

Australian Ethical® Investment

for Investors, Society and the Environment

Media Release

Community Groups Profit from Ethical Investment

28 October 2004

Australian Ethical is widely considered as a national leader in ethical investment. As a requirement of the company's constitution, Australian Ethical directs 10% of its profits back to the community through its Community Grants Program.

Having made a record profit in 2003–04, the board of Australian Ethical Investment has approved grants totalling **\$58 262** in 2004. Community Grants of between \$950 and \$5000 are being awarded to the following groups that are involved in a wide variety of charitable and environmental activities at both local and international level.

\$5000 Category

Salvation Army (Oasis Support Network)
The Fred Hollows Foundation

\$3000 Category

Amnesty International
Medecins Sans Frontieres
TEAR Australia
The Australia Institute
The Wilderness Society
Youth Off the Streets

\$1990 Category

Australian Marine Conservation Society
Dolphin Research Institute
Friends of the Earth
Huon Valley Environment Centre
Refugee Council of Australia
Tarkine National Coalition
Total Environment Centre
Vietnam Children's Project
World Wildlife Fund (WWF)

\$950 Category

Australia for UNHCR
Australian Bush Heritage Fund
Australian Aid for Cambodia Fund
Clean Ocean Foundation
Environment East Gippsland
Food-Share – Illawarra
GeneEthics Network
International Women's Development Agency
Margaret River Community Resource Centre
Queensland Conservation Council
Relatives & Friends of People with Mental Illness
The Coastwatchers Association
Women Refugee Education Network

The CEO of Australian Ethical, Anne O'Donnell, said, "Australian Ethical's commitment to donating a share of its profits goes back to our origins in the permaculture movement. Like nutrients flowing in a self-sustaining manner, our profits are ploughed back to groups promoting a just and sustainable society. Australian Ethical would like to see other listed companies showing similar regard to the community and environment they derive their profits from. If all companies increased their philanthropic activities the positive impact would be enormous."

For more information:

Anne O'Donnell – (02) 6242 1988
CEO, Australian Ethical Investment Ltd

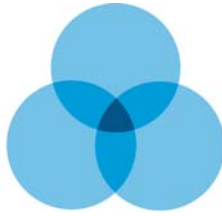
About Australian Ethical Investment

Australian Ethical Investment is a listed public company dedicated to the growth of ethical investment in Australia. It manages public funds of over \$300 million and serves a growing client base of over 13,000 investors and superannuation members. See attached company profile for more details.

Australian Ethical Investment Ltd **ABN** 47 003 188 930 **AFSL No** 229949

Canberra Business Centre Bradfield St Downer ACT 2602 **Phone** 02 6242 1988 **Unit Trusts** 1300 139 447 **Superannuation** 1300 134 337

Facsimile 02 6242 1987 **Website** www.austethical.com.au **Email** centre@austethical.com.au



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Australian Ethical Investment Ltd background to the management company and its range of public investments

Australian Ethical Investment Ltd (formerly August Financial Management Ltd) was established in 1986 for the purpose of pooling investor savings, specialising in environmental and socially responsible investment. It originally managed a private ethical trust, until 1989, when what is now the Australian Ethical Balanced Trust opened for public subscription. Australian Ethical Investment became a publicly listed company on the Australian Stock Exchange in December 2002. Australian Ethical currently has over AUD\$300 million in funds under management.

Australian Ethical Investment Ltd (AEI) is an independent funds manager based in Canberra. It is owned by investors with a shared commitment to improve the ethics of corporate Australia and promote ecologically sustainable and socially just enterprises through judicious investment in Australia, New Zealand, North America and Europe. The Australian Ethical Balanced Trust is spread across all asset classes in cash and securities (term deposits and small business loans), equities (shares listed on the stock exchange) and property. The Australian Ethical Equities Trust (launched in November 1994) focuses on the stockmarket and unlisted company shares. The Australian Ethical Income Trust and the Australian Ethical Large Companies Share Trust (both established in September 1997) specialise as their names suggest. In 2003 AEI is introduced international shares to the portfolios.

Since 1998, AEI's wholly-owned subsidiary, Australian Ethical Superannuation Pty Ltd, has managed four superannuation strategies – each being modelled on one of the four Australian Ethical Trusts.

Investments in all Trusts and Superannuation Strategies are selected in simultaneous pursuit of a just and sustainable society, the protection of the natural environment and the provision of a competitive financial return to investors. The attainment of these objectives is founded upon the Australian Ethical Charter - the principles guiding the assembly and expansion of a premier portfolio of over 90 broadly based environmental and socially responsible investments.

Australian Ethical goes beyond the more common ethical investment practice of avoiding investment in repressive regimes, militarism, uranium mining, tobacco and alcohol production, gambling, rainforest/old growth logging, woodchipping, or animal exploitation. Its strong pro-active principles (codified in the Charter), provides investment support to environmentally and socially positive activities such as recycling, conservation, energy efficiency, preservation of endangered species, animal welfare, workplace relations and a range of related issues.

Importantly, Australian Ethical has no parallel in its locally based investment loans and equity partnerships which bring participation in the early phases of innovation in the "green economy".

The Australian Ethical Charter is unique in the Australian investment scene in two important ways. Firstly, it combines twelve facets of corporate activity to be actively sought out and supported with investment. These provide a positive balance to the eleven facets, which it lists as things to be avoided. In this way, Australian Ethical is more than just a "capital boycott" of the undesirable. Secondly, the Charter is incorporated into the Trust's constitution, entrenching its ethics in the Trusts and Superannuation Strategies by requiring adherence of both the trustee and the management company.

Australian Ethical is unique in the extent of information it offers to the investing public. Its prospectus, superannuation document and half-yearly newsletter, **AIM high**, include ethical profiles of each investment, permitting critical review by individual investors. Comment is actively sought.

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