

November 2008

Equities Trust continues to outperform

The Australian Ethical Equities Trust has continued to significantly outperform its benchmark, as shown in the diagrams below. Over the 12 months to 30 September the Equities Trust returned -10.9% compared to its benchmark S&P/ASX Small Industrials return of -37.1%.

In the six months to 30 September the Equities Trust produced a positive return of 7.2% compared to the benchmark's -10.5%.

Equities Trust Performance		As at 30 September 2008		
	1 year	3 year annualised	5 year annualised	
Equities Trust return	-10.9%	7.8%	10.7%	
Benchmark return	-37.1%	-3.0	6.6%	
Value added by fund manager*	89%	90%	85%	

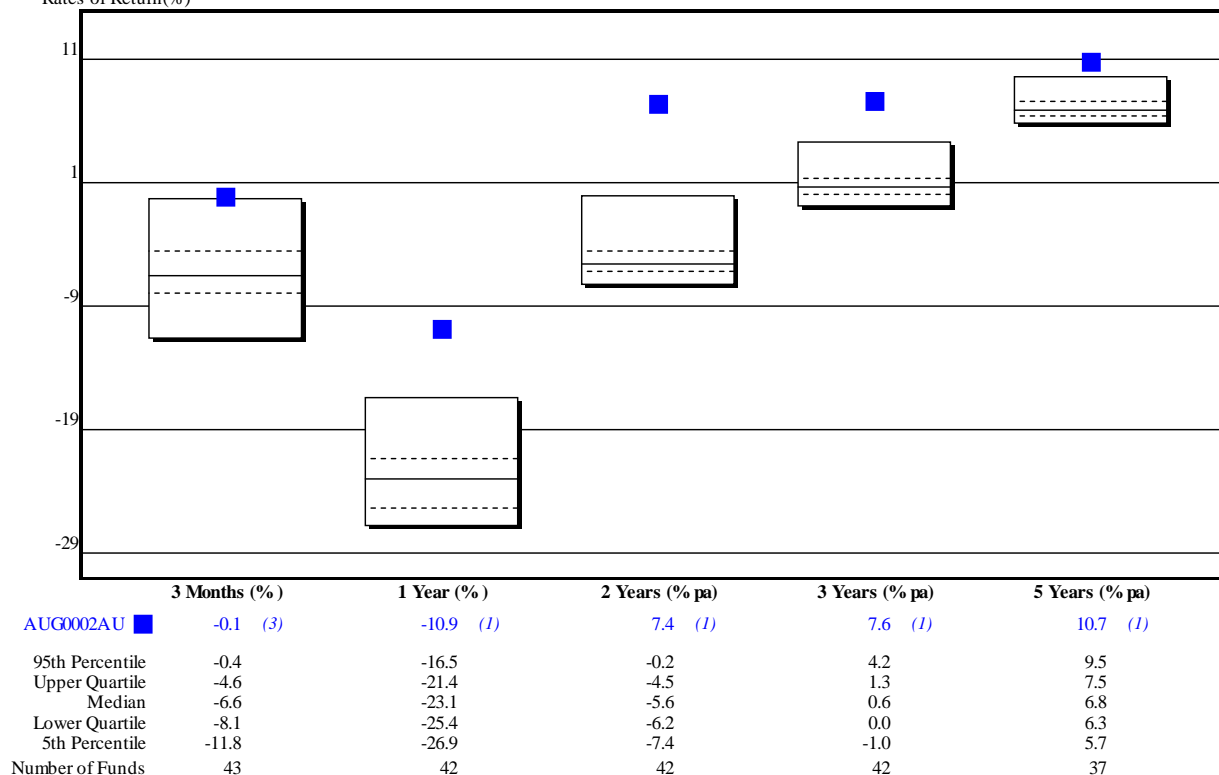
*The confidence of value added by a manager versus the benchmark, which can range from 0% to 100%, is a statistical measure which provides insight into whether the manager's results were due to skill or luck. Managers with a positive excess return will have a confidence level which is greater than 50%.

source: Mercer

Australian Ethical - Equities

Comparison with the Mercer Retail Trusts Multi-Sector High Growth Universe
Performance before tax and after fees for periods ended September 2008

Rates of Return(%)



Data Source: Morningstar

MERCER

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Lunch seminars for financial advisers

Australian Ethical is hosting lunch seminars for financial advisers in Sydney, Brisbane, Melbourne and Hobart in late November. Hosted by executive director James Thier and head of distribution Paul Harding-Davis, the seminars will describe the good performance of the Australian Ethical trusts during this volatile time for share markets and provide an update on the transition to the new superannuation administrator.

Sydney

12.30pm to 1.30pm, Monday 24 November
Pendlebury Room, Wesley Conference Centre
220 Pitt Street, Sydney

Brisbane

12.30pm to 1.30pm, Tuesday 25 November
22nd Floor Boardroom, Regus Northbank
69 Ann Street, Brisbane

Melbourne

1pm to 2pm, Tuesday 25 November
Meeting Room 1, 60L Building
60 Leicester Street, Carlton

Hobart

12.30pm to 1.30pm, Wednesday 26 November
Boardroom, Financial Life Planners
336 Elizabeth Street, North Hobart

To RSVP or for further information please contact Adam on 02 6201 1926 or email adam@austethical.com.au.

New companies added to the portfolios

Despite the volatile markets, Australian Ethical continues to seek out companies which satisfy the Australian Ethical Charter.

The addition of **Deutsche Borse** and the **London Stock Exchange** to the portfolios provides exposure to two of the biggest stock exchanges in Europe. The London Stock Exchange is one of the few exchanges globally that has committed to environmental disclosure.

Other international additions to the portfolios include **LKQ**, the largest provider of recycled automobile parts in the US and **Pentair**, a global leader in the provision of water filtration and flow technologies.

Domestically Australian Ethical has added **Seek Ltd**, the leader in online employment and training in Australia and New Zealand.

Getting the World Trust on the Macquarie Wrap

Australian Ethical is looking to expand the range of trusts it has available on the Macquarie Wrap. Currently the Equities Trust and Large Companies Share Trust appear on Macquarie Wrap, and we're now looking to have the World Trust added as well.

The World Trust is among a select group of similar products in Australia and aims to provide long-term growth through investment in overseas companies which meet the Australian Ethical Charter. We believe the World Trust is attractive to investors who want to invest in the leading sustainable companies internationally, in particular those interested in renewable energy, recycling and environmental sectors.

If you are an adviser who uses the Macquarie Wrap and would see it as appropriate to recommend the World Trust to your clients we would like to get in touch with you. Please contact Adam by phoning 02 6201 1926 or email adam@austethical.com.au.