

PROXY VOTING REPORT 2009

The summary for our proxy voting record for the period 1 July 2008 to 30 June 2009 is attached, covering both domestic and international stocks.

Our proxy voting policy is that we are “committed to voting on company resolutions where we have voting authority and responsibility to do so” consistent with IFSA Standard 13.00 – Proxy Voting.

The summary covers the following Trusts:

- Australian Ethical Balanced Trust;
- Australian Ethical Equities Trust;
- Australian Ethical Large Companies Share Trust; and
- Australian Ethical International Equities Trust.

No shares are held in the Australian Ethical Income Trust. This Trust does not, therefore, need to be included in the summary.

A total of 720 resolutions were voted on. It should be noted that:

- holdings in some companies were sold prior to an annual general meeting being held;
- annual general meetings were held prior to us having holdings in some companies;
- details for some meetings were not received; and
- some resolutions were voted on at extraordinary or special general meetings for specific issues.

All our voting for domestic and international stocks has been done online through Votex, a service provided by our custodian National Custodian Services. Voting for our unlisted companies was actioned through our custodian.

Of the 720 resolutions voted on across the four Trusts, 13 were voted “Against” and we “Abstained” from voting on 11.

Negative Votes

The negative votes related to:

- appointment of directors;
- re-election of directors;
- remuneration issues (director fees and the issue of options or shares to directors and CEO’s); and
- an anti take-over provision which was not in our interests.

Abstained Votes

The resolutions we abstained from voting on related to:

- insufficient information being provided;
- possible anti take-over provisions;
- authorising political donations; and
- being unable to access an English explanation of source documents e.g. explanatory memorandums.

Margaret Ross
Investment Section Co-ordinator
August 2009

PROXY VOTING SUMMARY 2009

Australian Ethical Balanced Trust

ASX	Total Resolutions	Number Voted For	Number Voted Against	Number Abstained	No Action
	94	87	6	1	

Unlisted Companies	Total Resolutions	Number Voted For	Number Voted Against	Number Abstained	No Action
	3	3	0	0	

Property Trusts	Total Resolutions	Number Voted For	Number Voted Against	Number Abstained	No Action
	1	1	0	0	

International Companies	Total Resolutions	Number Voted For	Number Voted Against	Number Abstained	No Action
	24	24	0	0	

Australian Ethical Equities Trust

ASX	Total Resolutions	Number Voted For	Number Voted Against	Number Abstained	No Action
	124	121	2	1	

Unlisted Securities	Total Resolutions	Number Voted For	Number Voted Against	Number Abstained	No Action
	6	6	0	0	

Property Trusts	Total Resolutions	Number Voted For	Number Voted Against	Number Abstained	No Action
	1	1	0	0	

Australian Ethical Equities Trust continued

International Companies	Total Resolutions	Number Voted For	Number Voted Against	Number Abstained	No Action
	153	144	3	6	

Australian Ethical Large Companies Share Trust

ASX	Total Resolutions	Number Voted For	Number Voted Against	Number Abstained	No Action
	110	100	9	1	

Property Trusts	Total Resolutions	Number Voted For	Number Voted Against	Number Abstained	No Action
	1	1	0	0	

International Companies	Total Resolutions	Number Voted For	Number Voted Against	Number Abstained	No Action
	385	378	0	7	

Australian Ethical International Equities Trust

International Companies	Total Resolutions	Number Voted For	Number Voted Against	Number Abstained	No Action
	507	496	1	10	

Domestic Stocks

ASX	Total Resolutions	Number Voted For	Number Voted Against	Number Abstained	No Action
	185	174	10	1	

International Stocks

	Total Resolutions	Number Voted For	Number Voted Against	Number Abstained	No Action
	528	515	3	10	