% for the financial year. The scheme paid distributions of 0.00 cents per unit over the year.

The value of the scheme's net assets attributable to unitholders as at 30 June 2012 was \$65,711,329.

The Climate Advocacy Fund

The scheme achieved a total return of -6.7% for the financial year. The scheme paid distributions of 3.19 cents per unit over the year.

The value of the scheme's net assets attributable to unitholders as at 30 June 2012 was \$9,955,899.

Australian Ethical Fixed Interest Trust

The scheme achieved a total return of 0.4% for the financial year. The scheme paid distributions of 0.18 cents per unit over the year.

The value of the scheme's net assets attributable to unitholders as at 30 June 2012 was \$54,026,395.

Likely developments

The responsible entity continually reviews the schemes it manages and depending on that review may, during the course of the financial year, make decisions to change the offerings of products to investors.

Other information relating to likely developments has not been disclosed because it may cause unreasonable prejudice to those activities.

Events subsequent to balance date

Except as otherwise noted, during the period between the end of the financial year and the date of this report, there were no items, transactions or events of a material and unusual nature likely in the opinion of the responsible entity, to affect significantly the operations of the schemes, the results of those operations, or the state of affairs of the schemes in future financial years.

Distributions paid and/or payable

Distributions paid and/or payable by the schemes during the year are shown in the accompanying Statements of Comprehensive Income.

Indemnities and insurance premiums for the responsible entity and auditors

No insurance premiums are paid out of the assets of the schemes for insurance cover provided to the responsible entity, its officers or auditor of the schemes. Where the responsible entity acts in accordance with each scheme's constitution and the law, it is generally entitled to an indemnity out of the assets of the scheme against losses incurred while acting on behalf of the scheme. The auditor of the schemes is not indemnified out of the assets of the schemes.

Interest of the responsible entity

Fees paid to the responsible entity and its associates out of scheme property and interests held in the schemes are shown in note 16 of the attached financial statements.

Interests in the schemes

Full details of:

- interests in the schemes issued during the financial year
- withdrawals from the schemes during the financial year
- the number of interests in the schemes at the end of the financial year

are contained in notes 2 and 3 of the attached financial statements.

Auditor's declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 forms part of this report and follows at the end of this report.

Signed in accordance with a resolution of the Board of Directors of Australian Ethical Investment Limited.

A handwritten signature in black ink, consisting of a stylized 'P' and 'V' followed by a horizontal line.

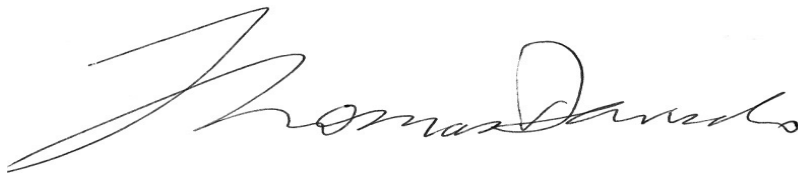
Phillip Vernon
Managing Director
Australian Ethical Investment Limited
ABN 47 003 188 930
28 September 2012

**AUSTRALIAN ETHICAL BALANCED TRUST
AUSTRALIAN ETHICAL PROPERTY TRUST
AUSTRALIAN ETHICAL SMALLER COMPANIES TRUST
AUSTRALIAN ETHICAL CASH TRUST
AUSTRALIAN ETHICAL LARGER COMPANIES TRUST
AUSTRALIAN ETHICAL WORLD TRUST
AUSTRALIAN ETHICAL INTERNATIONAL EQUITIES TRUST
CLIMATE ADVOCACY FUND
AUSTRALIAN ETHICAL FIXED INTEREST TRUST
AUSTRALIAN ETHICAL BALANCED TRUST CONSOLIDATED**

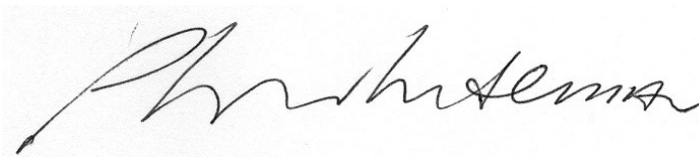
**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C
OF THE CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2012 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.



THOMAS DAVIS & CO



P.L. WHITEMAN PARTNER

SYDNEY
28 September 2012

Statements of Financial Position as at 30 June 2012

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC") (i)																																																																																																																																																																																																																																																																																																																																																																	
Notes	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011																																																																																																																																																																																																																																																																																																																																																																
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Assets																						Cash and cash equivalents	4	1,538,640	8,786,593	2,473,270	1,606,464	19,328,029	14,076,651	2,451,584	2,559,288	1,561,730	1,182,061	6,722	17,365	1,933,636	4,134,619	210,767	277,450	5,061,279	-	6,599,919	-	Trade and other receivables	5	1,410,206	2,483,018	-	4,004	1,377,439	1,416,221	513,956	405,218	755,395	599,871	164	380	286,682	2,468,830	82,927	1,815	329,228	-	1,663,332	-	Financial assets	6	217,031,615	217,863,843	-	-	205,040,280	222,286,191	41,464,637	31,339,516	150,846,848	104,443,803	-	-	63,339,620	90,854,024	9,926,053	6,377,849	48,733,087	-	223,457,627	-	Loans	7	4,660,413	5,038,925	-	-	-	-	659,005	701,543	-	-	-	-	-	-	-	-	-	-	4,660,413	-	Investment properties	8	6,385,000	6,500,000	54,239,875	52,851,341	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,385,000	-	Other assets	9	503,362	565,878	623,096	114,081	612,539	679,363	94,981	107,971	234,085	263,918	-	-	297,932	334,425	-	-	-	503,362	-	Total assets		231,529,236	241,238,257	57,336,241	54,575,890	226,358,287	238,458,426	45,184,163	35,113,536	153,398,058	106,489,653	6,886	17,745	65,857,870	97,791,898	10,219,747	6,657,114	54,123,594	-	243,269,653	-	Liabilities																						Trade and other payables	10	319,435	666,434	443,809	1,118,083	3,061,993	659,537	45,205	128,270	348,857	343,785	550	9,121	146,541	259,850	5,671	7,937	-	-	319,435	-	Borrowings	11	-	-	19,753,004	19,692,042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Distribution payable	12	4,367,886	3,437,705	-	-	2,923,617	12,410,867	1,199,269	792,607	1,353,385	852,124	-	-	-	258,177	217,604	97,199	-	-	4,367,886	-	Total liabilities excluding net assets attributable to unitholders		4,687,321	4,104,139	20,196,813	20,810,125	5,985,610	13,070,404	1,244,474	920,877	1,702,242	1,195,909	550	9,121	146,541	259,850	263,848	225,541	97,199	-	4,687,321	-	Net assets attributable to unitholders (before minority interests)		226,841,915	237,134,118	37,139,428	33,765,765	220,372,677	225,388,022	43,939,689	34,192,659	151,695,816	105,293,744	6,336	8,624	65,711,329	97,532,048	9,955,899	6,431,573	54,026,395	-	238,582,332	-	Minority Interests																						Net assets attributable to unitholders																					11,740,417	Total liabilities		231,529,236	241,238,257	57,336,241	54,575,890	226,358,287	238,458,426	45,184,163	35,113,536	153,398,058	106,489,653	6,886	17,745	65,857,870	97,791,898	10,219,747	6,657,114	54,123,594	-	243,269,653	-
Cash and cash equivalents	4	1,538,640	8,786,593	2,473,270	1,606,464	19,328,029	14,076,651	2,451,584	2,559,288	1,561,730	1,182,061	6,722	17,365	1,933,636	4,134,619	210,767	277,450	5,061,279	-	6,599,919	-																																																																																																																																																																																																																																																																																																																																																															
Trade and other receivables	5	1,410,206	2,483,018	-	4,004	1,377,439	1,416,221	513,956	405,218	755,395	599,871	164	380	286,682	2,468,830	82,927	1,815	329,228	-	1,663,332	-																																																																																																																																																																																																																																																																																																																																																															
Financial assets	6	217,031,615	217,863,843	-	-	205,040,280	222,286,191	41,464,637	31,339,516	150,846,848	104,443,803	-	-	63,339,620	90,854,024	9,926,053	6,377,849	48,733,087	-	223,457,627	-																																																																																																																																																																																																																																																																																																																																																															
Loans	7	4,660,413	5,038,925	-	-	-	-	659,005	701,543	-	-	-	-	-	-	-	-	-	-	4,660,413	-																																																																																																																																																																																																																																																																																																																																																															
Investment properties	8	6,385,000	6,500,000	54,239,875	52,851,341	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,385,000	-																																																																																																																																																																																																																																																																																																																																																															
Other assets	9	503,362	565,878	623,096	114,081	612,539	679,363	94,981	107,971	234,085	263,918	-	-	297,932	334,425	-	-	-	503,362	-																																																																																																																																																																																																																																																																																																																																																																
Total assets		231,529,236	241,238,257	57,336,241	54,575,890	226,358,287	238,458,426	45,184,163	35,113,536	153,398,058	106,489,653	6,886	17,745	65,857,870	97,791,898	10,219,747	6,657,114	54,123,594	-	243,269,653	-																																																																																																																																																																																																																																																																																																																																																															
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Distribution payable	12	4,367,886	3,437,705	-	-	2,923,617	12,410,867	1,199,269	792,607	1,353,385	852,124	-	-	-	258,177	217,604	97,199	-	-	4,367,886	-																																																																																																																																																																																																																																																																																																																																																															
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The accompanying notes form part of these financial statements.

(i) For the year ended 30 June 2012 the consolidated financial statements include the Australian Ethical Fixed Interest Trust (AEFIT).
(ii) Formerly known as the Australian Ethical Income Trust

Statements of Comprehensive Income for the year ended 30 June 2012

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC") (i)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
Notes	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																													
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Investment income																						Distributions		1,130,038	1,714,252	-	85,166	-	218,622	-	-	314,019	-	-	-	-	-	-	-	-	-	1,053,936	-	Dividends domestic		2,782,636	3,049,223	-	-	8,705,112	7,572,354	-	-	4,020,751	3,242,430	-	-	-	374,613	285,985	-	-	-	2,782,636	-	Dividends overseas		-	22,290	-	-	-	68,723	-	-	18,297	-	-	1,593,339	1,311,892	-	-	-	-	-	-	-	Foreign exchange hedging revenue		-	-	-	-	-	374,505	-	-	303,116	-	-	-	-	-	-	-	-	-	-	-	Interest		4,822,197	5,956,343	86,675	108,241	805,593	706,203	2,431,401	1,896,432	71,105	128,799	-	247	208,309	274,827	12,196	7,892	98,517	-	4,920,714	-	Other income		5,643	944	38,649	-	24,917	176,538	2,554	69,714	4,139	14,256	-	-	55,972	1,133	4,306	1,582	-	-	5,643	-	Rent		623,444	628,721	4,644,569	1,691,085	-	-	-	-	-	-	-	-	-	-	-	-	-	-	623,444	-	Profit (loss) on foreign exchange		-	-	-	-	-	-	-	-	-	(9)	-	-	(281,717)	(2,339,095)	-	-	-	-	-	-	Profit (loss) on sale of investments		(9,910,779)	1,284,557	-	(500)	(8,167,530)	17,552,714	221,964	-	(4,347,862)	(78,272)	-	-	(18,661,104)	1,435,799	-	-	-	-	(9,910,779)	-	Unrealised increment (decrement) on fluctuation in value of investments		3,995,314	176,294	1,388,534	(42,906)	(7,106,822)	537,684	(151,125)	328,720	(6,398,180)	(1,674,048)	-	-	783,208	(4,961,438)	(634,185)	(254,535)	76,017	-	3,995,314	-			3,448,493	12,832,624	6,158,427	1,841,086	(5,738,730)	27,207,343	2,504,794	2,294,866	(6,650,047)	2,268,588	-	247	(16,301,993)	(4,276,882)	(243,070)	40,924	174,534	-	3,470,908	-	Less expenditure																						Administration costs		660,588	688,551	93,458	55,261	736,028	521,914	203,771	165,522	389,574	328,298	1,147	970	310,936	226,516	43	102	1,317	-	661,905	-	Auditors' remuneration	13	44,361	43,141	6,213	6,025	35,798	34,858	15,532	15,063	22,774	22,162	1,141	2,450	17,900	17,430	-	-	-	-	44,361	-	Borrowing costs		-	-	1,580,199	618,039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Foreign exchange hedging costs		-	-	-	-	211,050	463,228	-	-	138,913	405,524	-	-	-	-	-	-	-	-	-	-	Investment properties		131,053	142,725	580,453	380,506	-	-	-	-	-	-	-	-	-	-	-	-	-	-	131,053	-	Responsible entity fees	16	2,912,105	3,499,595	704,441	957,021	4,126,897	4,116,330	448,393	367,436	1,710,730	1,751,143	-	-	1,094,112	1,470,664	58,846	24,131	-	-	2,912,105	-			3,748,107	4,374,012	2,964,764	2,016,852	5,109,773	5,136,330	667,696	548,021	2,261,991	2,507,127	2,288	3,420	1,422,948	1,714,610	58,889	24,233	1,317	-	3,749,424	-	Profit (loss) from operating activities		(299,614)	8,458,612	3,193,663	(175,766)	(10,848,503)	22,071,013	1,837,098	1,746,845	(8,912,038)	(238,539)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(301,959)	16,691	173,217	-	(278,516)	-	Other comprehensive income																						Total comprehensive income attributable to unitholders		(299,614)	8,458,612	3,193,663	(175,766)	(10,848,503)	22,071,013	1,837,098	1,746,845	(8,912,038)	(238,539)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(301,959)	16,691	173,217	-	(278,516)	-	Finance costs - distributions to unitholders	12	(6,460,788)	(6,502,882)	-	(307,173)	(4,289,590)	(14,839,047)	(1,959,214)	(1,447,916)	(1,802,953)	(1,513,780)	-	-	-	(332,295)	(271,226)	(97,199)	-	-	(6,460,788)	-	Change in net assets attributable to unitholders (before minority interests)		(6,760,402)	1,955,730	3,193,663	(482,939)	(15,138,093)	7,231,966	(122,116)	298,929	(10,714,991)	(1,752,319)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(634,254)	(254,535)	76,018	-	(6,739,304)	-	Minority Interests																						Change in net assets attributable to unitholders		(6,760,402)	1,955,730	3,193,663	(482,939)	(15,138,093)	7,231,966	(122,116)	298,929	(10,714,991)	(1,752,319)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(634,254)	(254,535)	76,018	-	(6,760,402)	-
Distributions		1,130,038	1,714,252	-	85,166	-	218,622	-	-	314,019	-	-	-	-	-	-	-	-	-	1,053,936	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Dividends domestic		2,782,636	3,049,223	-	-	8,705,112	7,572,354	-	-	4,020,751	3,242,430	-	-	-	374,613	285,985	-	-	-	2,782,636	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Dividends overseas		-	22,290	-	-	-	68,723	-	-	18,297	-	-	1,593,339	1,311,892	-	-	-	-	-	-	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Foreign exchange hedging revenue		-	-	-	-	-	374,505	-	-	303,116	-	-	-	-	-	-	-	-	-	-	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Interest		4,822,197	5,956,343	86,675	108,241	805,593	706,203	2,431,401	1,896,432	71,105	128,799	-	247	208,309	274,827	12,196	7,892	98,517	-	4,920,714	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Other income		5,643	944	38,649	-	24,917	176,538	2,554	69,714	4,139	14,256	-	-	55,972	1,133	4,306	1,582	-	-	5,643	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Rent		623,444	628,721	4,644,569	1,691,085	-	-	-	-	-	-	-	-	-	-	-	-	-	-	623,444	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Profit (loss) on foreign exchange		-	-	-	-	-	-	-	-	-	(9)	-	-	(281,717)	(2,339,095)	-	-	-	-	-	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Profit (loss) on sale of investments		(9,910,779)	1,284,557	-	(500)	(8,167,530)	17,552,714	221,964	-	(4,347,862)	(78,272)	-	-	(18,661,104)	1,435,799	-	-	-	-	(9,910,779)	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Unrealised increment (decrement) on fluctuation in value of investments		3,995,314	176,294	1,388,534	(42,906)	(7,106,822)	537,684	(151,125)	328,720	(6,398,180)	(1,674,048)	-	-	783,208	(4,961,438)	(634,185)	(254,535)	76,017	-	3,995,314	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
		3,448,493	12,832,624	6,158,427	1,841,086	(5,738,730)	27,207,343	2,504,794	2,294,866	(6,650,047)	2,268,588	-	247	(16,301,993)	(4,276,882)	(243,070)	40,924	174,534	-	3,470,908	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Less expenditure																						Administration costs		660,588	688,551	93,458	55,261	736,028	521,914	203,771	165,522	389,574	328,298	1,147	970	310,936	226,516	43	102	1,317	-	661,905	-	Auditors' remuneration	13	44,361	43,141	6,213	6,025	35,798	34,858	15,532	15,063	22,774	22,162	1,141	2,450	17,900	17,430	-	-	-	-	44,361	-	Borrowing costs		-	-	1,580,199	618,039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Foreign exchange hedging costs		-	-	-	-	211,050	463,228	-	-	138,913	405,524	-	-	-	-	-	-	-	-	-	-	Investment properties		131,053	142,725	580,453	380,506	-	-	-	-	-	-	-	-	-	-	-	-	-	-	131,053	-	Responsible entity fees	16	2,912,105	3,499,595	704,441	957,021	4,126,897	4,116,330	448,393	367,436	1,710,730	1,751,143	-	-	1,094,112	1,470,664	58,846	24,131	-	-	2,912,105	-			3,748,107	4,374,012	2,964,764	2,016,852	5,109,773	5,136,330	667,696	548,021	2,261,991	2,507,127	2,288	3,420	1,422,948	1,714,610	58,889	24,233	1,317	-	3,749,424	-	Profit (loss) from operating activities		(299,614)	8,458,612	3,193,663	(175,766)	(10,848,503)	22,071,013	1,837,098	1,746,845	(8,912,038)	(238,539)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(301,959)	16,691	173,217	-	(278,516)	-	Other comprehensive income																						Total comprehensive income attributable to unitholders		(299,614)	8,458,612	3,193,663	(175,766)	(10,848,503)	22,071,013	1,837,098	1,746,845	(8,912,038)	(238,539)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(301,959)	16,691	173,217	-	(278,516)	-	Finance costs - distributions to unitholders	12	(6,460,788)	(6,502,882)	-	(307,173)	(4,289,590)	(14,839,047)	(1,959,214)	(1,447,916)	(1,802,953)	(1,513,780)	-	-	-	(332,295)	(271,226)	(97,199)	-	-	(6,460,788)	-	Change in net assets attributable to unitholders (before minority interests)		(6,760,402)	1,955,730	3,193,663	(482,939)	(15,138,093)	7,231,966	(122,116)	298,929	(10,714,991)	(1,752,319)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(634,254)	(254,535)	76,018	-	(6,739,304)	-	Minority Interests																						Change in net assets attributable to unitholders		(6,760,402)	1,955,730	3,193,663	(482,939)	(15,138,093)	7,231,966	(122,116)	298,929	(10,714,991)	(1,752,319)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(634,254)	(254,535)	76,018	-	(6,760,402)	-																																																																																																																																																																																																																																																																								
Administration costs		660,588	688,551	93,458	55,261	736,028	521,914	203,771	165,522	389,574	328,298	1,147	970	310,936	226,516	43	102	1,317	-	661,905	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Auditors' remuneration	13	44,361	43,141	6,213	6,025	35,798	34,858	15,532	15,063	22,774	22,162	1,141	2,450	17,900	17,430	-	-	-	-	44,361	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Borrowing costs		-	-	1,580,199	618,039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Foreign exchange hedging costs		-	-	-	-	211,050	463,228	-	-	138,913	405,524	-	-	-	-	-	-	-	-	-	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Investment properties		131,053	142,725	580,453	380,506	-	-	-	-	-	-	-	-	-	-	-	-	-	-	131,053	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Responsible entity fees	16	2,912,105	3,499,595	704,441	957,021	4,126,897	4,116,330	448,393	367,436	1,710,730	1,751,143	-	-	1,094,112	1,470,664	58,846	24,131	-	-	2,912,105	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
		3,748,107	4,374,012	2,964,764	2,016,852	5,109,773	5,136,330	667,696	548,021	2,261,991	2,507,127	2,288	3,420	1,422,948	1,714,610	58,889	24,233	1,317	-	3,749,424	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Profit (loss) from operating activities		(299,614)	8,458,612	3,193,663	(175,766)	(10,848,503)	22,071,013	1,837,098	1,746,845	(8,912,038)	(238,539)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(301,959)	16,691	173,217	-	(278,516)	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Other comprehensive income																						Total comprehensive income attributable to unitholders		(299,614)	8,458,612	3,193,663	(175,766)	(10,848,503)	22,071,013	1,837,098	1,746,845	(8,912,038)	(238,539)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(301,959)	16,691	173,217	-	(278,516)	-	Finance costs - distributions to unitholders	12	(6,460,788)	(6,502,882)	-	(307,173)	(4,289,590)	(14,839,047)	(1,959,214)	(1,447,916)	(1,802,953)	(1,513,780)	-	-	-	(332,295)	(271,226)	(97,199)	-	-	(6,460,788)	-	Change in net assets attributable to unitholders (before minority interests)		(6,760,402)	1,955,730	3,193,663	(482,939)	(15,138,093)	7,231,966	(122,116)	298,929	(10,714,991)	(1,752,319)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(634,254)	(254,535)	76,018	-	(6,739,304)	-	Minority Interests																						Change in net assets attributable to unitholders		(6,760,402)	1,955,730	3,193,663	(482,939)	(15,138,093)	7,231,966	(122,116)	298,929	(10,714,991)	(1,752,319)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(634,254)	(254,535)	76,018	-	(6,760,402)	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
Total comprehensive income attributable to unitholders		(299,614)	8,458,612	3,193,663	(175,766)	(10,848,503)	22,071,013	1,837,098	1,746,845	(8,912,038)	(238,539)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(301,959)	16,691	173,217	-	(278,516)	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Finance costs - distributions to unitholders	12	(6,460,788)	(6,502,882)	-	(307,173)	(4,289,590)	(14,839,047)	(1,959,214)	(1,447,916)	(1,802,953)	(1,513,780)	-	-	-	(332,295)	(271,226)	(97,199)	-	-	(6,460,788)	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Change in net assets attributable to unitholders (before minority interests)		(6,760,402)	1,955,730	3,193,663	(482,939)	(15,138,093)	7,231,966	(122,116)	298,929	(10,714,991)	(1,752,319)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(634,254)	(254,535)	76,018	-	(6,739,304)	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
Minority Interests																						Change in net assets attributable to unitholders		(6,760,402)	1,955,730	3,193,663	(482,939)	(15,138,093)	7,231,966	(122,116)	298,929	(10,714,991)	(1,752,319)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(634,254)	(254,535)	76,018	-	(6,760,402)	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Change in net assets attributable to unitholders		(6,760,402)	1,955,730	3,193,663	(482,939)	(15,138,093)	7,231,966	(122,116)	298,929	(10,714,991)	(1,752,319)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(634,254)	(254,535)	76,018	-	(6,760,402)	-																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												

The accompanying notes form part of these financial statements.

Statements of Cash Flows for the year ended 30 June 2012

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC") (i)	
Notes	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities																				
Interest received	5,177,401	6,042,048	65,277	90,565	856,809	686,412	2,037,377	1,798,863	78,188	137,072	-	-	395,560	279,948	12,196	7,890	26,331	-	5,203,732	-
Dividends received	3,016,587	2,824,040	-	-	8,310,621	7,207,103	-	-	3,634,509	3,169,513	-	-	1,434,201	534,509	201,209	14	-	-	3,016,587	-
Distributions received	1,128,780	1,539,058	-	121,566	-	569,535	-	-	-	1,082,226	-	-	-	-	-	-	-	-	794,320	-
Other income received	1,714,723	855,934	4,757,203	1,703,224	903,290	744,648	107,677	31,781	463,639	422,927	-	-	527,800	29,684	4,053	-	-	-	1,714,723	-
Expenses	(4,385,074)	(5,058,855)	(4,153,102)	(981,742)	(4,810,640)	(4,373,404)	(790,713)	(654,993)	(1,940,962)	(2,729,399)	(10,643)	(3,304)	(1,625,352)	(4,133,129)	(57,251)	(18,799)	(1,317)	-	(4,386,391)	-
Net cash provided by (used in) operating activities	6,652,417	6,202,225	669,378	933,613	5,260,080	4,834,294	1,354,341	1,175,651	2,235,374	2,082,339	(10,643)	(3,304)	732,209	(3,288,988)	160,207	(10,895)	25,014	-	6,342,971	-
Cash flows from investing activities																				
Proceeds from sale of investments	161,835,168	118,553,034	1,217,428	4,704,111	93,013,509	113,666,139	21,717,017	17,194,317	39,997,752	27,155,463	-	-	52,577,998	68,885,945	-	-	71,425	-	161,906,593	-
Customer loans repaid	475,955	1,472,997	-	-	-	-	42,538	437,072	-	-	-	-	-	-	-	-	-	-	475,955	-
Customer loans granted	(1,044,000)	(2,770,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,044,000)	-
Purchase of Property, Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment for investments	(163,890,719)	(118,487,668)	(1,200,000)	(35,141,728)	(89,083,872)	(114,691,750)	(31,538,283)	(21,647,324)	(98,289,480)	(25,464,943)	-	-	(41,416,779)	(66,699,861)	(3,570,380)	(5,897,415)	(48,985,538)	-	(170,645,199)	-
Net cash provided by (used in) investing activities	(2,623,596)	(1,231,637)	17,428	(30,437,617)	3,929,637	(1,025,611)	(9,778,728)	(4,015,935)	(58,291,728)	1,690,520	-	-	11,161,219	2,186,084	(3,570,380)	(5,897,415)	(48,914,113)	-	(9,306,651)	-
Cash flows from financing activities																				
Proceeds from issue of units	13,889,484	18,052,606	180,000	18,857,492	24,425,498	17,812,062	16,620,914	6,451,233	79,179,365	8,648,082	-	-	9,500,000	5,075,929	3,989,329	6,285,096	53,950,378	-	25,608,804	-
Payment of redemption of units	(24,286,828)	(23,378,578)	-	-	(25,039,507)	(13,191,695)	(8,204,379)	(3,489,423)	(22,490,742)	(16,495,748)	-	-	(23,594,411)	(11,381,876)	(590,644)	(125,147)	-	-	(24,286,828)	-
Proceeds from/(repayment of) borrowings	-	-	-	12,142,795	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions paid	(879,430)	(1,448,124)	-	(479,312)	(3,324,330)	(1,444,916)	(99,852)	(108,993)	(252,600)	(269,086)	-	-	-	-	(55,195)	(14,447)	-	-	(544,970)	-
Net cash provided by (used in) financing activities	(11,276,774)	(6,774,096)	180,000	30,520,975	(3,938,339)	3,175,451	8,316,683	2,852,817	56,436,023	(8,116,752)	-	-	(14,094,411)	(6,305,947)	3,343,490	6,145,502	53,950,378	-	777,006	-
Net increase (decrease) in cash held	(7,247,953)	(1,803,508)	866,806	1,016,971	5,251,378	6,984,134	(107,704)	12,533	379,669	(4,343,893)	(10,643)	(3,304)	(2,200,983)	(7,408,851)	(66,683)	237,192	5,061,279	-	(2,186,674)	-
Cash at 1 July 2011	8,786,593	10,590,101	1,606,464	589,493	14,076,651	7,092,517	2,559,288	2,546,755	1,182,061	5,525,954	17,365	20,669	4,134,619	11,543,470	277,450	40,258	-	-	8,786,593	-
Cash at 30 June 2012	1,538,640	8,786,593	2,473,270	1,606,464	19,328,029	14,076,651	2,451,584	2,559,288	1,561,730	1,182,061	6,722	17,365	1,933,636	4,134,619	210,767	277,450	5,061,279	-	6,599,919	-

The accompanying notes form part of these financial statements.

Note 1 - Statement of significant accounting policies

These Financial Statements are general purpose financial Statements that have been prepared in accordance with the Constitutions of each scheme, Australian Accounting Standards, Australian accounting interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The Financial Reports cover each scheme as an individual entity. Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. The schemes are established and domiciled in Australia.

As the schemes have the same Responsible Entity, the Financial Reports for the schemes are presented in a single document as permitted by ASIC class order 06/441.

The following is a summary of the material accounting policies adopted by the schemes in the preparation of the Financial Statements. The accounting policies have been consistently applied, unless otherwise stated.

Reporting Basis and Conventions

The Financial Statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected financial assets for which the fair value basis of accounting has been applied.

Accounting policies

(a) Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks.

(b) Financial instruments

Recognition

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments.

AEST and AELT hold derivatives which are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the statement of comprehensive income in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

(c) Investment property

AEBT and the AEPT hold investment properties (principally Crown leasehold office complexes), to generate long-term rental yields. All tenant leases are on an arm's length basis. Investment property is carried at fair value, determined every 12 months by independent valuers. Changes to fair value are recorded in the statement of comprehensive income.

Note 1 - Statement of significant accounting policies - continued

(d) Payables

Liabilities are recognised for all amounts due at balance date. Creditors are normally settled within 30 days.

(e) Distribution

Australian Ethical distributes to the unitholders of each scheme the income (generally net taxable income plus non-taxable income, not including realised capital gains) earned by the schemes each six months. In addition, normally taxable capital gains realised over the full financial year will be included with the distribution for the six months ending 30 June. The non-taxable component of income may be retained in the schemes.

'Net taxable income' is all the income earned by the schemes, less expenses incurred in obtaining that income, and is determined in accordance with section 95 of the Income Tax Assessment Act.

(f) Change in net assets attributable to unitholders

Change in net assets attributable to unitholders may consist of realised net capital losses and unrealised increments and decrements arising on fluctuation in value of investments. They are included in the determination of distributable income when assessable for taxation purposes.

(g) Revenue

Revenue from investment properties is recognised on an accrual basis, when the scheme has a right to receive the rent in accordance with the lease agreement.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been established.

Trust distributions are recognised on an accrual basis.

Unrealised increments and decrements arising on fluctuation in value of investments are included in the net operating income for the year.

(h) Applications and redemptions

Applications received for units in each scheme are recorded net of any contribution fees payable prior to the issue of units in each scheme. No exit fees are charged. Unit prices are determined by reference to the net assets of each scheme divided by the number of units on issue at close of business each day, with a buy / sell spread applied to all trusts except for the Income Trust.

All or part of an investment can be switched between the Australian Ethical schemes. The contribution fee charged on a switch is the difference between the contribution fee for the original scheme and the new scheme. Further details can be found in the Australian Ethical Investment Trust's Product Disclosure Statement.

(i) Goods and services tax (GST)

The schemes qualify for reduced input tax credits (RITC's) at a rate of 75%.

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Income tax

No tax is payable by the schemes as all taxable income is distributed to unitholders.

Note 1 - Statement of significant accounting policies - continued

(k) Foreign currency transactions and balances

AEIET foreign currency transactions are translated into Australian currency at the rate of exchange applicable at the date of the transaction. Amounts payable and receivable in foreign currencies at balance date are translated at the year-end exchange rate. The resulting gains and losses are included in the statement of comprehensive income in the period they arise.

(l) Currency options

AEST and AELT hold options which are purchased to hedge against foreign currency exposure. The cost is amortised over the period of the option. The options are valued using the Black Scholes pricing model, which is common place as a valuation method for these derivatives across the wider market.

(m) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Accounting Standards not previously applied

Note 1 - Statement of significant accounting policies - *continued*

Accounting Standards not previously applied

The AASB has issued new, revised and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The management of the fund has decided against early adoption of these standards. A discussion of those future requirements and their impact on the fund follows:

- AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013). These standards are applicable retrospectively and amend the classification and measurement of financial assets. The fund has not yet determined the potential impact on the financial statements.
- AASB 1053: Application of Tiers of Australian Accounting Standards and AASB2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements.

Since the group is a for-profit private sector entity that has public accountability, it does not qualify for the reduced disclosure requirements for Tier 2 entities.

	Balanced Trust ("AEBT")	Property Trust ("AEPT")	Smaller Companies Trust ("AEST")	Cash Trust ("AEIT") (ii)	Larger Companies Trust ("AELT")	World Trust ("AEWT")	International Equities Trust ("AEIET")	Climate Advocacy Fund ("CAF")	Fixed Income Trust ("AEFIT")	Balanced Trust Consolidated ("AEBTC")										
	2012 Units	2011 Units	2012 Units	2011 Units	2012 Units	2011 Units	2012 Units	2011 Units	2012 Units	2011 Units	2012 Units	2011 Units								
Note 2 - Number of Issued Units																				
On issue at beginning of year	227,797,843	226,458,014	34,609,962	15,504,790	144,206,734	138,535,928	35,218,321	30,917,137	77,958,242	82,865,162	21,831	21,831	149,113,680	158,985,531	6,403,293	494,632	-	-	227,797,843	-
Issued	16,222,912	23,532,492	178,376	19,105,172	18,010,147	13,530,853	17,080,608	6,468,727	59,783,127	6,818,428	-	-	52,672,471	7,295,885	4,638,776	6,029,302	53,919,180	-	27,928,604	-
Redeemed	(19,832,872)	(22,192,663)	-	-	(26,707,746)	(7,860,047)	(6,959,286)	(2,167,543)	(31,832,675)	(11,725,348)	(21,831)	-	(79,225,020)	(17,167,736)	(1,323,675)	(120,641)	-	-	(19,832,872)	-
On issue at year end	224,187,883	227,797,843	34,788,338	34,609,962	135,509,135	144,206,734	45,339,643	35,218,321	105,908,694	77,958,242	-	21,831	122,561,131	149,113,680	9,718,394	6,403,293	53,919,180	-	235,893,575	-

	Smaller Companies Trust ("AEST")	Larger Companies Trust ("AELT")	Climate Advocacy Fund ("CAF")	Balanced Trust Consolidated ("AEBTC")
	2012 Units	2011 Units	2012 Units	2011 Units
Note 2 - Number of Issued Units - Wholesale				
On issue at beginning of year	-	-	-	-
Issued	16,229,441	-	1,076,032	-
Redeemed	(1,416,217)	(1,363,902)	(3,739)	-
On issue at year end	14,813,224	15,095,713	1,072,293	-

	Balanced Trust ("AEBT")	Property Trust ("AEPT")	Smaller Companies Trust ("AEST")	Cash Trust ("AEIT") (ii)	Larger Companies Trust ("AELT")	World Trust ("AEWT")	International Equities Trust ("AEIET")	Climate Advocacy Fund ("CAF")	Fixed Income Trust ("AEFIT")	Balanced Trust Consolidated ("AEBTC")										
	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$	2012 \$	2011 \$								
Note 3 - Net assets attributable to unitholders																				
Opening balance	237,134,118	233,506,473	33,765,765	15,404,647	225,388,022	209,023,038	34,192,659	29,702,995	105,293,744	113,815,441	8,624	11,797	97,532,048	109,829,598	6,431,573	488,617	-	-	237,134,118	-
Issued	16,680,198	25,065,772	180,000	18,844,057	51,850,416	22,247,570	16,776,858	6,309,946	99,007,357	9,716,655	-	-	29,500,000	5,073,016	5,573,262	6,322,638	53,950,377	-	28,399,517	-
Redeemed	(20,211,999)	(23,393,857)	-	-	(41,727,668)	(13,114,552)	(6,907,712)	(2,119,211)	(41,890,294)	(16,486,033)	-	-	(43,595,778)	(11,379,074)	(1,414,682)	(125,147)	-	-	(20,211,999)	-
Change in net assets attributable to unitholders	(6,760,402)	1,955,730	3,193,663	(482,939)	(15,138,093)	7,231,966	(122,116)	298,929	(10,714,991)	(1,752,319)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(634,254)	(254,535)	76,018	-	(6,739,304)	-
Total net assets attributable to unitholders	226,841,915	237,134,118	37,139,428	33,765,765	220,372,677	225,388,022	43,939,689	34,192,659	151,695,816	105,293,744	6,336	8,624	65,711,329	97,532,048	9,955,899	6,431,573	54,026,395	-	238,582,332	-

	Balanced Trust ("AEBT")	Property Trust ("AEPT")	Smaller Companies Trust ("AEST")	Cash Trust ("AEIT") (ii)	Larger Companies Trust ("AELT")	World Trust ("AEWT")	International Equities Trust ("AEIET")	Climate Advocacy Fund ("CAF")	Fixed Income Trust ("AEFIT")	Balanced Trust Consolidated ("AEBTC")										
Note 4 - Cash and cash equivalents																				
Cash at bank	1,510,463	8,786,593	2,216,492	1,606,464	19,328,029	14,076,651	2,451,584	2,559,288	1,561,730	1,182,061	6,722	17,365	1,933,636	4,134,619	210,767	277,450	5,061,279	-	6,571,742	-
Cash on Deposit - Property Manager	28,177	-	256,778	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,177	-
	1,538,640	8,786,593	2,473,270	1,606,464	19,328,029	14,076,651	2,451,584	2,559,288	1,561,730	1,182,061	6,722	17,365	1,933,636	4,134,619	210,767	277,450	5,061,279	-	6,599,919	-

Cash at bank earns interest at floating rates based on daily bank deposit rates.

For the purposes of the Statement of Cashflows, Cash includes Cash at Bank and Cash on Deposit. Cash at the end of the year as shown in the Statement of Cashflows is reconciled to the related items in the Statement of financial position as follows:

	Balanced Trust ("AEBT")	Property Trust ("AEPT")	Smaller Companies Trust ("AEST")	Cash Trust ("AEIT") (ii)	Larger Companies Trust ("AELT")	World Trust ("AEWT")	International Equities Trust ("AEIET")	Climate Advocacy Fund ("CAF")	Fixed Income Trust ("AEFIT")	Balanced Trust Consolidated ("AEBTC")										
Reconciliation of cash																				
Cash at bank	1,510,463	8,786,593	2,216,492	1,606,464	19,328,029	14,076,651	2,451,584	2,559,288	1,561,730	1,182,061	6,722	17,365	1,933,636	4,134,619	210,767	277,450	5,061,279	-	6,571,742	-
Cash on Deposit - Property Manager	28,177	-	256,778	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	28,177	-
	1,538,640	8,786,593	2,473,270	1,606,464	19,328,029	14,076,651	2,451,584	2,559,288	1,561,730	1,182,061	6,722	17,365	1,933,636	4,134,619	210,767	277,450	5,061,279	-	6,599,919	-

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Note 5 - Trade and other receivables																				
Dividend receivable	-	1,217,857	-	-	1,192,704	801,586	-	-	717,635	331,395	-	-	161,251	56,492	81,394	-	-	-	-	-
Interest receivable	344,845	664,851	-	-	-	48,078	502,240	340,631	2,829	9,911	-	380	-	17,944	-	-	-	329,228	-	674,073
Investment sales	-	3,704	-	-	155,715	-	-	-	-	-	-	-	99,457	2,017,992	-	-	-	-	-	-
Rent and other income receivable	29,416	-	-	4,004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,416
Distributions receivable	987,773	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	911,671
Debtors	48,172	596,606	-	-	29,020	566,557	11,716	64,587	34,931	258,565	164	-	25,974	376,402	1,533	1,815	-	-	-	48,172
	1,410,206	2,483,018	-	4,004	1,377,439	1,416,221	513,956	405,218	755,395	599,871	164	380	286,682	2,468,830	82,927	1,815	-	-	-	1,663,332
Note 6 - Financial assets at fair value through profit or loss																				
Equities																				
Australian listed	1,875,677	53,188,655	-	-	182,593,281	191,691,634	-	-	69,506,678	68,947,620	-	-	-	1,920	2,492	-	-	-	-	8,030,600
International listed	-	-	-	-	-	-	-	-	-	-	-	-	63,339,125	90,854,024	-	-	-	-	-	-
Unlisted	-	-	-	-	3,993,055	506,703	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	1,875,677	53,188,655	-	-	186,586,336	192,198,337	-	-	69,506,678	68,947,620	-	-	63,339,125	90,854,024	1,920	2,492	-	-	-	8,030,600
Unit trusts																				
Listed	-	2,854,144	-	-	-	-	-	-	-	4,080,503	-	-	-	-	-	-	-	-	-	-
Unlisted	171,928,574	73,178,382	-	-	2,604,842	25,467,750	-	-	40,043,533	28,908,177	-	-	-	-	9,924,133	6,375,357	-	-	-	129,621,499
	171,928,574	76,032,526	-	-	2,604,842	25,467,750	-	-	40,043,533	32,988,680	-	-	-	-	9,924,133	6,375,357	-	-	-	129,621,499
Stapled securities																				
Listed	-	2,287,606	-	-	15,784,750	2,790,282	-	-	41,235,455	2,503,373	-	-	-	-	-	-	-	-	-	-
Unlisted	-	-	-	-	-	1,369,806	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	2,287,606	-	-	15,784,750	4,160,088	-	-	41,235,455	2,503,373	-	-	-	-	-	-	-	-	-	-
Derivatives																				
Currency options	-	-	-	-	64,352	187,181	-	-	61,182	4,130	-	-	-	-	-	-	-	-	-	-
Foreign exchange forwards	-	-	-	-	-	-	-	-	-	-	-	-	495	-	-	-	-	-	-	-
	-	-	-	-	64,352	187,181	-	-	61,182	4,130	-	-	495	-	-	-	-	-	-	-
Interest bearing securities																				
Deposits	4,601,571	-	-	-	-	-	10,623,473	-	-	-	-	-	-	-	-	-	-	-	-	4,601,571
Government Securities	4,021,218	2,053,700	-	-	-	-	5,203,275	-	-	-	-	-	-	-	-	-	-	-	-	13,537,118
Notes/debt instruments secured	762,068	17,787,592	-	-	-	-	-	6,133,262	-	-	-	-	-	-	-	-	-	-	-	762,068
Notes/debt instruments unsecured	33,842,507	66,513,764	-	-	-	272,835	25,637,889	25,206,254	-	-	-	-	-	-	-	-	-	-	-	66,904,771
	43,227,364	86,355,056	-	-	-	272,835	41,464,637	31,339,516	-	-	-	-	-	-	-	-	-	-	-	85,805,528
	217,031,615	217,863,843	-	-	205,040,280	222,286,191	41,464,637	31,339,516	150,846,848	104,443,803	-	-	63,339,620	90,854,024	9,926,053	6,377,849	-	-	-	48,733,087

	Balanced Trust ("AEBT")	Property Trust ("AEPT")	Smaller Companies Trust ("AEST")	Cash Trust ("AEIT") (ii)	Larger Companies Trust ("AELT")	World Trust ("AEWT")	International Equities Trust ("AEIET")	Climate Advocacy Fund ("CAF")	Fixed Income Trust ("AEFIT")	Balanced Trust Consolidated ("AEBTC")
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Note 7 - Loans	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Secured	4,660,413	5,038,925	-	-	659,005	701,543	-	-	-	4,660,413
	4,660,413	5,038,925	-	-	659,005	701,543	-	-	-	4,660,413
Note 8 - Investment properties										
Commercial	6,385,000	6,500,000	54,239,875	52,851,341	-	-	-	-	-	6,385,000
Total investment properties	6,385,000	6,500,000	54,239,875	52,851,341	-	-	-	-	-	6,385,000
At Fair Value										
Opening balance at 1 July	6,500,000	5,950,000	52,851,341	19,800,000	-	-	-	-	-	6,500,000
Acquisitions	-	-	-	33,094,247	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-
Net gain (loss) from fair value adjustment	(115,000)	550,000	1,388,534	(42,906)	-	-	-	-	-	(115,000)
Closing balance at 30 June	6,385,000	6,500,000	54,239,875	52,851,341	-	-	-	-	-	6,385,000
(a) Amounts recognised in profit and loss for investment property										
Rental income	623,444	628,721	4,644,569	1,691,085	-	-	-	-	-	623,444
Direct operating expenses from property that generate rental income	(131,053)	(142,725)	(2,160,652)	(998,545)	-	-	-	-	-	(131,053)
Direct operating expenses from property that did not generate rental income	-	-	-	-	-	-	-	-	-	-
	492,391	485,996	2,483,917	692,540	-	-	-	-	-	492,391
(b) Valuation basis										

The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. The fair value model is applied to all investment properties. Valuations are performed every 12 months by a registered independent valuer.

The investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")		
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Note 8 - Investment properties - continued																					
(c) Leasing arrangements																					
Within one year	-	329,676	-	3,086,626	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Later than one year but not later than 5 years	2,184,089	-	7,905,800	14,917,124	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,184,089
Later than 5 years	-	-	33,016,774	21,339,019	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	2,184,089	329,676	40,922,574	39,342,769	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,184,089

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")		
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Note 9 - Other assets																					
Pre-paid interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capitalised project costs	503,362	565,878	53,675	50,521	612,539	679,363	94,981	107,971	234,085	263,918	-	-	297,932	334,425	-	-	-	-	-	-	503,362
Real Estate - Leasehold Improvements	-	-	569,421	60,333	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits held in Trust	-	-	-	3,227	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	503,362	565,878	623,096	114,081	612,539	679,363	94,981	107,971	234,085	263,918	-	-	297,932	334,425	-	-	-	-	-	-	503,362

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")		
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Note 10 - Trade and other payables																					
Trade payables and sundry creditors	319,435	666,434	443,809	1,118,083	715,943	659,537	45,205	128,270	348,857	343,785	550	9,121	145,378	259,850	5,671	7,937	-	-	-	-	319,435
Accrued redemptions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment purchases	-	-	-	-	2,346,050	-	-	-	-	-	-	-	1,163	-	-	-	-	-	-	-	-
Foreign exchange forwards	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	319,435	666,434	443,809	1,118,083	3,061,993	659,537	45,205	128,270	348,857	343,785	550	9,121	146,541	259,850	5,671	7,937	-	-	-	-	319,435

The Property Trust has entered into a revolving credit facility with our corporate bankers (National Australia Bank). The credit is provided via a revolving 90 day fixed interest bank bill. This is secured against the property at 64 Allara St, Canberra. The current bill was entered into on 29 June 2012 and matures on 29 September 2012. The current yield rate is 5.00% and the effective rate, inclusive of fees & charges is 8.13%.

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")		
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Note 11 - Borrowings																					
Bank bill (secured)	-	-	19,753,004	19,692,042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	19,753,004	19,692,042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")		
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Note 12 - Distribution payable																					
Net amount available for distribution	6,460,788	6,502,882	-	307,173	4,289,590	14,839,047	1,959,214	1,447,916	1,802,953	1,513,780	-	-	-	332,295	271,226	97,199	-	-	-	-	6,460,788
Distributed																					
half-year ended 31 December 2011	2,092,902	3,065,177	-	307,173	1,365,973	2,428,180	759,945	655,309	449,568	661,656	-	-	-	74,118	53,622	97,199	-	-	-	-	2,092,902
half-year ended 30 June 2012	4,367,886	3,437,705	-	-	2,923,617	12,410,867	1,199,269	792,607	1,353,385	852,124	-	-	-	258,177	217,604	-	-	-	-	-	4,367,886
	6,460,788	6,502,882	-	307,173	4,289,590	14,839,047	1,959,214	1,447,916	1,802,953	1,513,780	-	-	-	332,295	271,226	97,199	-	-	-	-	6,460,788

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")		
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Note 13 - Auditors' remuneration																					
Amounts received or due and receivable by the Auditors of the Trust for:																					
Auditing the financial report	34,700	34,700	4,900	4,800	26,500	25,800	11,400	11,100	16,400	16,000	1,141	1,800	13,400	13,000	-	-	-	-	-	-	34,700
Tax and other accounting advice	9,661	8,441	1,313	1,225	9,298	9,058	4,132	3,963	6,374	6,162	-	650	4,500	4,430	-	-	-	-	-	-	9,661
	44,361	43,141	6,213	6,025	35,798	34,858	15,532	15,063	22,774	22,162	1,141	2,450	17,900	17,430	-	-	-	-	-	-	44,361

Reconciliation of net cash provided by operating activities with profit (loss) from operating activities

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Note 14 - Cash flow information																				
Net operating profit (loss) for the year from ordinary activities	(299,614)	8,458,612	3,193,663	(175,766)	(10,848,503)	22,071,013	1,837,098	1,746,845	(8,912,038)	(238,539)	(2,288)	(3,173)	(17,724,941)	(5,991,492)	(301,959)	16,691	173,217	-	(278,516)	-
(Increase) Decrease in accrued income	520,674	(275,564)	4,004	191,104	(343,040)	(102,851)	(161,610)	(70,260)	(379,158)	685,265	-	96	(86,815)	21,433	-	-	-	-	520,674	-
Unrealised (increment) decrement on fluctuation in value of investments	(3,995,314)	(176,294)	(1,391,440)	42,906	7,106,822	(537,684)	151,125	(328,720)	6,398,180	1,674,048	-	-	(783,208)	4,961,438	634,185	254,535	(76,017)	-	(3,995,314)	-
Increase (Decrease) in accrued charges & creditors	(346,999)	(113,797)	(607,841)	438,799	2,402,457	(278,422)	(83,066)	(9,661)	5,072	(118,704)	-	1,971	(113,309)	(43,809)	-	7,226	-	-	(346,999)	-
(Increase) Decrease in debtors/prepayments	1,366,253	159,703	(475,333)	486,591	(823,697)	1,451,087	(72,261)	(5,502)	870,628	(442,566)	(8,355)	(2,198)	1,077,310	(466,334)	(172,019)	(1,782)	(72,186)	-	1,035,709	-
(Profit) Loss on sale of investments	9,910,779	(1,284,557)	-	500	8,167,530	(17,552,714)	(221,964)	(49,080)	4,347,862	78,272	-	-	18,661,104	(1,435,799)	-	(287,565)	-	-	9,910,779	-
Foreign exchange hedging costs	-	-	-	-	211,050	463,228	-	-	138,913	708,481	-	-	-	-	-	-	-	-	-	-
Project costs	(503,362)	(565,878)	(53,675)	(50,521)	(612,539)	(679,363)	(94,981)	(107,971)	(234,085)	(263,918)	-	-	(297,932)	(334,425)	-	-	-	-	(503,362)	-
Net cash provided by (used in) operating activities	6,652,417	6,202,225	669,378	933,613	5,260,080	4,834,294	1,354,341	1,175,651	2,235,374	2,082,339	(10,643)	(3,304)	732,209	(3,288,988)	160,207	(10,895)	25,014	-	6,342,971	-

Note 15 - Segment information

The schemes operate in the finance market (within the terms of the Australian Ethical Investment charter) mainly in Australia. During the 2012 financial year the schemes invested in international listed securities at market value as at 30 June 2012 (refer note 6) as follows:

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
International listed	-	-	-	-	-	-	-	-	-	-	-	-	63,339,125	90,854,024	-	-	-	-	-	-
Dividends earned by the schemes during the year from these investments.	-	22,290	-	-	-	68,723	-	-	-	18,297	-	-	1,593,339	1,311,892	-	-	-	-	-	-

Note 16 - Related party disclosures

Australian Ethical Investment Limited (AEIL), as Responsible Entity of each scheme, provides investment services for the schemes in accordance with each scheme's constitution. Transactions with the Responsible Entity are undertaken on commercial terms and conditions.

The Australian Ethical Balanced Trust (AEBT) holds units in the Australian Ethical Smaller Companies Trust (AEST), the Australian Ethical Property Trust (AEPT), the Australian Ethical Larger Companies Trust (AELT), the Australian Ethical Fixed Income Trust (AEFIT) and in the Australian Ethical International Equities Trust (AEIET) for whom Australian Ethical Investment Limited is also the Responsible Entity.

The Australian Ethical Smaller Companies Trust (AEST) and the Australian Ethical Larger Companies Trust (AELT) hold units in the Australian Ethical International Equities Trust (AEIET) for whom Australian Ethical Investment Limited is also the Responsible Entity.

During the year the following amounts were paid to the Responsible Entity in accordance with each scheme's Constitution:

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Australian Ethical Investment Limited																				
Management fees	2,912,105	3,499,595	704,441	957,021	4,126,897	4,116,330	448,393	367,436	1,710,730	1,751,143	-	-	1,094,112	1,470,664	58,846	24,131	-	-	2,912,105	-
Accounting fees	246,470	266,423	35,653	20,468	199,383	213,755	86,600	91,638	126,505	136,018	(130)	-	92,160	108,783	-	-	-	-	246,470	-
Reimbursable expenses	19,732	27,210	59	60	34,668	32,441	4,394	2,691	21,671	21,049	(33)	-	9,842	4,643	-	-	-	-	19,732	-
	3,178,307	3,793,228	740,153	977,549	4,360,948	4,362,526	539,387	461,765	1,858,906	1,908,210	(163)	-	1,196,114	1,584,090	58,846	24,131	-	-	3,178,307	-

The amounts due and payable at 30 June 2012 to the Responsible Entity, inclusive of GST but before input tax credits, in accordance with each scheme's Constitutions were:

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Management fees, accounting fees and reimbursable expenses	232,307	481,865	66,202	70,730	135,898	540,212	47,947	103,238	207,266	259,570	-	7,151	130,008	185,681	6,238	7,691	-	-	232,307	-

Transactions between Australian Ethical Investment Ltd and the schemes during the financial year were:

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
AEIL purchase of units	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution payments to AEIL	-	4,665	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AEIL sale of securities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Value of units held by AEIL	-	233,479	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution receivable by AEIL	-	3,316	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Australian Ethical Cash Trust / Australian Ethical Smaller Companies Trust / Australian Ethical International Equities Trust / Australian Ethical Property Trust / Australian Ethical Fixed Income Trust

	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Note 16 - Related party disclosures - continued																				
Transactions between the schemes during the financial year were:																				
Distributions from AEPT		149,677	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions from AEST	142,265	195,395	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions from AEIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distributions from AELT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units sold in AEPT	-	7,247,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units sold in AEIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units sold in AEIET	20,000,000	-	-	-	18,200,000	6,500,000	-	-	4,740,000	4,000,000	-	-	-	-	-	-	-	-	-	-
Units purchased in AEPT	-	8,650,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units purchased in AEST	7,000,000	3,600,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units purchased in AEIT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units purchased in AELT	72,742,148	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Units purchased in AEIET	6,500,000	5,800,000	-	-	-	-	-	-	20,000,000	-	-	-	-	-	-	-	-	-	-	-
Units purchased in AEFIT	42,220,378	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Value of units held in AEPT	16,718,765	16,613,738	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Value of units held in AEST	25,075,155	18,025,785	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Value of units held in AELT	72,742,148	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Value of units held in AEIET	21,088,175	36,667,138	-	-	3,483,186	25,521,360	-	-	45,402,510	28,969,029	-	-	-	-	-	-	-	-	-	-
Value of units held in AEFIT	42,220,378	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution receivable from AEPT	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution receivable from AEST	301,787	986,515	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution receivable from AELT	609,902	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Distribution receivable from AEFIT	76,102	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Note 17 - Financial Instruments**a) Financial risk management policies**

Each Investment Trusts' financial instruments consist of: cash and cash equivalents; trade and other receivables; financial assets; trade and other payables; and distribution payable. In addition to these, AEBT's financial instruments include loans and investment properties, AEIT's financial instruments include loans and AEPT financial instruments include investment properties and borrowings. The responsible entity has an Investment Committee and an Audit Compliance and Risk Committee. These are board committees which are responsible under their Charters for the oversight of various policies and procedures to manage financial risks.

i) Treasury risk management

The activities of the Investment Trusts expose them to a variety of financial risks: liquidity risk, credit risk and market risk (which includes interest rate risk and foreign currency risk, and represents the risk that a financial instrument's value will fluctuate as a result of changes in the market). The Investment Committee's Charter requires it to oversee the processes which govern the investment of monies of the Investment Trusts for which Australian Ethical Investment Limited is the responsible entity. The Investment Committee bears primary responsibility for the oversight of processes for the management of the above financial risks. It meets on a regular basis to analyse financial risk exposure and to evaluate management strategies in the context of the most recent economic conditions and forecasts. The Investment Committee monitors and is responsible for maintaining the primary risk management tool for financial risks – a documented set of Trust Investment Parameters. The activities of the Investment Committee aim to minimise the potential adverse affects on Investment Trust performance of the unpredictability of financial markets, while maintaining the individual qualities of each Investment Trust as defined in the Trust Investment Parameters.

ii) Financial exposures and management

The most significant risks the Investment Trusts are exposed to through their financial instruments are interest rate risk, foreign currency and credit risk. The Investment Trusts also have an exposure to liquidity risk.

Interest rate risk

The exposure the Investment Trusts have to interest rate changes is investing in interest rate sensitive financial assets such as loans, notes and mortgage backed securities, with other parties. The returns from these investments are exposed to variation in prevailing interest rates and are dependant upon the prevailing interest rate offered and other market conditions. The Property Trust has entered into a facility with our corporate bankers (National Australia Bank), to provide a revolving 3 month Bank Bill, on competitive floating rates. Interest rate risk represents the risk that the Investment Trusts' financial performance will be adversely affected by fluctuations in interest rates.

Foreign currency risk

Foreign currency risk arises when recognised assets and liabilities and future commercial transactions are denominated in a currency that is not the entity's functional currency. The Australian Ethical International Equities Trust invests internationally and is exposed to foreign currency risk arising from exposure to a variety of different currencies. The Balanced, Smaller & Larger Companies Trusts' all gain foreign investment exposure indirectly via their respective crossholdings in the AEIET. The responsible entity uses derivative financial instruments in both the Smaller Companies and Larger Companies Trusts, such as foreign currency options and forward contracts, to hedge the foreign currency risk exposures. The foreign currency exposure of the Investment Trusts are reviewed regularly and updated as required. The use of derivative financial instruments is subject to policies and parameters set out in the responsible entities' Derivatives Risk Statement and Trust Investment Parameters. The Investment Committee is responsible for monitoring adherence to the Derivatives Risk Statement and the Trust Investment Parameters.

Liquidity risk

Liquidity risk is the risk that the Investment Trusts will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments. To control liquidity risk, the Investment Trusts invest a significant portion of their funds in financial instruments which under normal market conditions are readily convertible into cash. The Investment Trusts operate within established limits to ensure there is no concentration of risk. The responsible entity maintains liquidity guidelines. The Investment Committee and the Audit, Compliance and Risk Committee monitor liquidity and the implementation of the guidelines. All payables of the Investment Trusts are classed as normal operating obligations and are to be paid within six months of balance date.

Credit risk

Credit risk represents the risk that a counterparty will fail to perform contractual obligations under a contract. Each Trusts' maximum credit risk exposure at balance date in relation to each class of recognised financial asset, is the carrying amount of those assets as indicated in the statement of financial position. The Trust Investment Parameters established by the responsible entity ensures credit risk is managed within accepted pre-determined guidelines. The Investment Committee meets regularly to review and if necessary, recommend modifications to the Trust Investment Parameters. The Investment Trusts do not have any material credit risk exposure to a single receivable or group receivables under financial instruments entered into by the Trusts.

Note 17 - Financial instruments - continued

The table below reflects the undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the weighted average interest rates on classes of financial assets and financial liabilities. Each Investment Trusts' exposure to that interest rate risk is as follows:

AEBT														
Fixed interest rate maturing														
b) Financial instrument composition and maturity analysis	Weighted average interest rate		Floating interest rate		Fixed interest rate within 1 year		Fixed interest rate 1 to 5 years		Fixed interest rate over 5 years		Non-interest bearing		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	4.22	5.00	1,538,640	8,786,593	-	-	-	-	-	-	-	-	1,538,640	8,786,593
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	1,410,206	2,483,018	1,410,206	2,483,018
Financial assets	5.71	9.83	36,982,810	77,423,462	4,712,893	7,383,450	-	-	-	-	175,335,912	133,056,931	217,031,615	217,863,843
Loans	8.33	8.33	395,000	400,000	-	-	791,614	1,046,049	-	-	3,473,799	3,592,876	4,660,413	5,038,925
Investment properties	-	-	-	-	-	-	-	-	-	-	6,385,000	6,500,000	6,385,000	6,500,000
Total financial assets			38,916,450	86,610,055	4,712,893	7,383,450	791,614	1,046,049	-	-	186,604,917	145,632,825	231,025,874	240,672,379
Trade and other payables	-	-	-	-	-	-	-	-	-	-	319,435	666,434	319,435	666,434
Distribution payable	-	-	-	-	-	-	-	-	-	-	4,367,886	3,437,705	4,367,886	3,437,705
Total financial liabilities			-	-	-	-	-	-	-	-	4,687,321	4,104,139	4,687,321	4,104,139

AEPT														
Fixed interest rate maturing														
b) Financial instrument composition and maturity analysis	Weighted average interest rate		Floating interest rate		Fixed interest rate within 1 year		Fixed interest rate 1 to 5 years		Fixed interest rate over 5 years		Non-interest bearing		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	-	5	2,473,270	1,606,464	-	-	-	-	-	-	-	-	2,473,270	1,606,464
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	-	4,004	-	4,004
Financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-	54,239,875	52,851,341	54,239,875	52,851,341
Total financial assets			2,473,270	1,606,464	-	-	-	-	-	-	54,239,875	52,855,345	56,713,145	54,461,809
Trade and other payables	-	-	-	-	-	-	-	-	-	-	443,809	1,118,083	443,809	1,118,083
Distribution payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings	-	-	-	-	19,753,004	19,692,042	-	-	-	-	-	-	19,753,004	19,692,042
Total financial liabilities			-	-	19,753,004	19,692,042	-	-	-	-	443,809	1,118,083	20,196,813	20,810,125

AEST														
Fixed interest rate maturing														
b) Financial instrument composition and maturity analysis	Weighted average interest rate		Floating interest rate		Fixed interest rate within 1 year		Fixed interest rate 1 to 5 years		Fixed interest rate over 5 years		Non-interest bearing		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	4.22	3.00	19,328,029	14,076,651	-	-	-	-	-	-	-	-	19,328,029	14,076,651
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	1,377,439	1,416,221	1,377,439	1,416,221
Financial assets	-	-	-	-	-	-	-	-	-	-	205,040,280	222,286,191	205,040,280	222,286,191
Total financial assets			19,328,029	14,076,651	-	-	-	-	-	-	206,417,719	223,702,412	225,745,748	237,779,063
Trade and other payables	-	-	-	-	-	-	-	-	-	-	3,061,993	659,537	3,061,993	659,537
Distribution payable	-	-	-	-	-	-	-	-	-	-	2,923,617	12,410,867	2,923,617	12,410,867
Total financial liabilities			-	-	-	-	-	-	-	-	5,985,610	13,070,404	5,985,610	13,070,404

AEIT														
Fixed interest rate maturing														
b) Financial instrument composition and maturity analysis	Weighted average interest rate		Floating interest rate		Fixed interest rate within 1 year		Fixed interest rate 1 to 5 years		Fixed interest rate over 5 years		Non-interest bearing		Total	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	4.22	3.00	2,451,584	2,559,288	-	-	-	-	-	-	-	-	2,451,584	2,559,288
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	513,956	405,218	513,956	405,218
Financial assets	5.02	6.00	28,498,311	19,097,801	11,977,282	9,859,770	-	-	-	-	989,044	2,381,945	41,464,637	31,339,516
Loans	8.75	8.00	-	-	200,000	205,280	-	-	459,005	496,263	-	-	659,005	701,543
Total financial assets			30,949,895	21,657,089	12,177,282	10,065,050	-	-	459,005	496,263	1,503,000	2,787,163	45,089,182	35,005,565
Trade and other payables	-	-	-	-	-	-	-	-	-	-	45,205	128,270	45,205	128,270
Distribution payable	-	-	-	-	-	-	-	-	-	-	1,199,269	792,607	1,199,269	792,607
Total financial liabilities			-	-	-	-	-	-	-	-	1,244,474	920,877	1,244,474	920,877

Note 17 - Financial instruments - continued

AELT

	Weighted average interest rate		Fixed interest rate maturing								Total			
			Floating interest rate		Fixed interest rate within 1 year		Fixed interest rate 1 to 5 years		Fixed interest rate over 5 years				Non-interest bearing	
			2012	2011	2012	2011	2012	2011	2012	2011			2012	2011
%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Cash and cash equivalents	4.22	3.00	1,561,730	1,182,061	-	-	-	-	-	-	-	-	1,561,730	1,182,061
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	-	-	755,395	599,871
Financial assets	-	-	-	-	-	-	-	-	-	-	-	-	150,846,848	104,443,803
Total financial assets			1,561,730	1,182,061	-	-	-	-	-	-	-	-	151,602,243	105,043,674
Trade and other payables	-	-	-	-	-	-	-	-	-	-	-	-	348,857	343,785
Distribution payable	-	-	-	-	-	-	-	-	-	-	-	-	1,353,385	852,124
Total financial liabilities			-	-	-	-	-	-	-	-	-	-	1,702,242	1,195,909

AEWT

	Weighted average interest rate		Fixed interest rate maturing								Total			
			Floating interest rate		Fixed interest rate within 1 year		Fixed interest rate 1 to 5 years		Fixed interest rate over 5 years				Non-interest bearing	
			2012	2011	2012	2011	2012	2011	2012	2011			2012	2011
%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Cash and cash equivalents	4.22	3.00	6,722	17,365	-	-	-	-	-	-	-	-	6,722	17,365
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	-	-	164	380
Financial assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total financial assets			6,722	17,365	-	-	-	-	-	-	-	-	164	380
Trade and other payables	-	-	-	-	-	-	-	-	-	-	-	-	550	9,121
Total financial liabilities			-	-	-	-	-	-	-	-	-	-	550	9,121

Note 17 - Financial instruments - continued

CAF

	Weighted average interest rate		Fixed interest rate maturing								Total			
			Floating interest rate		Fixed interest rate within 1 year		Fixed interest rate 1 to 5 years		Fixed interest rate over 5 years				Non-interest bearing	
			2012	2011	2012	2011	2012	2011	2012	2011			2012	2011
%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Cash and cash equivalents	4.22	3.00	210,767	277,450	-	-	-	-	-	-	-	-	210,767	277,450
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	-	-	82,927	1,815
Total financial assets			210,767	277,450	-	-	-	-	-	-	-	-	82,927	279,265
Trade and other payables	-	-	-	-	-	-	-	-	-	-	-	-	5,671	7,937
Distribution payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total financial liabilities			-	-	-	-	-	-	-	-	-	-	5,671	7,937

Note 17 - Financial instruments - continued

AEIET

	Weighted average interest rate		Fixed interest rate maturing								Total			
			Floating interest rate		Fixed interest rate within 1 year		Fixed interest rate 1 to 5 years		Fixed interest rate over 5 years				Non-interest bearing	
			2012	2011	2012	2011	2012	2011	2012	2011			2012	2011
%	%	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Cash and cash equivalents	4.22	3.00	1,933,636	4,134,619	-	-	-	-	-	-	-	-	1,933,636	4,134,619
Trade and other receivables	-	-	-	-	-	-	-	-	-	-	-	-	286,682	2,468,830
Financial assets	-	-	-	-	-	-	-	-	-	-	-	-	63,339,620	90,854,024
Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total financial assets			1,933,636	4,134,619	-	-	-	-	-	-	-	-	63,626,302	93,322,854
Trade and other payables	-	-	-	-	-	-	-	-	-	-	-	-	146,541	259,850
Distribution payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total financial liabilities			-	-	-	-	-	-	-	-	-	-	146,541	259,850

Note 17 - Financial instruments - continued

c) Net fair values

All financial assets are marked to market and carried at fair value as determined by an independent source where available. The net fair values of listed investments have been valued at the quoted market bid price at balance date. For other liabilities where no independent pricing source exists, the net fair value approximates their carrying value. Financial assets are valued in accordance with the Compliance Plan to ensure carrying values are recorded at fair value. The Compliance Plan is overseen by the Audit, Compliance and Risk Committee. The Audit, Compliance and Risk Committee meets on a regular basis to ensure adherence to the Compliance Plan and that the correct basis for valuations are followed by the responsible entity.

		Net fair values 2012																			
		Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")	
		Carrying amount	Net fair value	Carrying amount	Net fair value	Carrying amount	Net fair value	Carrying amount	Net fair value	Carrying amount	Net fair value	Carrying amount	Net fair value	Carrying amount	Net fair value	Carrying amount	Net fair value	Carrying amount	Net fair value	Carrying amount	Net fair value
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets																					
Financial assets at fair value through profit or loss		217,031,615	217,031,615	-	-	205,040,280	205,040,280	41,464,637	41,464,637	150,846,848	150,846,848	-	-	63,339,620	63,339,620	9,926,053	9,926,053	48,733,087	48,733,087	223,457,627	223,457,627
Investment Properties		6,385,000	6,385,000	54,239,875	54,239,875	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,385,000	6,385,000
Loans		4,660,413	4,660,413	-	-	-	-	659,005	659,005	-	-	-	-	-	-	-	-	-	-	4,660,413	4,660,413
Trade and other receivables		1,410,206	1,410,206	-	-	1,377,439	1,377,439	513,956	513,956	755,395	755,395	164	164	286,682	286,682	82,927	82,927	329,228	329,228	1,663,332	1,663,332
		229,487,234	229,487,234	54,239,875	54,239,875	206,417,719	206,417,719	42,637,598	42,637,598	151,602,243	151,602,243	164	164	63,626,302	63,626,302	10,008,980	10,008,980	49,062,315	49,062,315	236,166,372	236,166,372
Financial liabilities																					
Trade and other payables		319,435	319,435	443,809	443,809	3,061,993	3,061,993	45,205	45,205	348,857	348,857	550	550	146,541	146,541	5,671	5,671	-	-	319,435	319,435
Borrowings		-	-	19,753,004	19,753,004	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		319,435	319,435	20,196,813	20,196,813	3,061,993	3,061,993	45,205	45,205	348,857	348,857	550	550	146,541	146,541	5,671	5,671	-	-	319,435	319,435
Net fair values 2011																					
Financial assets																					
Financial assets at fair value through profit or loss		217,863,843	217,863,843	-	-	222,286,191	222,286,191	31,339,516	31,339,516	104,443,803	104,443,803	-	-	90,854,024	90,854,024	6,377,849	6,377,849	-	-	-	-
Investment Properties		6,500,000	6,500,000	52,851,341	52,851,341	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans		5,038,925	5,038,925	-	-	-	-	701,543	701,543	-	-	-	-	-	-	-	-	-	-	-	-
Trade and other receivables		2,483,018	2,483,018	4,004	4,004	1,416,221	1,416,221	405,218	405,218	599,871	599,871	380	380	2,468,830	2,468,830	1,815	1,815	-	-	-	-
		231,885,786	231,885,786	52,855,345	52,855,345	223,702,412	223,702,412	32,446,277	32,446,277	105,043,674	105,043,674	380	380	93,322,854	93,322,854	6,379,664	6,379,664	-	-	-	-
Financial liabilities																					
Trade and other payables		666,434	666,434	1,118,083	1,118,083	659,537	659,537	128,270	128,270	343,785	343,785	9,121	9,121	259,850	259,850	7,937	7,937	-	-	-	-
Borrowings		-	-	19,692,042	19,692,042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		666,434	666,434	20,810,125	20,810,125	659,537	659,537	128,270	128,270	343,785	343,785	9,121	9,121	259,850	259,850	7,937	7,937	-	-	-	-

Note 17 - Financial instruments - continued

d) Sensitivity analysis - foreign currency risk

In assessing foreign currency (FX) risk, management has considered the foreign currencies to which it is exposed and assumed a plus/minus 5% movement in the AUD against the underlying currencies. Management has determined a plus/minus 5% movement in these currencies to be an appropriate sensitivity following analysis of foreign exchange volatility. This sensitivity analysis is conducted at balance date and details the effects on the financial instruments held by the Investment Trusts on balance date. The analysis is based on movements in foreign currency from the spot rates prevailing at balance date.

FX sensitivity analysis
Change in profit

Currency	FX Exposure	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")		
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
+5% AUD v's	DKK	(33,846)	(45,697)	-	-	(4,910)	(30,140)	-	-	(71,332)	(34,212)	-	-	(123,746)	(115,346)	-	-	-	-	-	(33,846)	-
-5% AUD v's	DKK	33,846	45,697	-	-	4,910	30,140	-	-	71,332	34,212	-	-	123,746	115,346	-	-	-	-	-	33,846	-
+5% AUD v's	EUR	(86,057)	(393,251)	-	-	(13,287)	(261,734)	-	-	(181,367)	(294,435)	-	-	(314,635)	(992,625)	-	-	-	-	-	(86,057)	-
-5% AUD v's	EUR	86,057	393,251	-	-	13,287	261,734	-	-	181,367	294,435	-	-	314,635	992,625	-	-	-	-	-	86,057	-
+5% AUD v's	GBP	(79,598)	(72,151)	-	-	(12,100)	(48,103)	-	-	(167,755)	(54,027)	-	-	(291,021)	(182,120)	-	-	-	-	-	(79,598)	-
-5% AUD v's	GBP	79,598	72,151	-	-	12,100	48,103	-	-	167,755	54,027	-	-	291,021	182,120	-	-	-	-	-	79,598	-
+5% AUD v's	HKD	-	(46,069)	-	-	-	(30,385)	-	-	-	(34,990)	-	-	-	(116,286)	-	-	-	-	-	-	-
-5% AUD v's	HKD	-	46,069	-	-	-	30,385	-	-	-	34,990	-	-	-	116,286	-	-	-	-	-	-	-
+5% AUD v's	JPY	(90,732)	(200,497)	-	-	(13,772)	(133,564)	-	-	(191,221)	(150,125)	-	-	(331,729)	(506,083)	-	-	-	-	-	(90,732)	-
-5% AUD v's	JPY	90,732	200,497	-	-	13,772	133,564	-	-	191,221	150,125	-	-	331,729	506,083	-	-	-	-	-	90,732	-
+5% AUD v's	NOK	(27,674)	(24,377)	-	-	(4,015)	(16,078)	-	-	(58,324)	(18,250)	-	-	(101,181)	(61,531)	-	-	-	-	-	(27,674)	-
-5% AUD v's	NOK	27,674	24,377	-	-	4,015	16,078	-	-	58,324	18,250	-	-	101,181	61,531	-	-	-	-	-	27,674	-
+5% AUD v's	NZD	(31,600)	(61,916)	-	-	(4,605)	(40,884)	-	-	(66,600)	(46,354)	-	-	(115,537)	(156,285)	-	-	-	-	-	(31,600)	-
-5% AUD v's	NZD	31,600	61,916	-	-	4,605	40,884	-	-	66,600	46,354	-	-	115,537	156,285	-	-	-	-	-	31,600	-
+5% AUD v's	SGD	-	(38,633)	-	-	-	(25,481)	-	-	-	(28,923)	-	-	-	(97,514)	-	-	-	-	-	-	-
-5% AUD v's	SGD	-	38,633	-	-	-	25,481	-	-	-	28,923	-	-	-	97,514	-	-	-	-	-	-	-
+5% AUD v's	MYR	(3,018)	-	-	-	(438)	-	-	-	(6,361)	-	-	-	(11,035)	-	-	-	-	-	-	(3,018)	-
-5% AUD v's	MYR	3,018	-	-	-	438	-	-	-	6,361	-	-	-	11,035	-	-	-	-	-	-	3,018	-
+5% AUD v's	CAD	(27,548)	-	-	-	(3,997)	-	-	-	(58,059)	-	-	-	(100,720)	-	-	-	-	-	-	(27,548)	-
-5% AUD v's	CAD	27,548	-	-	-	3,997	-	-	-	58,059	-	-	-	100,720	-	-	-	-	-	-	27,548	-
+5% AUD v's	SEK	(13,416)	-	-	-	(1,946)	-	-	-	(28,275)	-	-	-	(49,051)	-	-	-	-	-	-	(13,416)	-
-5% AUD v's	SEK	13,416	-	-	-	1,946	-	-	-	28,275	-	-	-	49,051	-	-	-	-	-	-	13,416	-
+5% AUD v's	USD	(472,715)	(917,898)	-	-	(69,817)	(610,522)	-	-	(996,790)	(687,349)	-	-	(1,728,303)	(2,316,911)	-	-	-	-	-	(472,715)	-
-5% AUD v's	USD	472,715	917,898	-	-	69,817	610,522	-	-	996,790	687,349	-	-	1,728,303	2,316,911	-	-	-	-	-	472,715	-
+5% AUD v's	Total change in profit	(866,204)	(1,800,489)	-	-	(128,887)	(1,196,891)	-	-	(1,826,084)	(1,348,665)	-	-	(3,166,958)	(4,544,701)	-	-	-	-	-	(866,204)	-
-5% AUD v's	Total change in profit	866,204	1,800,489	-	-	128,887	1,196,891	-	-	1,826,084	1,348,665	-	-	3,166,958	4,544,701	-	-	-	-	-	866,204	-

FX sensitivity analysis
Change in net assets attributable to unitholders

Currency	FX Exposure	Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")		
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
+5% AUD v's	DKK	(33,846)	(45,697)	-	-	(4,910)	(30,140)	-	-	(71,332)	(34,212)	-	-	(123,746)	(115,346)	-	-	-	-	-	(33,846)	-
-5% AUD v's	DKK	33,846	45,697	-	-	4,910	30,140	-	-	71,332	34,212	-	-	123,746	115,346	-	-	-	-	-	33,846	-
+5% AUD v's	EUR	(86,057)	(393,251)	-	-	(13,287)	(261,734)	-	-	(181,367)	(294,435)	-	-	(314,635)	(992,625)	-	-	-	-	-	(86,057)	-
-5% AUD v's	EUR	86,057	393,251	-	-	13,287	261,734	-	-	181,367	294,435	-	-	314,635	992,625	-	-	-	-	-	86,057	-
+5% AUD v's	GBP	(79,598)	(72,151)	-	-	(12,100)	(48,103)	-	-	(167,755)	(54,027)	-	-	(291,021)	(182,120)	-	-	-	-	-	(79,598)	-
-5% AUD v's	GBP	79,598	72,151	-	-	12,100	48,103	-	-	167,755	54,027	-	-	291,021	182,120	-	-	-	-	-	79,598	-
+5% AUD v's	HKD	-	(46,069)	-	-	-	(30,385)	-	-	-	(34,990)	-	-	-	(116,286)	-	-	-	-	-	-	-
-5% AUD v's	HKD	-	46,069	-	-	-	30,385	-	-	-	34,990	-	-	-	116,286	-	-	-	-	-	-	-
+5% AUD v's	JPY	(90,732)	(200,497)	-	-	(13,772)	(133,564)	-	-	(191,221)	(150,125)	-	-	(331,729)	(506,083)	-	-	-	-	-	(90,732)	-
-5% AUD v's	JPY	90,732	200,497	-	-	13,772	133,564	-	-	191,221	150,125	-	-	331,729	506,083	-	-	-	-	-	90,732	-
+5% AUD v's	NOK	(27,674)	(24,377)	-	-	(4,015)	(16,078)	-	-	(58,324)	(18,250)	-	-	(101,181)	(61,531)	-	-	-	-	-	(27,674)	-
-5% AUD v's	NOK	27,674	24,377	-	-	4,015	16,078	-	-	58,324	18,250	-	-	101,181	61,531	-	-	-	-	-	27,674	-
+5% AUD v's	NZD	(31,600)	(61,916)	-	-	(4,605)	(40,884)	-	-	(66,600)	(46,354)	-	-	(115,537)	(156,285)	-	-	-	-	-	(31,600)	-
-5% AUD v's	NZD	31,600	61,916	-	-	4,605	40,884	-	-	66,600	46,354	-	-	115,537	156,285	-	-	-	-	-	31,600	-
+5% AUD v's	SGD	-	(38,633)	-	-	-	(25,481)	-	-	-	(28,923)	-	-	-	(97,514)	-	-	-	-	-	-	-
-5% AUD v's	SGD	-	38,633	-	-	-	25,481	-	-	-	28,923	-	-	-	97,514	-	-	-	-	-	-	-
+5% AUD v's	MYR	(3,018)	-	-	-	(438)	-	-	-	(6,361)	-	-	-	(11,035)	-	-	-	-	-	-	(3,018)	-
-5% AUD v's	MYR	3,018	-	-	-	438	-	-	-	6,361	-	-	-	11,035	-	-	-	-	-	-	3,018	-
+5% AUD v's	CAD	(27,548)	-	-	-	(3,997)	-	-	-	(58,059)	-	-	-	(100,720)	-	-	-	-	-	-	(27,548)	-
-5% AUD v's	CAD	27,548	-	-	-	3,997	-	-	-	58,059	-	-	-	100,720	-	-	-	-	-	-	27,548	-
+5% AUD v's	SEK	(13,416)	-	-	-	(1,946)	-	-	-	(28,275)	-	-	-	(49,051)	-	-	-	-	-	-	(13,416)	-
-5% AUD v's	SEK	13,416	-	-	-	1,946	-	-	-	28,275	-	-	-	49,051	-	-	-	-	-	-	13,416	-
+5% AUD v's	USD	(472,715)	(917,898)	-	-	(69,817)	(610,522)	-	-	(996,790)	(687,349)	-	-	(1,728,303)	(2,316,911)	-	-	-	-	-	(472,715)	-
-5% AUD v's	USD	472,715	917,898	-	-	69,817	610,522	-	-	996,790	687,349	-	-	1,728,303	2,316,911	-	-	-	-	-	472,715	-
+5% AUD v's	Total change in equity	(866,204)	(1,800,489)	-	-	(128,887)	(1,196,891)	-	-	(1,826,084)	(1,348,665)	-	-	(3,166,958)	(4,544,701)	-	-	-	-	-	(866,204)	-
-5% AUD v's	Total change in equity	866,204	1,800,489	-	-	128,887	1,196,891	-	-	1,826,084	1,348,665	-	-	3,166,958	4,544,701	-	-	-	-	-	866,204	-

Note 17 - Financial instruments - continued

Interest rate risk

Management has performed a sensitivity analysis relating to the Investment Trusts' exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and net assets attributable to unitholders which could result from a change in these risks. In the analysis it is assumed that the amount of financial assets exposed to fluctuations in interest rates as at balance date is representative of balances held throughout the financial year. No other flow on effects of fluctuations in interest rates have been taken into account.

At 30 June 2012, the effect on profit and net assets attributable to unitholders, as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

		Interest rate sensitivity analysis Change in profit																				
		Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")		
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Change in profit																						
Increase in interest rate by 1%		389,165	866,101	(172,797)	(180,856)	193,280	140,767	309,499	216,571	15,617	11,821	67	174	19,336	20,673	2,108	2,775	476,394	-	865,559	-	
Decrease in interest rate by 1%		(389,165)	(866,101)	172,797	180,856	(193,280)	(140,767)	(309,499)	(216,571)	(15,617)	(11,821)	(67)	(174)	(19,336)	(20,673)	(2,108)	(2,775)	(476,394)	-	(865,559)	-	

		Interest rate sensitivity analysis Change in net assets attributable to unitholders																				
		Balanced Trust ("AEBT")		Property Trust ("AEPT")		Smaller Companies Trust ("AEST")		Cash Trust ("AEIT") (ii)		Larger Companies Trust ("AELT")		World Trust ("AEWT")		International Equities Trust ("AEIET")		Climate Advocacy Fund ("CAF")		Fixed Income Trust ("AEFIT")		Balanced Trust Consolidated ("AEBTC")		
		2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Change in net assets attributable to unitholders																						
Increase in interest rate by 1%		389,165	866,101	(172,797)	(180,856)	193,280	140,767	309,499	216,571	15,617	11,821	67	174	19,336	20,673	2,108	2,775	476,394	-	865,559	-	
Decrease in interest rate by 1%		(389,165)	(866,101)	172,797	180,856	(193,280)	(140,767)	(309,499)	(216,571)	(15,617)	(11,821)	(67)	(174)	(19,336)	(20,673)	(2,108)	(2,775)	(476,394)	-	(865,559)	-	

Note 18 - Controlled entities

Controlled entities consolidated parent entity	Country of establishment	Percentage owned	
		2012	2011
Subsidiaries of Australian Ethical Balanced Trust: Australian Ethical Fixed Interest Trust	Australia	78	-

Acquisitions - disposals of controlled entities

During the year the Australian Ethical Balanced Trusts' acquired a majority holding in the AEFIT of 78%.

There were no other Acquisitions during the year.

Note 19 - Events after the balance sheet date

Except as otherwise noted, during the period between the end of the financial year and the date of this report, there were no items, transactions or events of a material and unusual nature likely in the opinion of the responsible entity, to affect significantly the operations of the schemes, the results of those operations, or the state of affairs of the schemes in future financial years.

Note 20 - Scheme details

The registered office and principal place of business of the schemes is Trevor Pearcey House, Traeger Court, 34 Thynne St, Bruce ACT. The principal activity of the schemes is to pool investors' savings to invest in securities, including both domestic and international. Investments are sought to pursue the goal of a just and sustainable society and the protection of the natural environment as well as providing unitholders (the scheme investors) with a competitive financial return.

Directors' Declaration

The Directors of Australian Ethical Investment Limited (the responsible entity) declare that:

1. The financial statements of Australian Ethical Balanced Trust, Australian Ethical Property Trust, Australian Ethical Smaller Companies Trust, Australian Ethical Cash Trust, Australian Ethical Larger Companies Trust, Australian Ethical World Trust, Australian Ethical International Equities Trust, The Climate Advocacy Fund, Australian Ethical Fixed Interest Trust and notes as set out on pages 6 to 22 are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 30 June 2012 and of the performance for the financial year ended on that date for each scheme.
2. In the Directors' opinion there are reasonable grounds to believe that each scheme will be able to pay its debts as and when they become due and payable.
3. The schemes have operated during the financial year ended 30 June 2012 in accordance with the provisions of the scheme's constitution.

This declaration is made in accordance with a resolution of the Board of Directors of Australian Ethical Investment Limited.



Phillip Vernon
Managing Director
Australian Ethical Investment Limited
ABN 47 003 188 930
28 September 2012

INDEPENDENT AUDITOR'S REPORT TO THE UNIT HOLDERS OF
Australian Ethical Balanced Trust
Australian Ethical Property Trust
Australian Ethical Smaller Companies Trust
Australian Ethical Cash Trust
Australian Ethical Larger Companies Trust
Australian Ethical World Trust
Australian Ethical International Equities Trust
Climate Advocacy Fund
Australian Ethical Fixed Interest Trust
Australian Ethical Balanced Trust Consolidated

We have audited the accompanying financial reports of Australian Ethical Balanced Trust, Australian Ethical Property Trust, Australian Ethical Smaller Companies Trust, Australian Ethical Cash Trust, Australian Ethical Larger Companies Trust, Australian Ethical World Trust, Australian Ethical International Equities Trust, Climate Advocacy Fund, Australian Ethical Fixed Interest Trust and Australian Ethical Balanced Trust Consolidated ("the schemes") which comprises the statements of financial position as at 30 June 2012, and the statements of comprehensive income, and statements of cash flows for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information and the directors' declaration of the schemes.

The Directors of the Responsible Entity's Responsibility for the Financial Report

The directors of the responsible Entity, Australian Ethical Investment Limited are responsible for the preparation of the financial reports that give a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial reports that are free from material misstatement, whether due to fraud or error.

In Note 1, the directors also state in accordance with Accounting Standard AASB 101: Presentation of Financial Statements that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial reports based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial reports are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial reports. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial reports, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the schemes preparation of the financial reports that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of each schemes internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial reports.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

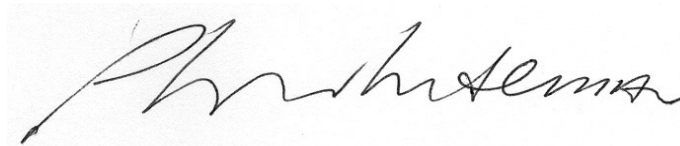
Opinion

In our opinion:

- (a) The financial reports of Australian Ethical Balanced Trust, Australian Ethical Property Trust, Australian Ethical Smaller Companies Trust, Australian Ethical Cash Trust, Australian Ethical Larger Companies Trust, Australian Ethical World Trust, Australian Ethical International Equities Trust, Climate Advocacy Fund, Australian Ethical Fixed Interest Trust and Australian Ethical Balanced Trust Consolidated are in accordance with the Corporations Act 2001; including:
 - (i) giving a true and fair view each scheme's financial position as at 30 June 2012 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.
- (b) the financial reports also comply with International Financial Reporting Standards as disclosed in Note 1; and
- (c) the financial reports are in accordance with the provisions of each of the schemes constitutions.



THOMAS DAVIS & CO.



P. L. WHITEMAN PARTNER

Chartered Accountants

SYDNEY,
Date: 28 September, 2012

Liability limited by a scheme approved under Professional Standards Legislation.