Australian Ethical Retail Superannuation Fund
Short Form Product Disclosure Statement

('Short Form PDS')
version 1-08S.2, 1 July 2007



australianethical®
superannuation

for investors, society and the environment

Supplementary Short Form
Product Disclosure Statement

This Supplementary Product Disclosure Statement, prepared on 1 October 2008, supplements the Short Form Product Disclosure Statement issued by Australian Ethical Superannuation Pty Ltd dated 1 July 2007. It is to be read together with that statement.

The Product Disclosure Statement has been amended to include changes regarding foreign currency hedging. Foreign currency hedging has been increased for the underlying Equities, Large Companies and World Trusts so that approximately the full value of international equities held by these trusts is now hedged against the impact of large adverse movements in currency exchange rates. Foreign currency hedging in the Balanced Trust was reduced through 2008 and the value of international equities in this Trust will be unhedged in future.

This Supplementary Product Disclosure Statement amends the Short Form Product Disclosure Statement by making the following changes in the sections indicated.

How do we manage risk?

On page 8, under the heading 'Investment risks' replace the bullet points titled 'currency risk' and 'derivative risk' as follows:

• currency risk – The Australian Ethical investment trusts invest in other countries; if their currencies change in value relative to our dollar, the value of the investment measured in Australian dollars can change. Australian Ethical undertakes a hedging strategy (see derivative risk below) for the Equities, Large Companies Share and World Trusts with the aim of reducing the impact of large adverse movements in currency exchange rates.

• derivative risk – Derivatives are used within the underlying Equities, Large Companies and World Trusts to reduce currency risk.

Our newest strategy: the Australian Ethical World Strategy

On page 20, under the heading 'Management' replace the sentence:

'Currency risk for investors in the Australian Ethical World Trust will be managed using a similar partial hedging approach to that which Australian Ethical has been using to manage currency risk in the Australian Ethical Balanced Trust, Australian Ethical Equities Trust and Australian Ethical Large Companies Share Trust since 2003.'

with

'The hedging of approximately the full value of currency exposure is used to protect the value of international equities holdings against large adverse movements in currency exchange rates.'

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About this Short Form PDS

This Short Form PDS is a summary of a longer Product Disclosure Statement that provides more information and detail in a number of areas. We refer to this document as the Short Form PDS and to the longer version as the Product Disclosure Statement. You can obtain a copy of the Product Disclosure Statement by:

- downloading a copy from our website, ***www.austethical.com.au,*** or
- contacting us on **1300 134 337.**

Throughout this Short Form PDS we will refer to information that is set out in the Product Disclosure Statement. Where we include references to the Product Disclosure Statement, the material referenced is taken to be included in this document.

It is very important that you refer to the Product Disclosure Statement or seek professional advice if, after reading this document, you do not understand any aspect of a potential investment in the Australian Ethical Retail Superannuation Fund.

This Short Form PDS aims to deliver clear, concise and effective information to help you:

- decide whether the Australian Ethical Retail Superannuation Fund, referred to in this Short Form PDS as 'the Fund', will meet your needs, and
- compare the Fund with others you may be considering.

When you download an electronic copy of this Short Form PDS, Australian law requires that you must download all pages, including the application form. If you make this Short Form PDS available to another person, you must give them the entire electronic file or print-out, including the application form. You can obtain a paper copy of this Short Form PDS (and any supplementary documents) free of charge by calling us on **1300 134 337** or emailing us at *aes@austethical.com.au*.

The trustee will amend this Short Form PDS or withdraw it from circulation in the event of any material alteration of the information it contains. The trustee may change any of the terms and conditions in this Short Form PDS. If the change is an increase in fees and charges, the trustee shall give 30 days' notice of the change. Notification of other material or significant changes will be given before the change is made if the change is adverse or potentially adverse to the interests of a member. Notification of other material or significant changes will be included in member communications.

The offer made in this Short Form PDS is available only to persons receiving this Short Form PDS in Australia.

You should keep this Short Form PDS for your records.

Contents

About this Short Form PDS	*inside front cover*
About Australian Ethical	2
What do we offer you?	2
Features summary	3
About Australian Ethical Superannuation	6
How do we manage your money?	6
Investment examples	10
Investment strategies	16
Your superannuation account	22
Fees and other costs	24
Insurance options	31
How to invest or roll over	31
Forms	35
Key words explained	51
Helpful contacts	52

The information contained in this Short Form PDS is general information only. It does not take into account your individual objectives, financial situation or needs. You should assess whether the information is appropriate for you. If you want advice that takes into account your specific financial needs and objectives, you should contact a person or organisation licensed to provide personal advice.

No person or organisation guarantees the return of capital or the performance of your investment in the Fund. As a result of the returns earned by the investment strategy you choose and the imposition of taxes and fees, you may get back less than the amount you pay into the Fund.

Contact

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Interests in the Australian Ethical Retail Superannuation Fund are offered by Australian Ethical Investment Ltd, ABN 47 003 188 930, AFSL 229949, and issued by the trustee of the Fund, Australian Ethical Superannuation Pty Ltd, ABN 43 079 259 733, RSEL L0001441 (referred to in this Short Form PDS as 'the trustee', 'we', 'our', or 'us').

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Australian Ethical:

- About Australian Ethical
- What do we offer you?
- Features summary
- About Australian Ethical Superannuation
- How do we manage your money?

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About Australian Ethical

Australian Ethical Investment Ltd is a publicly listed company that helps people manage their money while seeking benefits for society and the environment. It is one of the longest established ethical fund managers in Australia, managing in excess of $560 million in funds on behalf of some 17 000 investors.

Our products

Australian Ethical offers investment strategies for different times of life and different financial circumstances. You can choose:

superannuation – tax-advantaged, long-term saving for your retirement.

superannuation income stream (allocated pension) – a pre-retirement/ retirement income stream.

→ Read this Short Form PDS.

OR

investment trusts – pooled savings, professionally managed to help you reach your financial goals. (Available for investments through self-managed super funds.)

→ To obtain the Short Form PDS for the investment trusts, visit our website, ***www.austethical.com.au***, or phone **1800 021 227**.

What do we offer you?

Ethical investment integrates personal values with investment decisions. Australian Ethical follows a set of principles – our Australian Ethical Charter – and invests to obtain a financial return consistent with those principles and the risks involved.

How we work

research

We commission ethical researchers to gather public and other information on companies' business activities and finances.

experience

Our investment analysts have experienced good and bad investment markets across asset classes and are skilled at finding ethical industries new and old.

diversification reduces risk

We have investments in a variety of sustainable industries and financial instruments around the world.

investment style

Our ethical investment style brings with it some unique advantages:

investment quality – Because of the nature of ethical investment, we believe that the managers of the companies we select are more likely to think ahead, to care for staff, customers and the environment, and to use resources wisely.

future demand – We think that many consumers are willing to pay for sustainable goods and services, raising the profits of the firms that supply them.

value overlooked – Our investment style involves a thorough investigation of potential investments (not just a financial analysis), which positions us to identify good investment opportunities that other financial market players may overlook.

What are the benefits:

- **investment choice** – We offer a range of investment strategies to suit differing financial needs and objectives.
- **simplicity** – Our investment strategies provide you with an easy way to invest in a diversified portfolio.
- **high level of transparency and access to investment information** – Our website offers easy access to our portfolio lists and investment profiles and our newsletter discusses current ethical investment issues.
- **access to insurance** – You can take out insurance cover for death, death & total and permanent disablement, and income protection through your membership of our Fund.
- **account information** – With our regular reporting and easy internet and telephone access, you can obtain the information you need regarding your superannuation at any time.
- **potential investment returns** – Although future performance can never be guaranteed, the Fund has been able to achieve competitive long-term performance for each of its investment stategies.

Remember the risks of investing

- There is always a level of risk associated with investing. An investment in the Fund is not guaranteed and your investment may rise and fall. Past investment earnings are not an indicator of future earnings.

Features summary

Investment options

Each investment strategy currently invests **through the corresponding Australian Ethical investment trust.**[1] All strategies invest in accordance with our Australian Ethical Charter (page 7).

Balanced Strategy – Aims to provide a diversified portfolio of investments offering a balance between capital growth and a moderate level of income. Suits investors who are willing to risk negative returns but not a significant loss of capital in one year. The Australian Ethical Balanced Trust (underlying the Balanced Strategy) won the Standard and Poor's 2005 Fund Award in the Balanced Fund – Neutral category for consistent high performance over three years.[2]

Equities Strategy – Aims to provide long-term growth through investment in Australian and overseas companies including some smaller companies. Suits investors willing to take a higher risk (including the possibility of some loss of capital) with the prospect of higher returns over time.

Large Companies Share Strategy – Aims to provide long-term growth through investment in:

- larger listed companies on the Australian Securities Exchange; and
- overseas listed companies.

Suits investors willing to take a higher risk (including the possibility of some loss of capital) with the prospect of higher returns over time.

World Strategy – Aims to provide long-term growth through investment in high quality companies listed on global share markets.

Suits investors willing to take a higher risk (including the possibility of some loss of capital) with the prospect of higher returns over time.

Income Strategy – Aims to generate a competitive income stream while minimising the risk of capital loss. Suits investors who are highly risk-conscious.

See *Investment strategies*, page 16.

Superannuation accounts

The Fund offers both accumulation/ rollover accounts and account based income streams (allocated pensions). A separate account is established for each member of the Fund.

See *Your superannuation account,* page 22.

Accepted contributions

Concessional contributions:

- employer contributions: superannuation guarantee and other contributions
- salary sacrifice (before tax) contributions.

Non-concessional contributions:

- voluntary (after tax) contributions
- spouse contributions.

The Fund also accepts:

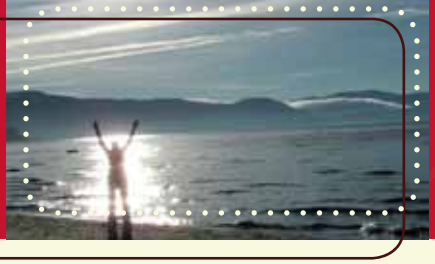
- government co-contributions
- rollovers and transfers.

See *What sort of accounts are there and who can contribute?,* page 22.



[1]There are five relevant Australian Ethical investment trusts – Balanced, Equities, Large Companies Share, World and Income. Each investment trust is a registered managed investment scheme and Australian Ethical Investment Ltd is the responsible entity for each scheme. A product disclosure statement for the investment trusts is available from the Australian Ethical website or by contacting Australian Ethical on the details provided on the inside front cover. Except where specified, references in this Short Form PDS to the diversification, specific investments or characteristics of asset classes are currently references to the diversification, specific investments or characteristics of asset classes held within the investment trusts. For examples of the investments made by the Australian Ethical investment trusts see Investment examples *at page 10. [2]Past performance is not indicative of future performance.*

Photo © Philip Sloane



Keeping you informed

Investment confirmation:
You will receive a confirmation report for any rollovers and switches.[3] Confirmation will not be issued for each contribution but these will be shown on your statements. You can also register to receive a password and subsequently access your record online at any time.

Regular reporting:
You will receive a statement every six months detailing your balance and a transaction summary, including any earnings and charges or fees during the period.

Annual report:
A report will be provided each year that includes information on the financial position and performance of the Fund over the year.

Newsletter:
A twice-yearly newsletter will be provided covering ethical investment issues, details of specific investments in the Australian Ethical investment trusts, and performance details.

See *Keeping you informed* in the Product Disclosure Statement.

Cooling off

You may be able to change your mind after you make an investment with us.

See *Cooling off*, page 23.

Insurance

Insurance is available for death; death & total and permanent disablement; and income protection.

See *Insurance options*, page 31.

How to apply

You need to complete and send to us the application form, located towards the end of this Short Form PDS.

See *How to invest or roll over*, page 31.

Risk and investment period

Strategy	Capital risk[4]		Earnings risk[5]	Minimum recommended investment period[6]
	In any one year period	(historic incidence of three year periods with negative returns[7])		
Balanced	Med	0%	Med	3–5 years
Equities	High	6.7%	High	5–7 years
Large Companies Share	Med – High	5.0%	Med – High	5–7 years
World	High (estimated)	n/a	High (estimated)	5–7 years
Income	Low	0%	Low	6–12 months

[3]A switch is where you redeem your investment from one investment strategy to invest it in one of the other investment strategies. [4]Capital risk is defined as the likelihood of a negative return for the underlying trust from combined income generation and unit price movement. [5]Earnings risk is defined as the possibility that the underlying trust return in any one year is significantly different from the annualised return of the underlying trust since its inception. [6]Investment professionals will have differing views about the minimum period you should hold various investments, and your own personal circumstances will also affect your decision. Although we have suggested minimum investment periods based on our own research, you should regularly review your investment decisions with your financial adviser because your investment needs or market conditions may change over time. [7]Based on end-of-month measurements for the underlying trusts over the five year period to 30 June 2006. Historical incidence of loss is not a reliable indicator of the risk of future episodes of capital loss over similar periods.





Photo © Philip Sloane

Taxation

Superannuation is a tax-effective way to invest and grow your retirement savings. It is important that you understand how superannuation is taxed.

See *What about taxation?* in the Product Disclosure Statement.

What does the Fund cost?

It is important that you understand that fees and costs will apply to your investment in the Fund. Please make sure that you read the *Fees and other costs* section in detail.

See *Fees and other costs*, page 24.

Other information

Trust Deed – the Fund is governed by a trust deed and operated according to its terms by Australian Ethical Superannuation as trustee. The trustee has a general power to amend the deed. The trust deed is available from the trustee on request, or via the Australian Ethical website.

Details about the following are available in the Product Disclosure Statement:

- Lost members
- Eligible rollover fund
- Superannuation and family law
- The auditor
- Interest of directors of the trustee
- Conflicts of interest
- Anti-money laundering/ counter-terrorist financing.

See *Other Information* in the Product Disclosure Statement.

Adviser commissions and rebates

If your investment is made through a licensed financial adviser, they may be paid much of our contribution fee as a commission. An adviser may rebate to you a significant proportion of the contribution fee.

See *Fees and other costs*, page 24.

Dispute resolution

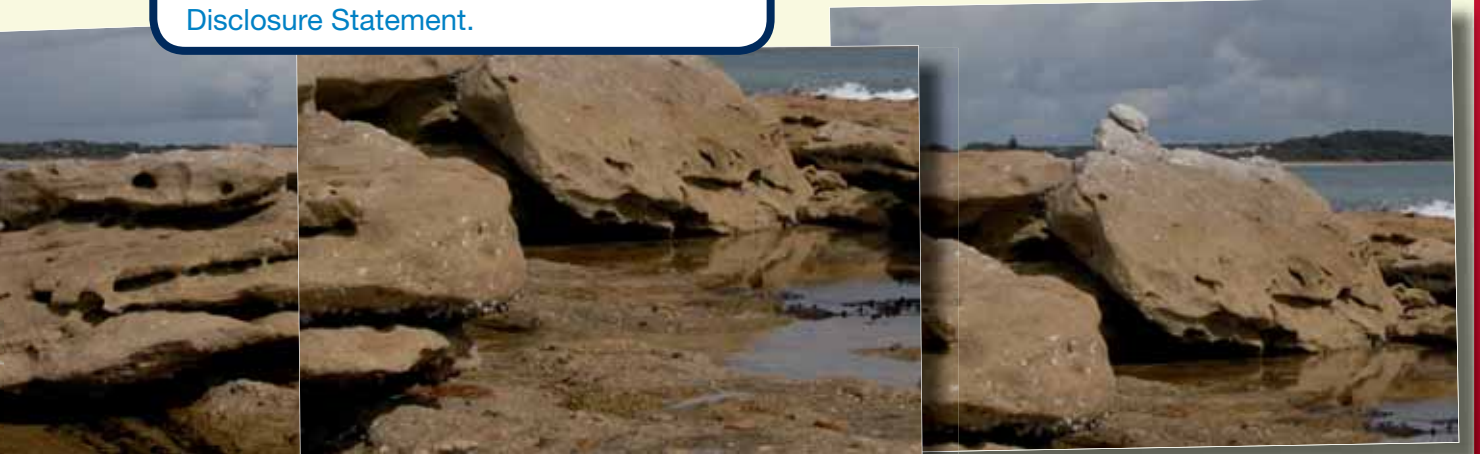
We will respond to any complaint within five business days, and seek a resolution of the complaint as soon as possible, and certainly within 90 days. If you are not satisfied with our handling of a complaint or with a decision we have made, you may contact the Superannuation Complaints Tribunal.

See *Enquiries and complaints* in the Product Disclosure Statement.

Fee discounts

Discounted contribution fees apply to contributions in excess of $6000 and rollovers in excess of $1000 made directly with us to the Balanced, Equities, Large Companies Share and World strategies. Discounted contribution fees may also be offered to our staff, staff of related parties, like-minded organisations or on the basis of other criteria such as total value of holdings, total period of time a person has been a member or the cost of servicing a member.

See *Fees and other costs*, page 24.





About Australian Ethical superannuation

Nature of the fund

The Australian Ethical Retail Superannuation Fund is a regulated superannuation fund and is registered with the Australian Prudential Regulation Authority (Registration Number R1004731). It is required to comply with the laws and regulations that cover the Australian superannuation industry.

The Fund is based in Canberra and has assets worth more than $260 million.

Australian Ethical Superannuation provides a range of ethical investment options to suit differing individual investment needs. Without compromising our ethical principles, we aim to produce competitive rates of return on each of our investment strategies consistent with the risk/ return profile of the strategy. This is achieved by seeking out financially sound investments which promote a sustainable and environmentally responsible society in accord with our Australian Ethical Charter, which appears on page 7.

Management of the fund

The trustee of the Fund is Australian Ethical Superannuation Pty Ltd ('Australian Ethical Superannuation'). Australian Ethical Superannuation was established by its parent company, Australian Ethical Investment Ltd ('Australian Ethical Investment'), in 1998 to provide ethical superannuation. Australian Ethical Superannuation has been granted a Registrable Superannuation Entity licence (RSEL No. L0001441) by the Australian Prudential Regulation Authority.

The trustee's management of the Fund is governed by legislation and the trust deed.

For details on the service providers used by the trustee, refer to *Managament of the Fund* in the Product Disclosure Statement.

How do we manage your money?

Australian Ethical offers investors something beyond conventional superannuation investment because we apply our unique combination of financial and ethical objectives to the selection of investments.

These objectives are:

- to obtain a financial return commensurate with any risk taken
- to avoid investment in activities which are socially or environmentally detrimental
- to participate financially in profitable activities which bring social or environmental benefits.

Each investment must meet the positive requirements of our Australian Ethical Charter. It is the charter that makes our investments unique.

How do we take labour standards, environmental, social and ethical issues into account?

The Australian Ethical Charter includes matters related to labour standards, and environmental and social considerations. Our charter sets out the types of activities Australian Ethical seeks to support, and the types of activities it seeks to avoid. Refer to *How do we take labour standards, environmental and ethical issues into account?* in the Product Disclosure Statement for further information.

What is our investment approach?

At present, the trustee chooses to invest Fund monies in the Australian Ethical investment trusts, but it may invest directly in other assets that accord with your investment strategy selection.

Investments are selected and portfolios constructed within the range of investments that meet the requirements of our charter and a detailed assessment of financial soundness and value. Candidate investments are assessed by means of fundamental analysis of the dynamics of the management, products, markets, cash flow, profitability and balance sheet of each company.

The international investment portfolio has expanded and will continue to grow, supporting investment in some of the world's best ethical companies and improving portfolio diversification.

The portfolios are actively managed, which means we continually adjust the proportions of the holdings in order to buy more of what is considered better value.

The portfolio of investments in the investment trusts includes various types of shares, debentures, hybrid debt/

...continued on page 8.

The Australian Ethical Charter[8]

The trusts shall seek out investments which provide for and support:

a. the development of workers' participation in the ownership and control of their work organisations and places
b. the production of high quality and properly presented products and services
c. the development of locally based ventures
d. the development of appropriate technological systems
e. the amelioration of wasteful or polluting practices
f. the development of sustainable land use and food production
g. the preservation of endangered eco-systems
h. activities which contribute to human happiness, dignity and education
i. the dignity and well being of non-human animals
j. the efficient use of human waste
k. the alleviation of poverty in all its forms
l. the development and preservation of appropriate human buildings and landscapes.

The trusts shall avoid any investment which is considered to unnecessarily:

i. pollute land, air or water
ii. destroy or waste non-recurring resources
iii. extract, create, produce, manufacture, or market materials, products, goods or services which have a harmful effect on humans, non-human animals or the environment
iv. market, promote or advertise, products or services in a misleading or deceitful manner
v. create markets by the promotion or advertising of unwanted products or services
vi. acquire land or commodities primarily for the purpose of speculative gain
vii. create, encourage or perpetuate militarism or engage in the manufacture of armaments
viii. entice people into financial over-commitment
ix. exploit people through the payment of low wages or the provision of poor working conditions
x. discriminate by way of race, religion or sex in employment, marketing, or advertising practices
xi. contribute to the inhibition of human rights generally.



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equity investments, managed investments, loans and other securities in Australian and overseas markets.

We believe that sustainable returns will come from the support of businesses that are sustainable both financially and environmentally. Society will increasingly require businesses to meet the full environment costs of production, and will have an enhanced willingness to pay higher prices for those goods and services which lower environment costs. There will be increasing demand for products which are made in an environmentally sustainable way.

How do we manage risk?

The trustee has identified and recorded what it considers to be the material risks currently facing the trustee and the Fund. It has developed a risk management strategy and a risk management plan for the Fund. The risk management plan is available to members on request. Risk management is monitored by a board committee appointed by the trustee.

Investment risks

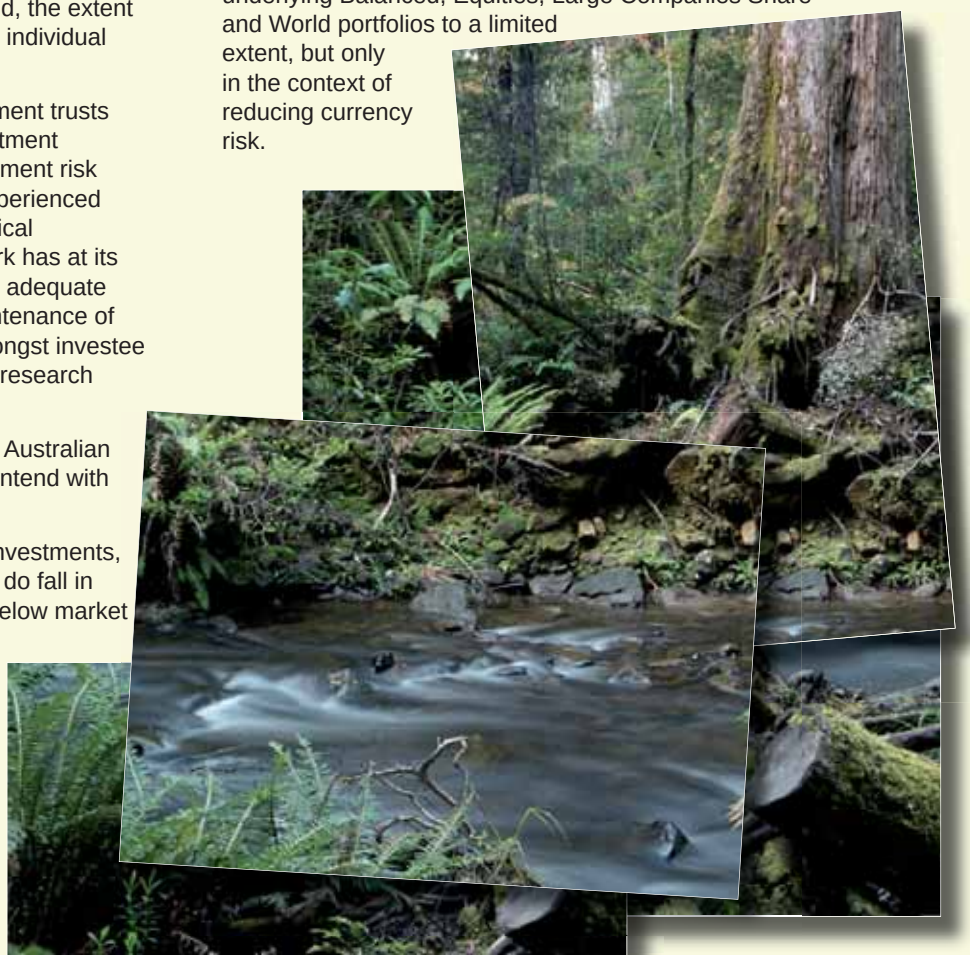
One very important area for you to consider is investment risk.

The level of investment risk which attaches to a fund or to strategies within a fund is affected by the combination of the riskiness of individual investments held, the extent of diversification and the extent to which the individual investment risks are correlated.

Investments of the Australian Ethical investment trusts underlying the Fund's superannuation investment strategies are subject to an extensive investment risk management framework overseen by an experienced Investment Committee within Australian Ethical Investment. The risk management framework has at its core the principles of risk spreading through adequate diversification, and risk control through maintenance of minimum standards of financial viability amongst investee companies as assessed by an experienced research team.

Particular investment risks of the underlying Australian Ethical investment trusts and the way we contend with them include:

- **individual investment risk** – Individual investments, like shares on a stock exchange, can and do fall in value (or perform below expectations or below market benchmarks) for many reasons such as changes in a company's internal operations or management, or in its business environment. Australian Ethical aims to reduce these risks with careful analysis of research from many sources and by conferring with those people who run companies and are responsible for changes which may affect our investments.
- **market risk** – Economic, technological, political or legal conditions, and even market sentiment, can (and do) change, and this can mean that changes in the value of investment markets can affect the value of the Australian Ethical investment trusts and therefore the value of the Fund. Australian Ethical uses research and analysis to form a view on these matters and to rebalance, if appropriate, the investment mix of the Australian Ethical investment trusts to reduce this impact.
- **interest rate risk** – Changes in interest rates can have a positive or negative impact on investment value or returns. Within Australian Ethical Investment's risk management framework, a system of limits on interest-rate exposure operates.
- **currency risk** – The Australian Ethical investment trusts invest in other countries; if their currencies change in value relative to our dollar, the value of the investment measured in Australian dollars can change. Australian Ethical undertakes a strategy of partial hedging (see *derivative risk* below) for the Balanced, Equities, Large Companies Share and World trusts with the aim of reducing the impact of large adverse movements in currency exchange rates.
- **derivative risk –** Derivatives are used within the underlying Balanced, Equities, Large Companies Share and World portfolios to a limited extent, but only in the context of reducing currency risk.



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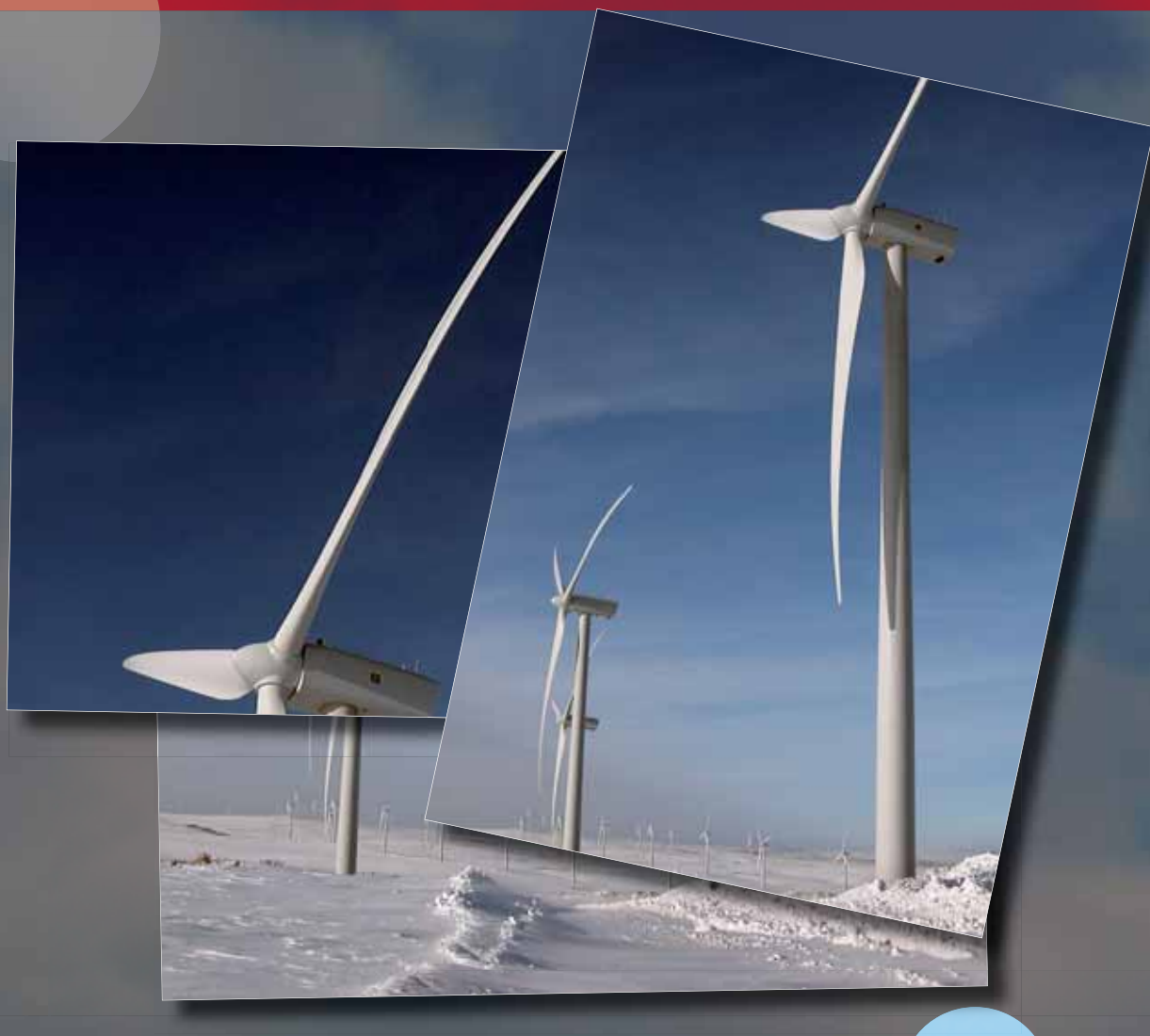


Your investments:

- Investment examples
- Investment strategies

Photo © Vestas Wind Systems A/S



Investment examples

The following are investment examples, sometimes summaries, of the more than 100 investments which may be held within the Australian Ethical investment trusts.

Clauses of the Australian Ethical Charter relevant to a company's selection precede the examples/ summaries in each section or field of activity (in italics).

These examples do not represent proportionally the kind of investments found in the Australian Ethical investment trusts at any particular time.

Please see our website for a listing of investments underlying the Fund.

Infrastructure and communications

Charter: (b) the production of high quality and properly presented products and services
(c) the development of locally based ventures
(d) the development of appropriate technological systems
(e) the amelioration of wasteful or polluting practices
(h) activities which contribute to human happiness, dignity and education
(l) the development and preservation of appropriate human buildings and landscapes

Hansen Technologies Ltd

Hansen Technologies provides billing systems and information technology outsourcing services worldwide, with offices in Australia, New Zealand, the United Kingdom and the United States. The company's billing software is used in the telecommunications, electricity, gas and water industries. Hansen also provides facilities management and outsourcing services as well as superannuation administration software. Its products deliver demonstrable and sustainable long-term benefits.

Genesee & Wyoming Inc

Genesee & Wyoming Inc. (GWI) provides rail-freight transportation and supporting services, with subsidiaries owning and operating regional freight railroads. Company revenues are generated from the movement of freight over track owned or operated by GWI railroads, with GWI success attributed to the integration of their railroads into strong regional rail systems. GWI currently operates more than 47 railroads in five countries (the United States, Canada, Mexico, Bolivia and Australia), over 9300 miles of owned and leased track, with access to an additional 3000 miles through track-access arrangements.

Macquarie Communications Infrastructure Group

Macquarie Communications Infrastructure Group (MCIG) aims to acquire a portfolio of communications infrastructure assets in order to provide its investors with stable long-term returns. The group's cornerstone investment is Broadcasting Australia (BA), the primary television and radio broadcaster for the ABC and SBS, as well as a number of regional and community stations. BA also leases broadcasting facilities to emergency services such as fire brigades, ambulances and the police.

Hastings Diversified Utilities Fund

The Hastings Diversified Utilities Fund (HDUF) owns and operates approximately 2333 kilometres of gas transmission pipeline in South Australia, Queensland and Western Australia. Australian Ethical recognises the environmental advantages that natural gas has over other fossil fuel sources. According to research by the Australian Bureau of Agricultural and Resource Economics (ABARE), natural gas usage is expected to account for 24 per cent of Australia's energy consumption by 2020.



Photo courtesy Genesee & Wyoming Inc

Renewable energy and energy efficiency

Charter: (c) the development of locally based ventures
(d) the development of appropriate technological systems
(e) the amelioration of wasteful or polluting practices
(l) the development and preservation of appropriate human buildings and landscapes

Viridis Clean Energy Group

Viridis Clean Energy Group is an energy infrastructure fund that invests in a diversified global portfolio of clean energy assets. The fund has been established to capitalise on the burgeoning global clean energy sector as consumers and governments take action to address climate change by supporting environmentally responsible energy solutions. Based on book value as at the end of June 2006, the fund has a portfolio of assets invested in wind (37%), process gas/natural gas (6%) and landfill gas (57%) spread across Europe and the United States.

Energy Developments Ltd

Energy Developments is a Queensland-based company engaged in the development and management of an international portfolio of projects with a particular focus on renewable energy and waste fuels. Power plants operated by Energy Developments are providing greenhouse gas emission reductions equivalent to approximately 10 million tonnes per year of carbon dioxide. Energy Developments directly captured the equivalent of 8.5 million tonnes of carbon dioxide from landfill gases in 2005–06.

Conergy AG

Conergy AG is a solar energy company headquartered in Hamburg, Germany. The company's 800 employees manufacture products under two broad headings: photovoltaics, including solar panels, mounting systems and power inverters; and solar thermal, including flat plate collectors, pump assemblies and storage tanks. Conergy covers all main stages of the solar value chain to provide products to solar wholesalers, installers, owners of commercial or residential roofs, and investors in solar funds. The company aim is to offer every energy consumer worldwide the most suitable technologies in those markets where renewable energy is an attractive option.

Ormat Technologies Inc.

Ormat power solutions have combined ecology with economy to produce environmentally sound energy systems since 1965. The company is a multi-disciplinary power technology organisation with over four decades of experience in the design, engineering, construction and operation of renewable power plants. Ormat is the third largest geothermal power producer in the United States. The company has built or supplied equipment for over 800 megawatts of geothermal and recovered energy power generation power plants and delivered over 2500 remote power units.

Vestas Wind Systems AS

Danish company Vestas began wind turbine manufacturing in 1979; it is now the world leader in wind technology and a driving force in the development of the wind power industry. During their 20-year service lives, V90–3.0 Mw offshore wind turbines manufactured by Vestas generate 35 times as much energy as consumed in their life cycle.

Ceramic Fuel Cells Ltd

Fuel cells are one of the most exciting developments in the field of renewable energy, offering the potential to provide energy for applications ranging from transport to base-load electricity generation. Ceramic Fuel Cells' solid oxide fuel cell design is based on research originally conducted by the CSIRO in Australia. The fuel cell can be powered by natural gas as well as by renewable fuels such as ethanol. The only emission for hydrogen-fuelled cells is water vapour but, for cells using more available fuels, some carbon dioxide is still produced. Ceramic Fuel Cells are currently focused on developing domestic power units to generate electricity and heat water while also examining other product options.

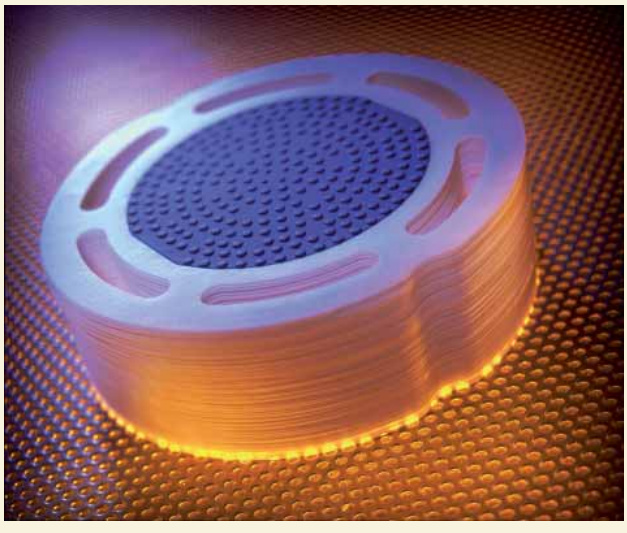


Photo © Ceramic Fuel Cells Ltd



Health care and wellbeing

Charter: (a) the development of workers' participation in the ownership and control of their work organisations and places
(b) the production of high quality and properly presented products and services
(c) the development of locally based ventures
(d) the development of appropriate technological systems
(f) the development of sustainable land use and food production
(h) activities which contribute to human happiness, dignity and education
(i) the dignity and well being of non-human animals

Blackmores Ltd

Blackmores manufactures and markets a variety of vitamins, mineral supplements and natural beauty products. The company has been committed to non-animal testing of its products for twenty years. The use of complementary medicines is growing in Australia, with over 80 per cent of GPs in an AMA survey referring patients for a complementary therapy. As well as maintaining a long-term employee share ownership program, Blackmores provides facilities for staff including a gymnasium and subsidised kitchen.



Photo courtesy Blackmores Ltd

Cochlear Ltd

This company supplies approximately 70 per cent of the world market in cochlear implants for profoundly hearing-impaired people. Almost half of the implant recipients are children. While some in the deaf community reject the cochlear technology, Australian Ethical believes the positive aspects make the technology worthwhile in providing choice to adults and to parents with children having profound hearing impairment.

Sonic Healthcare Ltd

Since listing on the Australian Securities Exchange in 1987, Sonic Healthcare has grown to become one of the world's largest medical diagnostics companies. The company provides pathology and radiology services to medical practitioners, hospitals, community medical services and their patients. Sonic employs over 14 000 people in its operations in Australia, New Zealand, Hong Kong, the United Kingdom, the United States and Germany, and approximately 10 per cent of the company's equity is held by its staff.

Quantum Technology Pty Ltd

Quantum is an Australian company specialising in the development, manufacture and distribution of products that assist people who are blind or who have low vision. Quantum currently exports to 35 countries in addition to providing a comprehensive range of products throughout Australia, particularly for young children and the elderly.



A braille-enthusiast shows how portable Quantum Technology's new pocket brailler Jot a Dot is. Photo courtesy Quantum Technology Pty Ltd.

Whole Foods Market Inc.

Whole Foods Market is now the world's largest retailer of natural and organic foods, with 184 stores in the United States, Canada and the United Kingdom. It was America's first national 'Certified Organic' grocer, demonstrating a commitment to the preservation of the integrity of organic foods from field to shopping cart. The company has taken a pro-active stance on a range of issues including food irradiation, genetic manipulation and the sustainability of seafood.

Tallawarra Valley

This certified biodynamic farm is located west of Esperance, in the south-eastern part of Western Australia. Tallawarra Valley has been certified 'Demeter' by the Biodynamic Research Institute since 2000. The entire property is 2842 acres, of which nearly half, 1100 acres, is remnant vegetation.

Efficient transport

Charter: (b) the production of high quality and properly presented products and services
(c) the development of locally based ventures
(d) the development of appropriate technological systems
(e) the amelioration of wasteful or polluting practices
(l) the development and preservation of appropriate human buildings and landscapes

Accell Group NV

Accell Group's bicycle brands have been sold in Europe for over 100 years. The company's sales are centred on the European market. Accell brands cater to a broad range of consumer needs, including children's bikes, racing and mountain bikes, and bikes designed for use in European cities. The company also generates a small percentage of revenue from the manufacture of fitness and gymnasium equipment.



Photo courtesy Accell Group N.V.

Stagecoach Group Plc

Stagecoach Group is a leading international public transportation group, with extensive operations in the United Kingdom, the United States and Canada. The group, including its London bus operations, employs around 31 000 people and operates bus, coach, rail and tram services. The company operations integrate public transport systems that will form the core of future efforts to reduce pollution levels, alleviate road congestion and improve the quality of life in towns and cities. Stagecoach Group aims to be a market-leading public transport business with long-term growth prospects based on high-quality services and investment in innovation.

MTR Corporation Ltd

The Mass Transit Railway Corporation was established as a government body in 1975 to operate Hong Kong's commuter railway system. The company was privatised in 2000 as MTR Corporation Ltd, and continues to focus on the provision of public transport. The company is also involved in the development of residential and commercial property projects associated with existing and new rail lines.



Stagecoach services help boost social inclusion in both urban and more rural areas. Photo courtesy Stagecoach Group Plc.



Waste management

Charter: (c) the development of locally based ventures
(d) the development of appropriate technological systems
(e) the amelioration of wasteful or polluting practices
(j) the efficient use of human waste

Mornington Park Development Pty Ltd

The Mornington Park Project is an innovative approach to waste management that minimises the amount of waste transferred to landfill. As a nationwide model it has potential to redesign society's attitude toward waste management and disposal. The resource recovery unit sorts out and recovers large amounts of recyclable waste for reuse and sale where possible. It also undertakes an active role in the education of future waste managers by housing an on-site education facility.

Asahi Pretec Corporation

Asahi Pretec is a Japanese company involved in the recycling, manufacture and sale of precious metals. The company extracts precious metals from a range of waste streams including dental materials, photosensitised materials, electronic materials and jewellery industry waste. In addition, the company has a specialised waste treatment business that handles a wide range of industrial wastes including acids, sludge, oils, plastics, inks, photographic waste, chemical reagents and other persistent organic pollutants.



Artists impression of the Mornington Park Project, courtesy Mornington Park Development Pty Ltd

Sims Group Ltd

The Sims Group is the world's leading metals recycling company, with operations throughout the world. Ancillary activities include secondary metals and plastic reprocessing, and interests in renewable energy. The company has also expanded into the recycling of electronics waste in Europe, the United States and Australia, including the identification of products and components that can be reused, as well as the extraction of raw materials from the remaining waste. Metal recycling can result in significant pollution, however, and Australian Ethical continues to monitor the activities of this company.

TOMRA Systems ASA

TOMRA is a Norwegian manufacturer of 'reverse vending machines' (RVMs) that collect beverage containers for recycling purposes and dispense an appropriate refund. In addition to reducing costs and increasing efficiencies for retailers and the recycling industry, TOMRA also helps to 'close the loop' in the life cycle of more than 25 billion beverage containers used each year worldwide.



Photo courtesy Sims Group Ltd

Wealth

Charter: (a) the development of workers' participation in the ownership and control of their work organisations and places
(c) the development of locally based ventures
(k) the alleviation of poverty in all its forms

Banks from the second tier (Adelaide Bank Ltd, Bank of Queensland Ltd, Bendigo Bank Ltd and St George Ltd)

These banks were chosen for the high proportion of their loans portfolio in home loans, and for community banking initiatives.

Impax Group Plc

Impax Group Plc is an investment management and financial advisory company quoted on the Alternative Investment Market of the London Stock Exchange. The group provides financial services within the environmental markets sector, particularly alternative energy, waste management and water treatment. Impax has two subsidiaries, Impax Asset Management Limited and Impax Capital Limited. Impax Asset Management Limited provides fund management and advisory services to investors and has expertise in managing portfolios of listed stocks and private equity in the environmental markets sector. Impax Capital Limited provides comprehensive corporate finance services for the renewable energy and environmental sectors.

Insurance Australia Group Ltd

Insurance Australia Group Limited (IAG) is Australasia's leading general insurance group. It owns some of the region's most respected insurance brands including NRMA Insurance, SGIO, SGIC, CGU and Swann Insurance in Australia, and State Insurance, Circle and NZI in New Zealand. IAG has publicly recognised the link between its insurance business and environmental issues such as climate change. The company has a number of initiatives in place to address its own energy efficiency, water usage, waste management, greenhouse gas emissions and product design. In 2002, the company published a groundbreaking research paper linking climate change to insurance risk.

SLM Corporation

Sallie Mae was established in 1972 as a US government–sponsored entity chartered to provide federally guaranteed loans to assist university students. The company commenced a privatisation process in 1997, and this process was completed in 2004 – the company now trades under the name SLM Corporation. Despite the change to its ownership, Sallie Mae continues to offer a broad range of financial services focused on the provision of federally guaranteed and private loans to tertiary students. The company manages a portfolio of student loans totalling in excess of US$100 billion.

Maleny and District Credit Union Ltd

Maleny is a locally based credit union circulating money within its part of Queensland for the benefit of the community. It has a policy of supporting loans for socially and environmentally responsible purposes, and it donates a percentage of profits to community funds.



Photo courtesy Maleny and District Credit Union Ltd



Knowledge

Charter: (b) the production of high quality and properly presented product and services
(h) activities which contribute to human happiness, dignity and education

Independent education

Bowral Steiner School, Little Yarra Steiner School, Lorien Novalis Steiner School, Mumbulla Steiner School and Steiner Education Foundation

Located in NSW and Victoria, these schools meet the intellectual, artistic and physical needs of children through reason, imagination and environmental awareness. Australian Ethical loans along with government capital grants have helped finance school expansion, classroom fit-outs, libraries and administrative centres.

Fairfax Media Ltd

Fairfax is a leading Australian publishing group, with its mastheads including *The Sydney Morning Herald, The Age* and the *Australian Financial Review*, along with a range of business and consumer magazines. The company's *Corporate Values* identify a commitment to truth, accuracy, integrity, fairness and balance in journalism. Fairfax's new headquarters at Tullamarine have been designed to be 'zero impact', with advanced wastewater treatment facilities and natural lighting.

Scholastic Corporation

Scholastic Corporation is a global children's publishing and media company and the world's largest publisher and distributor of children's books. It produces quality educational and entertainment materials and products for use in school and at home, including children's books, textbooks, magazines, technology-based products, teacher materials, television programming, film, videos and toys. Recognising that literacy is the cornerstone of a child's intellectual, personal and cultural growth, Scholastic's corporate mission, supported through all divisions of the company, is to instil the love of reading and learning for lifelong pleasure in all children

Benesse Corporation

Benesse Corporation has been involved in the education sector in Japan since 1955. Originally a publisher of schoolbooks, the company has broadened its focus to provide products and services in the fields of education, language, living and lifestyles and nursing care. In addition to providing educational services to students from pre-school through to university, Benesse offers information services relating to pregnancy and childcare, administers Berlitz language training programs in Japan and operates nursing homes.

Investment strategies

Investment, risk and reward

Risk versus return



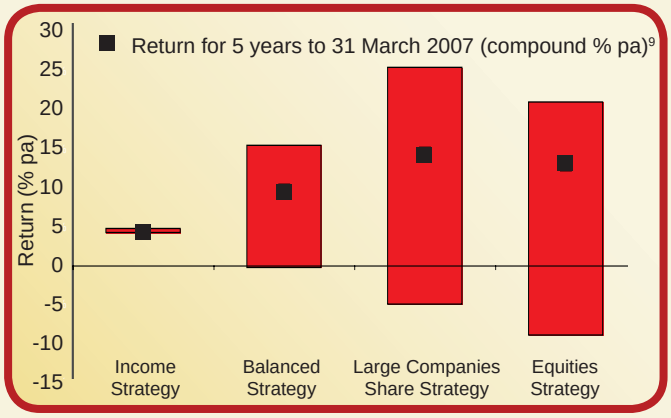
Investors should be particularly aware of the varying risk/return characteristics of the different strategies which are represented in the accompanying diagram.

The Australian Ethical Superannuation strategies (for both accumulation and pension accounts) offer differing reward and risk profiles to investors ranging from the most conservative, capital stable approach of the Income Strategy through to the growth oriented Large Companies Share, Equities and World Strategies.

The presentation of risk in the graph is based on the historical volatility of the current trusts and back-testing (simulations) of the working version of the proposed underlying World Trust portfolio as at end March 2007.

Variability in annual return (% per annum)

The following graph shows the past volatility (variation) of each superannuation accumulation strategy over the five-year period to 31 March 2007. The graph shows the range of annual returns – the top of the bar shows highest return over a 12 month period (1 April to 31 March) with the lowest return being the bottom of the bar. The black squares in the graph show the compound annual return over the last five years. The wide range of returns experienced over the period for the two equities strategies (the Australian Ethical Equities Strategy and the Australian Ethical Large Companies Share Strategy) illustrates the generally greater risk associated with growth assets than interest-bearing securities. The Australian Ethical Balanced Strategy, which comprises a mix of asset types, is, not surprisingly, between the Australian Ethical Income Strategy and the two equities strategies in terms of past volatility.



The Australian Ethical World Strategy is not represented in the above diagram. It is a new strategy launched in July 2007 and had no investment history at the time this document was prepared.

All investments are subject to varying risks and their value can go down as well as up. Changes in value can be significant and they can happen quickly.

A cardinal rule of investing is that the more secure an investment is perceived to be at its outset, the less is the expected return.

Investing in a portfolio which spreads its risks across different securities or different types of assets (often called diversification) is a common way to reduce risk.

Choosing the appropriate strategy for your superannuation

As the default option, the conservatively structured Balanced Strategy (see page 18) represents a middle road in terms of risk and reward.

The Income Strategy is strongly conservative, aiming to minimise the risk of any capital loss. Typically, the Income Strategy would not be a suitable strategy for the entire superannuation savings of a person many years away from retirement.

For those with a longer term investment horizon (for example, people many years away from retirement) the Large Companies Share, Equities and World Strategies may offer a desirable choice.

Even for those nearing (or in) retirement it may be prudent to incorporate a proportion of growth assets in order to maintain purchasing power and keep pace with inflation because even in retirement your superannuation may need to last 20 years or more. There are some growth assets in the Balanced Strategy and more in the Large Companies Share, Equities and World strategies.

You should consider your own circumstances if you intend to concentrate your entire superannuation savings into higher risk strategies like the World Strategy. Investing in higher risk strategies only would not normally be a suitable approach for a person who will soon need to access their superannuation savings.

We would suggest that in formulating your superannuation investment options, you seek professional financial advice from a licenced financial advisor.

Strategy performance and size

Past performance

Important

Past performance is not a reliable indicator of future performance. Short-term returns change constantly. Asset allocation and longer term performance figures change from time to time.

The long-term performance of your investment strategy is very important for your pension or lump-sum payment when you retire.

Updated information

Portfolio lists of the investment trusts underlying the superannuation strategies and strategy performance figures change over time. Where not materially adverse, updated information may be obtained from the Australian Ethical website or by contacting us for a free copy. A financial adviser may also be able to provide you with useful information and explanations if you do not understand the way in which performance issues apply to our products. If information in this Short Form PDS changes and those changes would be materially adverse to investors, then we will issue a new Short Form PDS or a Supplementary Product Disclosure Statement.

[9]Returns are after tax and net of ongoing management fees. Returns have been annualised (that is, compound percentage per annum). Past performance is not a reliable indicator of future performance.



	Australian Ethical Balanced Strategy	Australian Ethical Equities Strategy
Objective	To provide investors with a diversified portfolio of investments which meet the Australian Ethical Charter, offering a balance between capital growth and a moderate level of income.	To provide long-term growth through investment in Australian and overseas companies which meet the Australian Ethical Charter.

Performance

Total returns to 31 March 2007	Accumulation and rollover	Income stream/ pension	Benchmark[1,2]	Accumulation and rollover	Income stream/ pension	Benchmark[3]
Strategy size ($m)	103.8	11.1		74.4	3.6	
1 year (%)	8.0	8.8	9.0	20.0	22.2	24.1
3 years (%) pa	11.6	12.9	12.7	20.1	21.9	25.4
5 years (%) pa	9.5	10.6	8.6	13.1	14.4	17.5
Since inception (%) pa	9.3	10.2	9.3	13.0	13.5	11.6
Inception date	Dec 1998	May 1999		Dec 1998	June 1999	

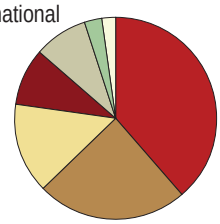
Total returns take into account ongoing management fees and fund expenses, except that the annual member fee of $41

Example asset allocation as at 31 March 2007

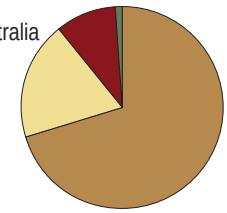
Legend:

- Listed equities – Australia and NZ
- Listed equities – International
- Interest-bearing investments
- Interest-bearing loans
- Cash
- Property
- Units in Australian Ethical Income Trust
- Unlisted equity – Australia

39% interest-bearing investments
24% listed equities – Australia and New Zealand
14% listed equities – International
9% cash
9% property
3% units in Australian Ethical Income trust
2% interest-bearing loans



70% listed equities – Australia and New Zealand
19% listed equities – International
10% cash
1% unlisted equity – Australia



Investment ranges

Investment ranges	Minimum %[6]	Maximum %[6]	Minimum %[6]	Maximum %[6]
Interest bearing – total	40	60		
Cash	0.5	6	3	15
Interest-bearing securities[7]	25	60		
Secured private loans	0	12.5		
Units in Australian Ethical Income Trust	0	10		
Capital growth assets – total	40	60		
Listed equities – Australia and New Zealand[8]	30	60	55	97
Listed equities – international	0	20	0	30
Other[9,10]	0	1	0	7
Units in Australian Ethical Equities Trust	0	7.5		
Property[11] – Australian	0	15		

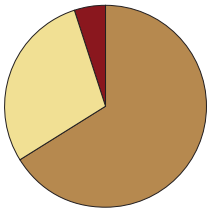
[1]The benchmark for the Australian Ethical Balanced Strategy is the Morningstar Peer Group Retail Investment Trusts Multisector Balanced Market Index. [2]© 2007 Morningstar Research Pty Ltd. All rights reserved. To the extent that the above constitutes general advice by Morningstar, this advice has been prepared by Morningstar Research Pty Ltd ABN: 83 062 096 342, AFSL: 243 161 and does not take account of your objectives, financial situation or needs. Before acting on any advice, you should consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. Please refer to Morningstar's Financial Service Guide (FSG) for more information at www.morningstar.com.au/fsg.asp and consider the product disclosure statement before making a decision to acquire the financial product. [3]The benchmark used here for the Australian Ethical Equities Strategy is the S&P ASX Small Industrials index. Investors should note that the use of this benchmark for the underlying Equities Trusts does not mean that the structure of that trust is the same as the structure of the benchmark used. There is likely to be a high tracking error between the returns of the underlying trust and the benchmark. [4]The benchmark used here for the Australian Ethical Large Companies Share Trust is the S&P/ ASX 200 Industrials Index. Investors should note that the use of this benchmark for the

Australian Ethical Large Companies Share Strategy

To provide long-term growth through investment in larger listed companies on the Australian Securities Exchange and overseas listed companies which meet the Australian Ethical Charter.

Accumulation and rollover	Income stream/ pension	Benchmark[4]
55.1	3.4	
13.9	15.4	24.6
19.8	21.3	23.6
14.3	15.5	15.0
14.2	13.3	12.5
Dec 1998	July 1999	

66% listed equities – Australia and New Zealand
29% listed equities – International
5% cash



Minimum %[6]	Maximum %[6]
0.5	10
59.5	99.5
0	40

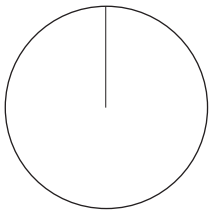
Australian Ethical World Strategy

To provide long-term growth through investment in overseas companies which meet the Australian Ethical Charter.

The strategy was launched in July 2007; no performance data were available at the time this document was prepared.

The benchmark for the Australian Ethical World Strategy is the World MSCI measured in AUD (unhedged).

For details on the management and planned portfolio for the World Strategy please see page 20.



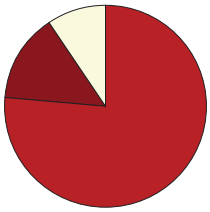
Minimum %[6]	Maximum %[6]
1	10
90	99

Australian Ethical Income Strategy

To generate a competitive income stream while minimising the risk of capital loss and supporting the Australian Ethical Charter.

Accumulation and rollover	Income stream/ pension	Benchmark[5]
10.3	<1	
4.4	5.1	3.8
4.3	4.9	3.9
4.4	5.3	4.0
3.9	5.1	4.3
Dec 1998	July 1999	

77% interest-bearing investments
14% cash
9% interest-bearing loans



Minimum %[6]	Maximum %[6]
3	10
40	97
0	50

is not included. Total returns are calculated taking into account taxation on fund earnings and capital gains. Returns have been annualised (that is on a per annum compound basis).

underlying Large Companies Share Trust does not mean that the structure of the trust is the same as the structure of the benchmark used. There is likely to be a high tracking error between the returns of the underlying trust and the benchmark. The appropriate comparison period is three years or longer. [5]The benchmark for the Australian Ethical Income Strategy is the consumer price index plus 2%, adjusted for tax on fund earnings (nominal rate 15%). [6]Based on the investment ranges for the trusts, through which the bulk of the corresponding strategy's funds are currently invested (note that the effective allocation to cash for each strategy is generally greater than that of the trust). [7]A minimum of 60% of this asset class shall be investment grade; securities have been classified as investment grade where the rating assigned by S&P Bank Ratings Guide, July 2003, is BBB or higher (Income Strategy). [8]Includes listed property trusts (Large Companies Share Strategy). [9]One unlisted equity investment (Balanced Strategy). [10]Includes shares in unlisted companies and the unlisted securities of listed companies (Equities Strategy). [11]Includes both direct property and investments in property trusts (Balanced Strategy).



Our newest strategy: the Australian Ethical World Strategy

Management:

The World Strategy will invest in units in the Australian Ethical World Trust which will in turn invest in units in the wholesale Australian Ethical International Equities Trust. The Australian Ethical International Equities Trust will make the actual international investments.

Currency risk for investors in the Australian Ethical World Trust will be managed using a similar partial hedging approach to that which Australian Ethical has been using to manage currency risk in the Australian Ethical Balanced Trust, Australian Ethical Equities Trust and Australian Ethical Large Companies Share Trust since 2003.

The inclusion of companies from around the world in the underlying trust enables investment in a wide range of socially and environmentally attractive activities which are not available for investment on the Australian Securities Exchange, while also enabling construction of a portfolio which is diversified both in terms of sectors and country risk.

Companies in the underlying trust will be researched via access to international databases, research from our international brokers, subscription to databases of international broker research, networks, webcasts and published information, and regular visits by Australian Ethical analysts.

Indicative portfolio:

As an indication, as at end March 2007, the planned portfolio of international equities included the following (note that this is indicative only and the composition of the trust may change substantially over time – updated information about the portfolio will be provided on our website from time to time):

- two bicycle companies (Japan, Holland)
- six public transport companies (UK, US, Hong Kong, Singapore)
- five clean energy companies (Denmark, Germany, US)
- three utilities – geothermal, hydro, wind, natural gas and transmission networks (New Zealand, Italy)
- two hearing aid manufacturers (Switzerland, Denmark)
- two natural/ organic food companies (US).

Other possible stocks include:

- a Japanese education company
- a US furniture manufacturer (major recycled components)
- a US ‘small footprint’ carpet manufacturer
- three European retail banks
- a Japanese precious metals recycler
- a Danish healthcare company
- a British socially responsible fund manager
- a Singapore water company
- US companies in water/ gas/ electricity metering, rail freight, efficient electric motors, and computer software
- a Norwegian recycling company
- two European insurance companies
- one US and one French optical glass manufacturer.

The expected portfolio will initially cover around 40 stocks across 14 countries. Broadly, the geographic break-up by major regions for the expected portfolio is 30% North America; 50% Europe; 15% Asia. Asia will be the region targeted for the most growth.

















Your super:

- Your superannuation account
- Fees and other costs
- Insurance options
- How to invest or roll over
- Forms
- Key words explained
- Helpful contacts

Photos © Philip Sloane



Your superannuation account

Your account

The trustee maintains a separate account for each member. The account records contributions and rollovers, payments made and any other transactions. It also records which strategy or strategies you have selected and the current value of your investment in each selected strategy. You can find out about your personal account details on the Australian Ethical website using a password or by contacting us.

What sort of accounts are there and who can contribute?

There are two sorts of accounts:

- accumulation and rollover – this account gathers and builds your savings. Benefits are usually paid out in a lump sum or transferred to a pension account on retirement.
- account based income stream (allocated pension) – this account allows you to draw on your savings in regular payments during retirement (or in some circumstances, pre-retirement – see *Pre-retirement pensions* in the Product Disclosure Statement).

Once we have established an account, we place your investment in the strategy or strategies you have chosen. If you do not choose a strategy, your investment is placed into the Balanced Strategy.

Accumulation and rollover

Contributions into superannuation are of two types:

- concessional contributions (previously referred to as deductible or taxable contributions). These contributions are typically made on your behalf by your employer. They include the superannuation guarantee and award superannuation payments, and superannuation salary sacrifice arrangements

and

- non-concessional contributions (previously referred to as undeducted or after-tax contributions). These are typically personal after-tax contributions but also include after-tax contributions made by your spouse.

Australian Ethical accumulation and rollover accounts accept concessional and non-concessional contributions and transfers from other funds. The Fund also accepts government co-contributions.

There are various rules that determine the eligibility of people to make contributions. See *Accumulation and rollover* in the Product Disclosure Statement for more detail.

Timing and types of contribution payments

We accept contributions on an irregular or regular basis. Payment can be by cheque, electronically or direct debit from a bank or credit union account. We do not accept postal orders, money orders or credit card payments.

The trust deed which governs the Fund permits the trustee to reject any contribution with or without a reason.

Account based income stream (allocated pensions)

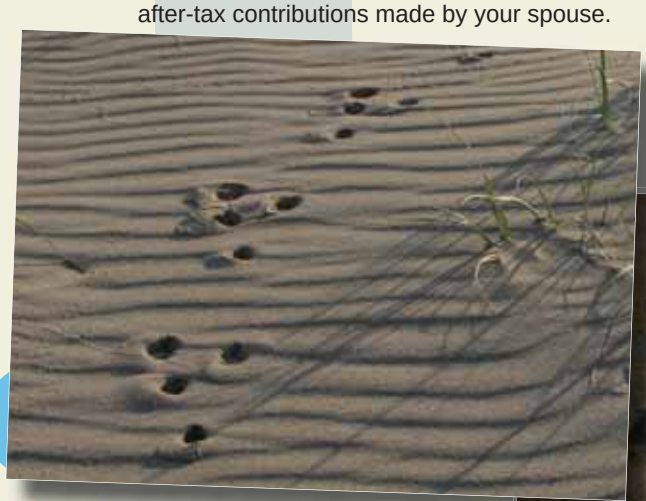
Our Fund's account based income stream offers you a regular, tax-effective income stream.

An account based income stream (post retirement) can be purchased with unrestricted non preserved superannuation benefits held with the Fund or with another superannuation fund. An account based income stream also gives you the option to make lump sum withdrawals at any time (subject to attaining a condition of release – see *Account based income stream* in the Product Disclosure Statement).

You can elect to automatically index your payment amount to the consumer price index (CPI) or another discretionary fixed percentage each year provided that you meet the minimum payment requirements set by the Australian Government.

It is important that you understand that this product may not provide an income stream for the rest of your life. Payments will cease when your account balance is reduced to nil.

On the death of a person receiving an account based income stream the remaining balance in the account is paid to the person's dependents or to the estate of the person. There is more information on the payment of death benefits and the taxation of death benefits in the section *What about taxation?* in the Product Disclosure Statement.







Establishment

To start an account based income stream you must:

- be entitled to have your superannuation account paid out to you. This usually means you will either have reached 55 and retired, or have reached 65. The amount that can be paid out to you will be described on your superannuation statement as 'unrestricted non-preserved'
- have a minimum amount of $30 000 (there is no maximum); and
- complete the *Pension application for membership* form (Form B) in this Short Form PDS.

For details about taxation arrangements when payments from an account based income stream are made to you, see *What about taxation?* in the Product Disclosure Statement.

Cooling off

If you make an investment with us and you change your mind, you must tell us in writing. You have 14 days to do so, starting on the earlier of:

- the day on which we send you confirmation that you are invested
- the end of the fifth day after the day on which we issue interests or units to you.

If you exercise your right to cool off, note that preserved and restricted non-preserved amounts will be rolled over to another fund – they will not be paid directly to you.

The amount rolled over or repaid will be adjusted to take into account the increase or decrease in the value of the investment at the date we receive notification from you, as well as any transaction costs and/ or reasonable administrative fees. The contribution fee will be refunded.

The cooling off period does not apply to:

- a wholesale investor as defined by the *Corporations Act 2001*
- an investor who has previously exercised rights as a member of the Fund
- switches between investment strategies.

When can you draw from your superannuation strategy?

Superannuation is a long-term investment for your retirement. The Australian Government has placed restrictions on when you can get access to most of your superannuation savings.

These restricted superannuation savings are called *preserved benefits,* and the age at which you can gain access to them is called the *preservation age.* At present, your preserved superannuation benefits can be paid out only in the following circumstances:

- when you reach age 65
- when you cease employment on or after age 60
- if you retire on or after your preservation age, as set out in the following table

Preservation ages	
Born before 1/7/1960	55
Born between 1/7/1960 and 30/6/1961	56
Born between 1/7/1961 and 30//6/1962	57
Born between 1/7/1962 and 30/6/1963	58
Born between 1/7/1963 and 30/6/1964	59
Born after 1/7/1964	60

- if you become permanently unable to work
- if you die, your superannuation will be paid to either your dependants or your legal personal representative
- if you suffer severe financial hardship or are eligible on specified grounds which are subject to government rules and the discretion of the trustee – in such cases, only some of your superannuation savings may be withdrawn
- if you are a foreign national who has permanently left Australia (in this situation, tax rates different from those outlined in this document may apply) or
- where the Trustee receives a request from you to pay tax on excess concessional contributions.

You may be able to cash out some of your superannuation savings earlier. For example, when you change jobs you may be able to take out your own after-tax contributions paid into the Fund prior to 1 July 1999.

Payment of benefits, withdrawals and switches

A part of each investment strategy is held in cash which allows the trustee, in normal circumstances, to process and pay a withdrawal or transfer request within 10 business days. If the trustee considers the transaction will reduce the cash holding of the strategy to an unacceptable level, assets will be redeemed to meet the request. The trustee will generally make payment within 10 business days of receiving cleared funds from the relevant Australian Ethical investment trust. The Australian Ethical Balanced, Equities, Large Companies Share



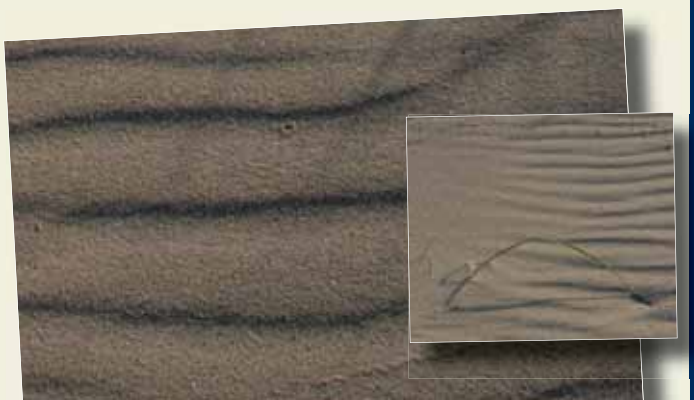


Photo © Philip Sloane



Your superannuation account continued

and World trusts, provided they are liquid, are required to meet redemption requests within 21 days (in normal circumstances); however, the trusts may delay payment for another 14 days. The Australian Ethical Income Trust, provided it is liquid, is required to meet a redemption request for up to 60 per cent of the units held within 21 days, with the balance paid within 60 days. In the past, this process has usually taken about seven days.

A request to switch from one strategy to another (or others) is treated by the trustee as a withdrawal from the strategy and an investment (but with lower fees, as outlined on page 25). The trustee will not carry out the switch until cleared funds are received from the relevant investment trust.

All payments out of the Fund are made by electronic funds transfer.

Keeping your investment secure

To make sure that your investment is secure you need to:

- make sure your details are up to date (You should advise us in writing of any changes, including a change of name and address)
- keep us informed of any changes to your adviser details
- ensure your member number and website access password are secure.

When you invest with us, you will be given a member number which will appear on all our correspondence with you. We will assume you have authorised the release of the information you have given us, or details regarding your investment, to any person who quotes your member number. Do not give your member number to anyone unless you wish them to be able to obtain this information. If you wish to prevent someone to whom you have provided your member number from continuing to access your investment details (such as a previous adviser) you must notify us.

Further information

You can find more information about the following topics in *Your superannuation account* in the Product Disclosure Statement:

- Account values
- Receiving your account based income stream
- Co-contributions
- Consolidating your superannuation
- Superannuation Choice
- Contribution splitting
- Pre-retirement pensions
- Fund valuation
- Enquiries and complaints
- Keeping you informed

Important:

If you do not provide a tax file number to us there may be significant taxation implications – please see *Tax file numbers* in the Product Disclosure Statement.

Fees and other costs

Did you know?

Small differences in both investment performance and fees and costs can have a substantial impact on your long-term returns.

For example, total annual fees and costs of 2% of your fund balance rather than 1% could reduce your final return by up to 20% over a 30-year period (for example, reduce it from $100 000 to $80 000).

You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs.

You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the fund or your financial adviser.

To find out more

If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (**www.fido.asic.gov.au**) has a superannuation calculator to help you check out different fee options.

Australian government regulations require the inclusion of the previous consumer warning. The information in the box is standardised across all product issuers and does not provide any specific information on the fees and costs applicable to the superannuation product offered under the Short Form PDS. You should refer to the information that follows the consumer warning for the specific fees and costs applicable to the superannuation product offered under the Short Form PDS.

This section shows fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund's assets as a whole.

Taxes and insurance costs are set out on page 28 of this document, with further information in the Product Disclosure Statement.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

This section is divided into three parts:

- *Fees and costs* – a list of the main fees that can be payable on superannuation investments (Table 1)
- *Additional explanation of fees and costs* – an additional explanation of management costs and other fees and costs (Tables 2 and 3)
- *Example of annual fees and costs for a balanced investment option* – an example of annual fees and costs for the Balanced Strategy (Table 4).

Fees and costs

Table 1: Fees and costs*

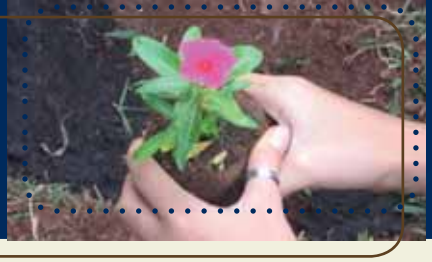
Fees when your money moves in or out of the Fund

Type of fee or cost	Amount	How and when paid
Establishment fee The fee to open your investment	Nil	
Contribution fee[1] The fee on each amount contributed to your investment – either by you or your employer	4.1% for contributions to the Balanced, Equities, Large Companies Share and World strategies. For example, if you invest $5000 into the Balanced Strategy, the contribution fee (at 4.1/%) will be $205. 0.5125% for contributions to the Income Strategy For example, if you invest $5000 into the Income Strategy, the contribution fee will be $26.	Charged against the member's contribution. This fee is discounted for contributions in excess of $6000 made directly to us with the Balanced, Equities, Large Companies Share and World strategies. See *Discounted fees and Negotiable fees* in Table 2 below. This fee may also be negotiable down to 0.5125% if you retain a licensed financial adviser. See *Adviser commissions and rebates* in Table 2 below.
Withdrawal fee The fee on each amount you take out of your investment	$51.25 for any one-off withdrawal. This fee does not apply to regular income stream payments. This fee may be indexed to inflation on 1 July each year.	Deducted from a member's account balance at time of withdrawal
Termination fee The fee to close your investment	Nil	

Service fees[2]

Type of fee or cost	Amount	How and when paid
Investment switching fee The fee for changing investment options	3.1% when switching from the Income Strategy to another strategy; otherwise, nil. For example, if you switched $5000 from the Income Stategy to the Balanced Strategy, the investment switching fee would be $154.	Charged to member's account at the time of the switch

**Percentages expressed to one or two decimal places in the table may have been rounded. For ease of reading, some monetary amounts are expressed to the nearest dollar.*



Fees and other costs continued

Management costs

The fees and costs for managing your investment

Type of fee or cost	Amount	How and when paid
Member fee[3] Plus	$41 per annum	Member fees are deducted from member account balances in two equal instalments in December and June.
Administration and investment management fee[4] Plus	Balanced, Equities, Large Companies Share and World strategies 1.9% per annum For example, if you maintained a $50 000 investment in the Balanced Strategy for a year, your administration and investment management fee would be $948 for that year. Income Strategy – 1.13% per annum For example, if you maintained a $50 000 investment in the Income Strategy for a year, your administration and investment management fee would be $564 for the year.	Your investment is valued at least weekly and these fees are taken into account at that time through deduction from the Fund's assets.
Expense recoveries[5] Plus	The trustee estimates that expense recoveries will be 0.1% per annum. For example, if you maintained a $50 000 investment in the Fund, expense recoveries by the trustee referable to your investment are estimated to be $50 for the year.	This is an estimate of the out-of-pocket expenses the trustee intends to recover from the Fund based on the quantum of those expenses for the year ended 30 June 2006. The amount will change from year to year. Your investment is valued at least weekly and these expenses are taken into account at that time.
Indirect expenses[6]	0.15% per annum (Balanced Strategy) – for example, $75 per annum for a $50 000 investment 0.15% per annum (Equities Strategy) – for example, $75 per annum for a $50 000 investment 0.16% per annum (Large Companies Share Strategy) – for example, $80 per annum for a $50 000 investment The World Strategy has no history of expense recoveries; however, it is anticipated that expense recoveries will be similar to those for the Large Companies Share Strategy. 0.36% per annum (Income Strategy) – for example, $180 per annum for a $50 000 investment	These are estimates based on actual indirect expenses for the year ended 30 June 2006. The amounts will change from year to year. Your investment is valued at least weekly and these expenses are taken into account at that time.

Notes to Table 1

[1]Contribution fees are not charged on super co-contributions made by the Australian Government. Contribution fees are not charged on amounts re-invested under contribution-splitting arrangements; such investments are treated in the same way as investment switches (see Investment switching fee*).*

[2]Other service fees are described in Additional explanation of fees and costs *below.*

[3]This is a member account-keeping fee charged to each member.

[4]This is the fee to cover the general administration of the Fund and for managing the Fund's investments. We charge one fee for performing both these functions and it is not possible for us to separate them. See also Indirect expenses, *above.*

[5]The expense recovery estimate is based on an assumption that the trustee will recover from the Fund amounts paid by the trustee for regulatory levies and charges, Fund auditing fees and Fund accounting fees.

[6]Members bear the expenses of the underlying Australian Ethical trust because these expenses are incorporated in the valuation of the trust. The indirect cost estimates shown are based on these expenses. Note, however, that no further contribution fee or administration and investment management fee will be borne by the Fund when monies from a strategy are invested in an Australian Ethical investment trust.

Additional explanation of fees and costs

Table 2: Important additional disclosure items*

Trailing commission/ adviser service fee

This is the fee charged by your adviser for advice about your investment(s) in the Fund.

Amount

Up to 1.1% per annum of your account balance as negotiated between you and your adviser. On a $50 000 investment, at 1.1% per annum, this would amount to $550 for the year.

How and when paid

Deducted monthly from your account balance and paid to your adviser quarterly in arrears. See further *What is paid to your adviser?* in the text below Table 2.

Adviser commissions and rebates

Amount

Up to 3.5% (exclusive of GST) of your contributions to the Balanced, Equities, Large Companies Share and World strategies.

This is not an additional fee, but is included in the contribution fee referred to in Table 1 above. See examples provided in *What is paid to your adviser?* below.

Commissions and rebates do not apply to the Income Strategy.

How and when paid

If you have an adviser, they may rebate all or part of this fee for the Balanced, Equities, Large Companies Share and World strategies. See further *What is paid to your adviser?* in the text below Table 2.

Family law fees

We may charge reasonable fees for our costs when providing family law–related services such as payment flagging, payment splitting and information applications.

Amount

Under normal circumstances, an administration fee of $110 will apply. However, the amount of fees payable will vary depending on the degree of involvement required by the trustee to administer the service. Applicants and members should also be aware that any legal or court costs incurred by the trustee in relation to a member account may also be payable.

How and when paid

A fee of $110 is payable upon initial request for family law–related services and a cheque made out in accordance with the trustee's instructions must be provided with the request. Payment procedures for ongoing matters will vary according to the services requested.

Issuer fee

This is the fee for the product issuer's services in overseeing the Fund's operations and/ or for providing access to the Fund's investment options.

Amount

Nil

Member protected benefits

If your account balance falls below $1000, special fee provisions may apply which will limit the fees which can be charged to your account. Note these provisions will not apply to taxation or insurance charges and premiums.

**Percentages expressed to one or two decimal places in the table may have been rounded. For ease of reading some monetary amounts are expressed to the nearest dollar.*



Discounted fees: Large contributions

Discounted fees apply to contributions made directly with us to the Balanced, Equities, Large Companies Share and World strategies. They do not apply to investments made through third parties such as advisers.

Amount

For single investments between $6000 and $25 999 a 3.1% contribution fee applies. For example, on a $6000 investment, the contribution fee would be $185.

For single investments of $26 000 to $199 999, a 2.05% contribution fee applies.

For single investments of $200 000 and over, a 0.5125% contribution fee applies.

Rollovers (transfers from another fund) of $1000 and above: 3.1%. For example, on a rollover of $1000, the contribution fee would be $31.

How and when paid

Discounts apply at the time a contribution is made. Contributions via multiple cheques must be paid into the Fund on the same day for discounts to apply. Please contact us to discuss whether a discounted fee is available to you.

Discounted fees: Staff

We provide contribution fee discounts to our staff or staff of related parties and may offer them to like-minded organisations.

Amount

0 to 0.5125% contribution fee applies.

How and when paid

Discounts apply at the time a contribution is made.

Incidental fees

Special fees for services are allowed by the trust deed.

Amount

Nil at present – we do not currently charge any special fees.

Negotiable fees: Other

Discounted fees may be offered based on other criteria – for example, total value of holdings, total period of time a person has been a member or cost of servicing a member.

Amount

This would be determined by the trustee when deciding how and to whom the discount would be offered.

How and when paid

Discounts apply at the time a contribution is made.

Transaction costs

These are taxes, duties and other costs such as brokerage and other fees related to buying and selling assets in the Fund. When you invest, switch or withdraw all or part of your investment, we may use what is called a buy–sell spread to recover transaction costs from you so that the remaining investors in the Fund are not paying the costs of your transaction.

Amount

It has never been necessary to levy a buy–sell spread and we cannot predict what the amount might be as it would be an *estimate* of the actual costs the Fund is bearing on transactions if required. The amount would typically be less than 1% of the value of the transaction or less than $1 in every $100.

How and when paid

This would be an additional cost were we ever to charge it. It would be paid in the unusual circumstance where a transaction resulted in costs to other members of the Fund.

Taxes

Please see *What about Taxation?* in the Product Disclosure Statement.

Insurance charges and premiums

Please see *Insurance charges* on the opposite page.



GST

Goods and services tax (GST) is not payable on the issue, withdrawal or transfer of units in the Fund, as these are input-taxed financial supplies for GST purposes.

When fees and costs are shown in this section (unless otherwise stated) the net cost of GST is included. If the GST rate or arrangements change, the total amount you pay may change even though fees due to us are not increased.

Changes to fees

All fees are subject to change. Reasons might include changing economic conditions or changes in regulation.

Our current fees are lower than the maximum allowed in the trust deed. The trust deed sets out the maximum amounts that we may charge.

Under the trust deed, recovery of a wider range of expenses than covered in the table above is allowed, and the trustee may also levy special fees for any additional services it may provide.

The trustee has the right to change fees without your consent, and some fees may be indexed. We would always give you at least 30 days' notice of any proposed increases to our fees, to allow you enough time to reconsider your investment.

Insurance charges (death; death & total and permanent disablement; income protection)

If you have insurance through the Fund, then insurance premiums will be deducted in advance in July of each year. If you leave the Fund or if your insurance is cancelled during the year, your account will receive a refund of the unused premium. Fifteen per cent of insurance premiums will be paid as commission. For further information, see *Insurance options* on page 31.

What is paid to your adviser?

If an investment is made through a licensed financial adviser, much of the contribution fee may be paid to them as commission. An adviser can rebate to investors a significant proportion of the contribution fee. However, neither the annual service fee, the administration and management fee nor the trustee portion of the contribution fee can be reduced through the rebate of commissions. If you wish to negotiate adviser payments or rebates, talk to your adviser.

We administer three types of commission to advisers:

1. Up-front commission – Up to a maximum of 3.5% (exclusive of GST) of your contribution for all strategies except for the Income Strategy (there is no commission payable where a member invests in the Income Strategy). The up-front commission is negotiable between you and your adviser, who may be prepared to waive or accept a lower commission (they might also charge a fee for their services). If your adviser rebates some or all of the up-front commission, we will, correspondingly, reduce your contribution fee.
2. Adviser trailing commission – Upon your instruction, up to 1.1% per annum of your account balance may be paid to your adviser **in addition to the management fee** paid to us. This trailing commission, if any, is an ongoing payment set by negotiation between you and your adviser, and should be reviewed regularly with your adviser. Note that this additional fee is deducted from your account balance. **These trailing commission arrangements are different from those used in standard industry practice.[10] Be aware that a trailing commission is usually ongoing and we continue to pay your adviser quarterly until you instruct us otherwise.**
3. Switch commission – Up to a maximum of 1.5% (exclusive of GST) of the amount switched may be paid as commission when you switch to a strategy with a higher contribution fee. The commission payable to your adviser is indicated on your application form.

If you initially joined the Fund through a licensed adviser, and then subsequently instruct us that you no longer have a relationship with that (or any other) licensed adviser, then your contribution fees may revert to 4.1% on each contribution, subject to any other applicable discounts set out in Table 2 above.

[10]Standard industry commissions are typically included in administration and management fees.

Photo © Philip Sloane



Example of how up-front adviser commissions work in practice

Table 3 shows how up-front adviser commissions work in the Balanced, Equities, Large Companies Share and World strategies.

Table 3: Example of up-front adviser commissions

The contribution amount is assumed to be $5000 and the maximum contribution fee is 4.1% of the contribution amount. In all cases, the trustee retains 0.5%, or $25, of the total contribution fee payable by the member. The up-front commission is included within the contribution fee. Calculations do not include contributions tax.

Up-front commission agreed with adviser – (exclusive of GST)	Contribution fee payable by member (inclusive of net cost of GST)	Contribution amount invested into the Balanced, Equities, Large Companies Share, or World Strategy (before contributions tax)[11]
3.5% – $175	4.1% – $205	$4795
2.0% – $100	2.5625% – $128.13	$4871
1.0% – $50	1.5375% – $76.88	$4923
0.5% – $25	1.025% – $51.25	$4948
0% – $0	0.5125% – $25.63	$4974

Example of annual fees and costs for a balanced investment option

Table 4 gives an example of how the fees and costs in the balanced investment option for this product (the Balanced Strategy) can affect your superannuation investment over a one-year period. You should use this table to compare this product with other superannuation products.

Table 4: Example of annual fees and costs

Example – the Balanced Strategy		Balance of $50 000 with total contributions of $5000 during the year.[11]
Contribution fees	0.5125% to 4.1%	For every $5000 you put in, you will be charged between $25 and $205.
PLUS management costs	2.15% per annum + $41 per annum ($0.79 per week)	And, for every $50 000 you have in the Fund, you will be charged $1075 each year plus a $41 member fee regardless of your balance.
EQUALS cost of fund		If you put in $5000 during a year and your balance was $50 000, then for that year you will be charged fees of from $1141 to $1321.* What it costs you will depend on the investment option you choose and the fees you negotiate with your fund or financial adviser.

* Additional fees may apply:

- If you take money out of your investment, a **withdrawal fee** of $51.25 (including net cost of GST) for any one-off withdrawal will apply. This fee does not apply to regular income stream payments.
- If you have agreed a trailing commission with your adviser, the commission (plus GST) will also be deducted from your account balance.
- Management costs shown in the table are calculated on the initial balance of $50 000 and ignore the $5000 contribution made during the year.
- Management costs include an estimate of expenses indirectly borne by members of the Balanced Strategy because it invests in the Australian Ethical Balanced Trust. Strictly speaking, these expenses are not charged to members; rather, they are deducted from the trust's gross income before the distribution from the trust to the Fund is determined. The estimate is based on the actual indirect expenses for the year ended 30 June 2006, but the amount will vary from year to year. Management costs also include an estimate of expense recoveries borne by members of the Balanced Strategy (at 0.1% per annum). Similiarly, these expenses are not charged directly to members but are taken into account as part of the valuation cycle.
- Please be aware that the example of fees and costs provided above does not show the impact of income taxation. This is different from the way fees and costs will be presented in your member statements.

[11]For ease of comparison, the cents have been omitted from this column.

Insurance options

The Fund offers you insurance cover for major traumatic events that may significantly damage your own and your family's expected retirement plans. To allow members to effect insurance cover, the trustee has arranged insurance (via a group insurance contract) with TOWER Australia Limited ACN 050 109 450 (the insurer, or TOWER).

As with all insurance policies, specific terms and conditions apply to the cover, of which you should be aware. Further details of the available insurance cover can be found in *Insurance options* in the Product Disclosure Statement.

Except as described in *Automatic cover* below, insurance cover offered through the Fund is optional; this means that you will need to apply for the insurance to take effect. If you wish to take up optional insurance cover, please read carefully *Optional insurance* cover in the Product Disclosure Statement.

Automatic cover

You may be automatically insured for your death (and premiums will be automatically deducted from your account) when you become a member of the Fund if one of the following circumstances applies to you:

Circumstance	More information about the automatic cover
Where the Fund is your employer's chosen fund If you have become a member of the Fund because you have decided not to exercise a choice and the Fund is your employer's chosen fund for the payment of employee superannuation contributions (see *Superannuation choice* in the Product Disclosure Statement)	You should read *Automatic death cover where the Fund is your employer's chosen fund* in the Product Disclosure Statement. You can opt out of this cover – see *Can I opt out of the insurance arrangements* in the Product Disclosure Statement.
Under an agreed employer plan If your employer contributes to the Fund on your behalf and has made arrangements with the insurer and the trustee for an insurance benefit to be provided automatically on behalf of its employees	Your employer should be able to tell you whether such an arrangement has been agreed with the trustee and the insurer and, if so, the automatic insurance arrangements that will apply. You should ask your employer for the terms and conditions that apply to the insurance. If you are unsure, please contact us. You should also read *Important insurance information* in the Product Disclosure Statement.

How to invest or roll over

When you apply to join, indicate on the application form which investment strategy or strategies you would like to invest in. You may change these instructions at any time. Investment instruction/ switch forms are contained in this Short Form PDS and are available on the Australian Ethical website. When your monies are invested, reinvested or switched, the trustee may deduct the new member and contribution fees and buy-sell spread (if applicable) and taxes described in the *Fees and other costs* section. Similarly, when meeting your withdrawal request, the trustee may deduct the withdrawal fees described in the *Fees and other costs* section.

If you do not nominate your selection of investment strategies on the application form, your funds will be invested in the Australian Ethical Balanced Strategy.

Should you decide to invest with us, you should keep this Short Form PDS, together with any information we send you – for example, any member investment information or statements, future brochures, and any other statements or notices you receive from us – for future reference when making any transactions or switching between strategies.

Application forms

Please note that we accept only original application forms (Forms A and B) torn from the Short Form PDS or those printed from electronic statements supplied by us. Only original forms posted to us will be accepted. If you require more copies of this Short Form PDS, please contact us.



Joining the Fund – accumulation and rollover

You should:

1. Read this Short Form PDS. If you have any queries speak to your adviser or contact us.
2. Complete and sign the *Accumulation and rollover application for membership* (Form A).
3. If you have superannuation benefits held by other funds that you wish to transfer to Australian Ethical Superannuation, please complete Form D or contact us for more information.
4. Attach a cheque (or *Direct debit request* – Form E). If you are sending a cheque and this is a spouse contribution or you are self-employed, complete and sign the *Personal contribution remittance advice* form (Form G).
5. Forward the application and all other items to your adviser or to Australian Ethical Superannuation at the address indicated on the inside back cover.

Once you have been accepted into the Fund, you will receive notification in writing of your member number, followed shortly by confirmation of your initial investment.

Account based income stream applicants

If you wish to commence an account based income stream you should:

1. Read this Short Form PDS. If you have any queries speak to your adviser or contact us.
2. If the money to start your account based income stream is not coming from an existing superannuation fund, then complete both Forms A and B and include a cheque to establish the account.
3. If you are starting your income stream with money from another superannuation fund, complete Form B only and then either arrange for the other fund to send a cheque to us or complete the *Whole balance transfer authority* (Form D).
4. If you would like your income stream to be paid directly to your bank account, complete the payment instructions on the application form.
5. Obtain and complete a tax file number declaration application, available from your adviser or any post office, and include it with your application.
6. Forward the application and all other items to your adviser or to Australian Ethical Superannuation at the address indicated on the form.

If you are not an existing member of the fund, you will receive notification in writing of your member number. Applicants will also receive confirmation of their investment, followed shortly thereafter by income stream details for the first year. Please note that income streams commenced during the year will be paid on a pro rata basis to the next 30 June.

Rolling over money from another superannuation fund

If you are not a member of our Fund, complete the *Accumulation and rollover application for membership* (Form A) and the *Whole balance transfer authority* (Form D).

If you are an existing member, complete the *Whole balance transfer authority* (Form D).

Forward completed forms to Australian Ethical Superannuation at the address shown on the inside back cover.

Employer contributors

You can pay superannuation contributions to the Fund for one or more of your employees.

If this is the case you should:

1. Ensure that the employees for whom you will contribute have a copy of this Short Form PDS.
2. Complete and sign the *Employer contribution application* form (Form C).
3. Ensure that each employee for whom you are contributing signs an *Accumulation and rollover application for membership* (Form A). If the Fund does not receive an *Accumulation and rollover application for membership* (Form A) for your employee within 30 days of receiving a contribution, we will not accept any further contributions for that employee and will need to return any contributions received for that employee to the employer.
4. Complete and send the *Employer contributions remittance advice* (Form F).
5. Attach a cheque (or *Direct debit request* – Form E) for investment.
6. Forward the application and all other items to your adviser or to Australian Ethical Superannuation at the address indicated on the inside back cover.

We will notify you in writing of your employer sponsor code. Employees will receive notice of employer contributions as part of their half-yearly reports.

Privacy

We use personal information about you to administer your investment and also to conduct research.

Information may pass between Australian Ethical Superannuation Pty Ltd and its parent company, Australian Ethical Investment Ltd. Information will also be provided to our service providers as necessary to administer your account. Otherwise we will not tell anyone any information that we have about you unless:

- your member number is quoted (see *Keeping your investment secure*, in the Product Disclosure Statement)
- the law requires it
- your authorised adviser needs the information, or
- we, or someone from our group, needs it to send promotional material to you. If you do not want this, contact us at any time.

Cheques

Cheques should be made payable to Australian Ethical Superannuation Fund (for [insert your name here]) and crossed *Not negotiable*.

Switching from one strategy to another

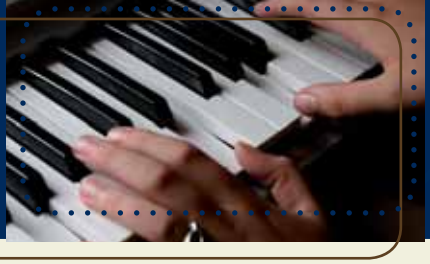
If you wish to switch your existing superannuation account (or part of it) to a different investment strategy and/ or change the investment strategy for some or all future contributions, please complete Form H and send it to Australian Ethical Superannuation at the address indicated on the form or fax to 02 6201 1959.

Changing your details

If your personal details change, you should notify us in writing, including a copy of any relevant documents, so we can update our records. Form I can be used to make changes to some account details. To protect the security of your investment, we will not accept notice of these changes by phone or email. They must be in writing, accompanied by your signature, and sent to Australian Ethical Superannuation, see inside back cover or fax to 02 6201 1959. Please quote your member number on all correspondence.

You can always access the personal information we hold about you – simply contact us. We collect, store and use the information that members provide on their application form and in other communications they may have with us. The information that members give us is used for a variety of purposes. We use information primarily to administer member accounts. However, it may also be used for other purposes, including general correspondence with members, their advisers or other authorised representatives, as well as for administrative or market analysis and product development.

Please visit the Australian Ethical website or contact us if you would like a copy of our privacy policy.



Consents

The following organisations and individuals have given written consent to be named in this Short Form PDS in the form and context in which they are included and have not withdrawn such consent before this document was issued. They do not make any statement in this Short Form PDS nor does any statement in this Short Form PDS purport to be a statement made by them. They take no responsibility for any part of this Short Form PDS nor have they authorised or caused the issue of this Short Form PDS.

- Thomas Davis & Co.
- PL Whiteman

The following organisations have given written consent to the inclusion of statements made in this Short Form PDS in the form and context in which the statements are included and have not withdrawn this consent before the issue of this statement. They take no responsibility for any other part of this Short Form PDS nor have they authorised or caused the issue of this Short Form PDS.

- TOWER Australia Ltd
- Australian Ethical Investment Ltd

Application form declaration

Eligibility to contribute

1. I have read this Short Form PDS and confirm that I have understood the accumulation and rollover rules and am eligible to contribute to the Fund.
2. If I am making contributions on behalf of my spouse, I confirm that my spouse is a person who is eligible to receive contributions.

This is an informed decision

3. I have read the Short Form PDS or Product Disclosure Statement to which this application applies and agree to the offer contained in it and to be bound by the provisions of the trust deed governing the Fund.
4. If I have received the Short Form PDS or Product Disclosure Statement from the internet or by other electronic means, I declare that I have received it personally, or a print-out of it, accompanied by or attached to the application form before making this declaration.
5. I understand the nature of risk attached to the investments I am applying for and acknowledge that neither the trustee, custodian, administrator nor any of the managers of the funds underlying the investment strategies nor the trust deed of the Fund guarantee a return of capital or the performance of my investment.
6. I acknowledge that no representation has been made to me by or on behalf of the trustee other than those contained in the Short Form PDS or Product Disclosure Statement to which this application is attached.

Use of my information

7. The details of my investments including any information I provide can be provided to the dealer group or adviser I have indicated on the application form.
8. I consent to my information being used and/ or disclosed as stated on page 33 of this Short Form PDS.

Payments to my adviser

9. I hereby authorise the adviser remuneration or commission indicated in my application until I give you further notice.
10. If this application is made through a financial adviser and I have authorised the adviser to receive payment by way of an ongoing adviser service fee, I understand this fee may be paid from the deduction of monies from my investment.

My instructions to the trustee

11. If this application is signed by me under a power of attorney, I declare that I have not received notice of revocation of that power and I hereby supply a certified copy of the power of attorney.
12. Future investments are to be made into the most recent investment strategy/ strategies I have selected unless I instruct you otherwise.
13. Where I nominate a beneficiary, I understand that the terms of the trust deed governing the Fund allow the benefit in the event of my death to be paid to any one or more of my dependants (including spouse, bona fide de facto spouse, any child including an adopted child, stepchild or an ex-nuptial child) or my personal legal representative as the trustee shall in its absolute discretion determine. I would like the trustee to know that, when exercising its discretion, if it were my decision I would distribute the benefit to the person or between the people in the proportions I have set out on the application form.
14. I undertake to advise the trustee promptly of any changes to the information I have provided in this application, including changes to **my address** and **my employment status.**
15. All the details in my application are true and correct.
16. I received and accepted this offer in Australia.
17. I acknowledge that the trustee has the right to reject any applications, contribution or rollovers.

FORM A

Accumulation and rollover

Application for membership

Personal details

Title

Surname

First name(s)

Postal address

City/ suburb

State

Postcode

Phone (business hours)

Mobile

Fax

Email

Sex

Date of birth

Occupation

Employer's phone number

Employer name (If employer is contributing)

☐ Please tick if the Australian Ethical Superannuation Fund is nominated as the default fund for employer contributions.

Initial payment details (tick box)

Personal contribution ☐

Rollover payment ☐

Spouse contribution ☐
(Also complete form G.)

Employer contribution ☐

Self-employed contribution ☐
(Also complete form G.)

Nominated dependants/ beneficiaries

Note: Dependant in relation to a person includes the spouse and any child of the person. If you wish to elect otherwise please seek legal advice.

Name — Relationship — %

Name — Relationship — %

Name — Relationship — %

Total %

Insurance

☐ Yes, I do wish to apply for insurance cover, please provide me with further details.

Note: Insurance cover is optional.

THIS FORM MAY *NOT* BE PHOTOCOPIED. It must be posted, not faxed.

Australian Ethical superannuation form

Tax file number (TFN) or exemption

Tax file number

Tax file number exemption details

It is not compulsory to quote your tax file number. However, if you do not do so and do not tell us you are exempt from quoting it, there may be significant taxation implications.

Exemptions: Government pensioner - write name of pension
Non-resident - write down your country of residence
Other - write 'other' and type of exemption.

Investments

Please indicate your selection of an investment strategy or spread of strategies. This section will apply to all contributions until we are notified otherwise. If no nomination is made, your contributions will be invested in the Australian Ethical Balanced Strategy. If unsure consult your financial adviser.

Strategy	Percentage %
Australian Ethical Balanced Strategy	
Australian Ethical Equities Strategy	
Australian Ethical Large Companies Share Strategy	
Australian Ethical World Strategy	
Australian Ethical Income Strategy	

Declaration

I have read the declarations and conditions on page 34 and I hereby confirm that I understand and accept them.

Signature

Date / /

Cheques should be made payable to Australian Ethical Superannuation Fund (for [insert your name here]), crossed 'not negotiable' and forwarded to Australian Ethical Superannuation, PO Box 1916 Wollongong NSW 2500.

Adviser information (to be completed by the investment adviser, if applicable)

Adviser use only

Adviser's name

Date / /

Adviser's signature

Dealer stamp

Commission details

Contribution fee commission (contributions)	Contribution fee commission (transfer in)	Please tick	Trailing % pa (please circle option)
3.50 %	3.50 %	Default	nil% 0.2% 0.4% 0.6% 0.8% 1.0%
. %	. %	Other	

Percentages are exclusive of GST.

THIS FORM MAY *NOT* BE PHOTOCOPIED. It must be posted, not faxed.

FORM B

Pension

Application for membership

Personal details

Title

Surname

First name(s)

Convert current account? Y/N

Postal address

City/ suburb

State

Postcode

Phone (business hours)

Mobile

Fax

Email

Sex

Date of birth

Please provide the date you were last employed

AES member number

Pension payments

Frequency: I wish to be paid my pension: ☐ Monthly ☐ Quarterly ☐ Half Yearly ☐ Annually

Pension amount: ☐ Minimum ☐ Other $

Payment Instructions: Please pay my pension to the following account, commencing on 15 / / :

Name of bank

Branch address

Branch suburb

State

Postcode

Account name

Branch (BSB) number

Account number

☐ I have reached my preservation age and I am appying for a pre-retirement pension (please tick).

Initial contribution details or rollover details

Spouse contribution $

Personal contribution $

If you wish to rollover funds from another account(s), please fill in the following details. If you do not know the amount of your rollover(s), please provide an estimate.

Rollover institution name

Expected amount $

Rollover institution name

Expected amount $

Rollover institution name

Expected amount $

Please note: Your licensed financial adviser may elect to charge a fee on the transfer of your existing account.

THIS FORM MAY *NOT* BE PHOTOCOPIED. It must be posted, not faxed.

Australian Ethical superannuation form

Pension

Application for membership (continued)

Australian Ethical superannuation form

NOTE: You need to also complete a tax file number declaration and include it with this application.

Beneficiary details

If you wish, you can elect for a beneficiary to receive the funds in your account in the event of your death. Any person you select must be your spouse, a child or other dependant of yours. You can also elect that the beneficiary be a reversionary beneficiary.

Title | Surname | First name(s)

Sex | Date of birth | Relationship to the investor

I wish the beneficiary to be a reversionary beneficiary. ☐

If you wish the beneficiary to be reversionary, this election must be done at the commencement of your pension and cannot be changed. If you are not selecting a reversionary beneficiary, you can select more than one beneficiary. If you wish to do this, please attach further details of these additional beneficiaries (including details of the percentage interest you want each beneficiary to receive).

Tax file number (TFN) or exemption

Tax file number

Tax file number exemption details

It is not compulsory to quote your tax file number. However, if you do not do so and do not tell us you are exempt from quoting it, there may be significant taxation implications.

Exemptions: Government Pensioner - write name of pension
Non-resident - write down your country of residence
Other - write 'other' and type of exemption.

Investments

Please indicate your selection of an investment strategy or spread of strategies. If no nomination is made, your funds will be invested in the Australian Ethical Balanced Strategy. If unsure consult your financial adviser.

Strategy	Percentage %	Strategy	Percentage %
Australian Ethical Balanced Strategy		Australian Ethical Large Companies Share Strategy	
Australian Ethical Equities Strategy		Australian Ethical World Strategy	
		Australian Ethical Income Strategy	

Declaration

I have read the declarations and conditions on page 34 and I hereby confirm that I understand and accept them.

Signature **Date**

Cheques should be made payable to Australian Ethical Superannuation Fund (for [insert your name here]), crossed 'not negotiable' and forwarded to Australian Ethical Superannuation, PO Box 1916 Wollongong NSW 2500.

Adviser information (to be completed by the investment adviser, if applicable)

Adviser use only

Adviser's name

Date | Adviser's signature

Dealer stamp

Commission details

Contributionfee commission (contributions)	Contribution fee commission (transfer in)	Please tick	Trailing % pa (please circle option)
3.50 %	3.50 %	☐ Default	nil% 0.2% 0.4% 0.6% 0.8% 1.0%
. %	. %	☐ Other	

Percentages are exclusive of GST.

THIS FORM MAY *NOT* BE PHOTOCOPIED. It must be posted, not faxed.

FORM C

Employer application

Employer details

Employer name

Business address

Business suburb | State | Postcode

Postal address

City/ suburb | State | Postcode

Phone (business hours) | Fax

Email

Contact person

Title | Surname

First Name(s)

☐ Please tick if the Australian Ethical Superannuation Fund is nominated as the default fund for employer contributions.

Declaration

I have read the declarations and conditions on page 34 and I hereby confirm that I understand and accept them.

Signature | Date

Adviser information (to be completed by the licensed financial adviser, if applicable)

Adviser use only

Adviser's name

Date | Adviser's signature

Dealer stamp

Commission details

Contribution fee commission (contributions)	Contribution fee commission (transfer in)	Please tick	Trailing % pa (please circle option)
3.50 %	3.50 %	☐ Default	nil% 0.2% 0.4% 0.6% 0.8% 1.0%
. %	. %	☐ Other	

Percentages are exclusive of GST.

Cheques should be made payable to Australian Ethical Superannuation Fund, crossed 'not negotiable' and forwarded to:
Australian Ethical Superannuation, PO Box 1916 Wollongong NSW 2500.

Whole balance transfer authority

Form completion information

Australian Ethical superannuation form

By completing this form, you will request the transfer of the WHOLE balance of your superannuation benefits between funds.

This form can NOT be used to transfer part of the balance of your superannuation benefits.

This form will NOT change the fund to which your employer pays your contributions. The Standard Choice Form must be used by you to change funds.

Before completing this form

- Read the important information below.
- Check that Australian Ethical Superannuation can accept this transfer.

When completing this form

- Refer to these instructions where a question shows a message like this: Δ
- Print clearly in BLOCK LETTERS.

After completing this form

- Sign the authorisation.
- Attach the appropriately certified proof of identity documents.
- Send the request form to your fund.

Important information

This transfer may close your account (you will need to check this with your **FROM** fund).

This form can NOT be used to:

- transfer part of the balance of your superannuation benefits
- transfer benefits if you don't know where your superannuation is
- transfer benefits from multiple funds on this one form – a separate form must be completed for each fund you wish to transfer superannuation from
- change the fund to which your employer pays contributions on your behalf
- open a superannuation account, or
- transfer benefits under certain conditions or circumstances, for example if there is a superannuation agreement under the *Family Law Act 1975* in place.

What happens to my future employer contributions?

Using this form to transfer your benefits will not change the fund to which your employer pays your contributions and may close the account you are transferring your benefits **FROM**.

If you wish to change the fund into which your contributions are being paid, you will need to speak to your employer about Choice. For the appropriate forms and information about whether you are eligible to choose the fund to which your employer contributions are made, visit **www.superchoice.gov.au** or call the Tax Office on **13 10 20**.

Things you need to consider when transferring your superannuation

When you transfer your superannuation, your entitlements under that fund may cease. You need to consider all relevant information before you make a decision to transfer your superannuation. If you ask for information, your superannuation provider must give it to you. Some of the points you may consider are:

- **fees** – your **FROM** fund must give you information about any exit or withdrawal fees. If you are not aware of the fees that may apply, you should contact your fund for further information before completing this form. The fees could include administration fees as well as exit or withdrawal fees. Please refer to *Fees and other costs* in this Short Form PDS for details on Australian Ethical's fees.
- **death and disability benefits** – your **FROM** fund may insure you against death, illness or an accident which leaves you unable to return to work. If you choose to leave your current fund, you may lose any insurance entitlements you have. Please see *Insurance Options* in this Short Form PDS for details on Australian Ethical's insurance benefits.

If you require additional information about superannuation, you may wish to visit the Australian Securities and Investments Commission website **www.fido.asic.gov.au.**

Δ What happens if I do not quote my tax file number (TFN)?

You are not obligated to provide your TFN to your superannuation fund. However, if you do not provide your TFN, you will be taxed at the highest marginal tax rate plus the Medicare levy, compared to the concessional tax rate of 15%.

If your superannuation fund does not have your TFN, you will not be able to make personal contributions to your superannuation account. Choosing to quote your TFN will also make it easier to keep track of your superannuation in the future.

Under the *Superannuation Industry (Supervision) Act 1993*, your superannuation fund is authorised to collect your TFN, which will only be used for lawful purposes. These purposes may change in the future as a result of legislative change. The TFN may be disclosed to another superannuation provider, when your benefits are being transferred, unless you request in writing that your TFN is not to be disclosed to any other trustee.

Δ Completing proof of identity

You will need to provide documentation with this transfer request to prove you are the person to whom the superannuation entitlements belong.

Acceptable documents

The following documents may be used.

EITHER

One of the following documents only:

- driver's licence issued under State or Territory law
- passport.

OR

One of the following documents:	**AND**	**One of the following documents:**
• birth certificate or birth extract • citizenship certificate issued by the Commonwealth • pension card issued by Centrelink that entitles the person to financial benefits.		• letter from Centrelink regarding a Government assistance payment • notice issued by Commonwealth, State or Territory within the past twelve months that contains your name and residential address. For example: – Tax Office Notice of Assessment – Rates notice from local council.

Have you changed your name or are you signing on behalf of another person?

If you have changed your name or are signing on behalf of the applicant, you will need to provide a linking document. A linking document is a document that proves a relationship exists between two (or more) names.

The following table contains information about suitable linking documents.

Purpose	**Suitable linking documents**
Change of name	Marriage certificate, deed poll or change of name certificate from the Birth, Deaths and Marriages Registration Office.
Signed on behalf of the applicant	Guardianship papers or Power of Attorney.

Certification of personal documents

All copied pages of ORIGINAL proof of identification documents (including any linking documents) need to be certified as true copies by any individual approved to do so (see below).

The person who is authorised to certify documents must sight the original and the copy and make sure both documents are identical, then make sure all pages have been certified as true copies by writing or stamping 'certified true copy' followed by their signature, printed name, qualification (eg Justice of the Peace, Australia Post employee, etc) and date.

The following can certify copies of the originals as **true and correct** copies:

- a permanent employee of Australia Post with five or more years of continuous service
- a finance company officer with five or more years of continuous service (with one or more finance companies)
- an officer with, or authorised representative of, a holder of an Australian Financial Services Licence (AFSL), having five or more years continuous service with one or more licensees
- a notary public officer
- a police officer
- a registrar or deputy registrar of a court
- a Justice of the Peace
- a person enrolled on the roll of a State or Territory Supreme Court or the High Court of Australia, as a legal practitioner
- an Australian consular officer or an Australian diplomatic officer
- a judge of a court
- a magistrate, or
- a chief executive officer of a commonwealth court.

Δ What to do now?

Send this form to either fund. If you need help completing this form, please contact the Tax Office on **13 10 20.**

FORM **D**

Whole balance transfer authority

Request to transfer all benefits between funds

If you wish to transfer benefits from another super or rollover fund to the Australian Ethical Superannuation Fund (SFN 4794/449/82 SPIN AET0100AU), please complete this form and return it to **Australian Ethical Superannuation**, PO Box 1916 Wollongong NSW 2500.

To help you complete this form, read the information on page 40, and refer to these instructions where indicated by a Δ.

Personal details

Title | Surname | Member number

First name(s)

Other/ previous names

Tax file number | Sex

NB: Under the *Superannuation Industry (Supervision) Act 1993*, you are not obliged to disclose your tax file number, but there may be tax consequences. Δ See 'What happens if I do not quote my tax file number?'

Date of birth (__/__/____) | Phone (business hours) | Mobile

Residential address

City/ suburb | State | Postcode

Δ If you know that the address held by your FROM fund is different to your current residential address please give details below.

Previous address

City/ suburb | State | Postcode

Details of fund to be transferred

Name of superannuation fund transferring **FROM**

Fund phone | Membership or account number | Superannuation Product Identification Number(SPIN)

If you have multiple account numbers with this fund, you must complete a separate form for each account you wish to transfer.

Name of superannuation fund transferring **TO**

AUSTRALIAN ETHICAL RETAIL SUPERANNUATION FUND

Fund phone: 1300 134 337 | Membership or account number | Superannuation Product Identification Number(SPIN): AET0100AU

You must check with Australian Ethical to ensure we can accept this transfer.

You must post this form. Do *not* fax.

Australian Ethical superannuation form

FORM
D

Whole balance transfer authority

Request to transfer all benefits between funds (continued)

Australian Ethical superannuation form

Proof of identity

Δ See 'Completing proof of identity'

☐ I have attached a certified copy of my driver's license or passport

OR

I have attached certified copies of both:

☐ birth/ citizenship certificate or Centrelink pension card

AND

☐ Centrelink payment letter or government notice (<1 year old) with my name and address.

Instruction to the trustee of the transferring fund

I/ we hereby request that you transfer the total value of the FROM superannuation fund to the **Australian Ethical Superannuation Fund**, a fund which satisfies the requirements of the *Superannuation Industry (Supervision) Act 1993* and for which the regulator has not issued a direction under *Section 63* to cease accepting contributions.

Please provide all relevant information to the trustee, Australian Ethical Superannuation Pty Ltd (ABN 43 079 259 733) and forward your cheque payable to:

Australian Ethical Superannuation Fund – (Name of member)

Please send the cheque and transfer information to:

Australian Ethical Superannuation
PO Box 1916
Wollongong NSW 2500

Authorisation

By signing this request form I am making the following statements:

- I declare I have fully read this form and the information completed is true and correct
- I am aware I may ask my superannuation provider for information on the effect this transfer may have on my benefits, and do not require any further inofrmation
- I discharge the superannuation provider of my **FROM** fund of all further liability in respect of the benefits paid and transferred to my **TO** fund.

I request and consent to the transfer of superannuation as described above and authorise the superannuation provider of each fund to give effect to this transfer.

Signature

I consent to the collection and use of the above information by the Trustee for the purposes specified.

Signature

Date ☐☐/☐☐/☐☐

IN-CONFIDENCE – when completed

You must post this form. Do *not* fax.

FORM E

Direct debit form

Direct debit request

Member/ company details

Surname or company name

First names or ABN

Contribution type

Member number

Request and authorise **Australian Ethical Superannuation Pty Ltd & User ID: 365161** to arrange, through its own financial institution, a debt to your nominated account any amount Australian Ethical Superannuation Pty Ltd has deemed payable by you.

This debit or charge will be made through the Bulk Electronic Clearing System (BECS) from your account held at the financial institution you have nominated below and will be subject to the terms and conditions of the Direct Debit Request Service Agreement.

Direct debit account

Account name

Account number

Bank BSB

Bank

Branch

Payment details

The amount to be debited at any one time is $

New request

Amended request

Amount in words

The first debit may be made on the 15th day of

and at monthly intervals after that

or

The first debit may be made on 15th Mar | 15th June | 15th Sep | 15th Dec and at quarterly intervals after that (please circle).

Acknowledgement

By signing and/ or providing us with a valid instruction in respect to your Direct Debit Request, you have understood and agreed to the terms and conditions governing the debit arrangements between you and Australian Ethical Superannuation Pty Ltd as set out in this Request and in your Direct Debit Request Service Agreement.

Signature

If signing for a company, sign and print full name and capacity for signing, for example 'director'.

Signature

Date

Address

For employer contributions please complete Form F. If you have any queries regarding this form please call Australian Ethical Superannuation Pty Ltd on 1300 134 337. When completed, return to:
Australian Ethical Superannuation, PO Box 1916 Wollongong NSW 2500.

Australian Ethical superannuation form

Direct debit request

Service agreement

The following is your direct debit service agreement with **Australian Ethical Superannuation Pty Ltd – ABN: 43 079 259 733**. The agreement is designed to explain what your obligations are when undertaking a direct debit arrangement with us. It also details what our obligations are to you as your direct debit provider.

We recommend you keep this agreement in a safe place for future reference. It forms part of the terms and conditions of your direct debit request (DDR) and should be read in conjunction with your DDR form.

Australian Ethical superannuation form

Definitions

account means the account held at *your financial institution* from which *we* are authorised to arrange for funds to be debited.

agreement means this direct debit request service agreement between *you* and *us*.

banking day means a day other than a Saturday or a Sunday or a public holiday listed throughout Australia.

debit day means the day that payment by *you* to *us* is due.

debit payment means a particular transaction where a debit is made.

direct debit request means the direct debit request between *us* and *you*.

us or *we* means **Australian Ethical Superannuation Pty Ltd**, (the debit user) *you* have authorised by requesting a *direct debit request.*

you means the customer who has signed or authorised by other means the *direct debit request*.

your financial institution means the financial institution nominated by *you* on the DDR at which the *account* is maintained.

1. Debiting *your account*

1.1 By signing a *direct debit request* or by providing *us* with a valid instruction, *you* have authorised *us* to arrange for funds to be debited from *your account*. *You* should refer to the *direct debit request* and this *agreement* for the terms of the arrangement between *us* and *you*.

1.2 *We* will only arrange for funds to be debited from *your account* as authorised in the *direct debit request*.

or

We will only arrange for funds to be debited from *your account* if *we* have sent to the address nominated by *you* in the *direct debit request*, a billing advice which specifies the amount payable by *you* to *us* and when it is due.

1.3 If the *debit day* falls on a day that is not a *banking day, we* may direct *your financial institution* to debit *your account* on the following *banking day*. If *you* are unsure about which day *your account* has or will be debited *you* should ask *your financial institution.*

2. Changes by *us*

2.1 *We* may vary any details of this *agreement* or a *direct debit request* at any time by giving *you* at least fourteen **(14) days** written notice.

3. Changes by *you*

3.1 *You* may change, stop or defer a debit payment, or terminate this agreement by providing us with at least fourteen **(14) days** notification by writing to:

Australian Ethical Superannuation Pty Ltd
PO Box 1916
Wollongong NSW 2500.

or

by telephoning us on **1300 134 337** during business hours;

or

arranging it through your own financial institution.

4. *Your* obligations

4.1 It is *your* responsibility to ensure that there are sufficient clear funds available in *your account* to allow a *debit payment* to be made in accordance with the *direct debit request.*

4.2 If there are insufficient clear funds in *your* account to meet a *debit payment:*

(a) *you* may be charged a fee and/or interest by *your financial institution*

(b) *you* may also incur fees or charges imposed or incurred by *us* and

(c) *you* must arrange for the *debit payment* to be made by another method or arrange for sufficient clear funds to be in *your account* by an agreed time so that *we* can process the *debit payment.*

4.3 *You* should check *your account* statement to verify that the amounts debited from *your account* are correct.

4.4 If **Australian Ethical Superannuation Pty Ltd** is liable to pay goods and services tax ('GST') on a supply made in connection with this *agreement,* then *you* agree to pay **Australian Ethical Superannuation Pty Ltd** on demand an amount equal to the consideration payable for the supply multiplied by the prevailing GST rate.

5. Dispute

5.1 If *you* believe that there has been an error in debiting *your account, you* should notify *us* directly on **1300 134 337** and confirm that notice in writing with *us* as soon as possible so that *we* can resolve *your* query more quickly. Alternatively *you* can take it up with your financial institution direct.

5.2 If *we* conclude as a result of *our* investigations that *your account* has been incorrectly debited *we* will respond to *your* query by arranging for *your financial institution* to adjust *your account* (including interest and charges) accordingly. *We* will also notify *you* in writing of the amount by which *your account* has been adjusted.

5.3 If *we* conclude as a result of *our* investigations that *your account* has not been incorrectly debited *we* will respond to *your* query by providing *you* with reasons and any evidence for this finding in writing.

6. Accounts

You should check:

(a) with *your financial institution* whether direct debiting is available from *your account* as direct debiting is not available on all accounts offered by financial institutions

(b) *your account* details which *you* have provided to *us* are correct by checking them against a recent *account* statement and

(c) with *your financial institution* before completing the *direct debit request* if *you* have any queries about how to complete the *direct debit request*.

7. Confidentiality

7.1 *We* will keep any information (including *your account* details) in *your direct debit request* confidential. *We* will make reasonable efforts to keep any such information that *we* have about *you* secure and to ensure that any of *our* employees or agents who have access to information about *you* do not make any unauthorised use, modification, reproduction or disclosure of that information.

7.2 *We* will only disclose information that *we* have about *you*:

(a) to the extent specifically required by law; or

(b) for the purposes of this *agreement* (including disclosing information in connection with any query or claim).

8. Notice

If *you* wish to notify *us* in writing about anything relating to this *agreement, you* should write to

Australian Ethical Superannuation Pty Ltd
PO Box 1916
Wollongong NSW 2500.

8.2 *We* will notify *you* by sending a notice in the ordinary post to the address *you* have given *us* in the *direct debit request.*

8.3 Any notice will be deemed to have been received on the third *banking day* after posting.

FORM F

Employer contributions

Remittance advice

Contact name/ payroll office

Employer

Employer sponsor code (if applicable)

Postal address

State

Postcode

Phone (business hours)

Fax

Period to which contributions relate

from / / to / / inclusive

Member names

Surname

Member number

First name(s)

Compulsory (SGC)	Additional employer contributions	Salary sacrifice	Employee/ personal contribution	TOTAL
$.	$.	$.	$.	$.

Surname

Member number

First name(s)

Compulsory (SGC)	Additional employer contributions	Salary sacrifice	Employee/ personal contribution	TOTAL
$.	$.	$.	$.	$.

Totals

$.	$.	$.	$.	$.

Signature

Date / /

Total amount of this cheque $.

There are more spaces for extra employees contributions continued on page 46.

Cheques should be made payable to Australian Ethical Superannuation Fund, crossed 'not negotiable' and forwarded to:
Australian Ethical Superannuation, PO Box 1916 Wollongong NSW 2500.

You may photocopy this form

Australian Ethical superannuation form

FORM F

Employer contributions

Remittance advice (continued)

Australian Ethical superannuation form

Member names

Surname

Member number

First name(s)

Compulsory (SGC) $

Additional employer contributions $

Salary sacrifice $

Employee/ personal contribution $

TOTAL $

Surname

Member number

First name(s)

Compulsory (SGC) $

Additional employer contributions $

Salary sacrifice $

Employee/ personal contribution $

TOTAL $

Surname

Member number

First name(s)

Compulsory (SGC) $

Additional employer contributions $

Salary sacrifice $

Employee/ personal contribution $

TOTAL $

Surname

Member number

First name(s)

Compulsory (SGC) $

Additional employer contributions $

Salary sacrifice $

Employee/ personal contribution $

TOTAL $

Totals

$ $ $ $ $

Signature

Date / /

Total amount of this cheque $

Cheques should be made payable to Australian Ethical Superannuation Fund, crossed 'not negotiable' and forwarded to:
Australian Ethical Superannuation, PO Box 1916 Wollongong NSW 2500.

You may photocopy this form

FORM G

Personal contribution

Remittance advice

Employers please use *Employer contributions remittance advice* (Form F).

Member details

Member number

Date of birth DD/MM/YYYY

Phone (business hours)

Title

Surname

First name(s)

Email

This contribution is:

- ☐ An individual contribution (including self-employed)
- ☐ A spouse contribution (please fill out the spouse contribution section below)

Contribution amount $.

Spouse contribution

If this contribution is a spouse contribution, your spouse must complete and sign the following section. At the date of each contribution the contributor must be the applicant's spouse in terms of section 159TC of the *Income Tax Assessment Act 1936* (*ITAA*).

Please include name of receiving spouse and his/ her Australian Ethical member code above.

Name of contributing spouse

Address

State

Postcode

In making this contribution on behalf of my spouse I acknowledge that: the contribution has been made from my after tax income and I will not be claiming a tax deduction under section 82AAT of the *ITAA* for the payment (you may however be eligible to claim a tax offset – talk to your financial adviser or seek further information from the Australian Taxation Office).

Signature of contributing spouse

Date DD/MM/YY

Signature

Date DD/MM/YY

Cheques should be made payable to Australian Ethical Superannuation Fund (for [insert your name here]), crossed 'not negotiable' and forwarded to Australian Ethical Superannuation, PO Box 1916 Wollongong NSW 2500.

You may photocopy this form

FORM **H**

Investment instruction
Switch form

Name

Member number

Address

City/ suburb

State

Postcode

Phone (business hours)

Fax

Investments

Note to member: This selection will apply to all contributions until we are notified otherwise in writing.

Please amend my investment instructions as follows:

- ☐ For the enclosed contribution only
- ☐ For the enclosed and future contributions
- ☐ For my existing investment only
- ☐ For all existing and future contributions
- ☐ For all future contributions only

Strategy	Percentage %
Australian Ethical Balanced Strategy	
Australian Ethical Equities Strategy	
Australian Ethical Large Companies Share Strategy	
Australian Ethical World Strategy	
Australian Ethical Income Strategy	

See page 25 for charges to switch between strategies.

I hereby authorise the adviser remuneration shown below.

Signature

Date / /

Adviser information (to be completed by the investment adviser, if applicable)

Adviser details

Dealer stamp

Signature of authorised adviser

Adviser commission section

(Unless this section is filled in and signed by the adviser, the full up-front switch commission is payable to the adviser)

Switch up-front %

Commission % on new money going into new strategy/ ies selected in this switch

Commission is only payable for a switch if the member is moving to a strategy with a higher contribution fee. The maximum commission payable is 1.5% (exclusive of GST).

Printed name

You may photocopy this form

Australian Ethical superannuation form

Membership variation

Membership variation advice

Membership details

Member number

Surname

First name(s)

Previous surname

Change of address

Street address

City/ suburb

State

Postcode

Phone (business hours)

Phone (after hours)

Fax

Email

Regular contributions details

If you are making regular contributions via a Direct Debit Request and your bank account details have changed, please complete a new Direct Debit Request form. If you are simply changing your regular contribution amount a new Direct Debit form is not required.

Please change my existing contributions to

Frequency: ☐ Monthly ☐ Quarterly ☐ Half yearly ☐ Annually

Amount: Member $,. Employer (Award/SG) $,.

Employer (Voluntary) $,. Employer/ salary sacrifice $,.

Total $,.

Pension payment

Any change of pension details will take effect from the 15th of the month following receipt of this form.

Please change my pension payment to: $,. per annum

Frequency: ☐ Monthly ☐ Quarterly ☐ Half Yearly ☐ Annually

Member signature

I authorise the above changes to be made to my membership details.

Signature

Previous signature (where name has changed)

Date / /

You may photocopy this form

AUSTRALIAN ETHICAL RETAIL SUPERANNUATION FUND

ABN 49 633 667 743

SFN 4794/449/82

SPIN AET0100AU

RSE License Number L0001441

Registration Number R1004731

CERTIFICATE OF COMPLIANCE

Pursuant to Section 25 of the Superannuation Guarantee (Administration) Act 1992

This Certificate is to confirm that the above fund:

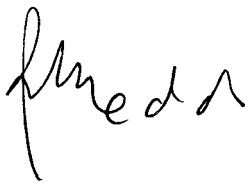
- is a regulated fund within the meaning of Section 19 of the Superannuation Industry (Supervision) Act 1993;
- will be conducted as a complying superannuation fund, within the meaning of Section 42(1) of the Superannuation Industry (Supervision) Act 1993, and the Trustee intends that the Fund continues to be maintained as a complying superannuation fund;
- is not subject to a direction by the Australian Prudential Regulation Authority not to accept contributions under Section 63 of the Superannuation Industry (Supervision) Act 1993.

This certificate has been issued by Australian Ethical Superannuation Pty Ltd in its capacity as Trustee of the Australian Ethical Retail Superannuation fund.

DATED the 25th day of May 2006.

Signed on behalf of

AUSTRALIAN ETHICAL SUPERANNUATION PTY LTD



Director

Key words explained

Key words used in this Short Form PDS are explained below.

administrator The company which administers member records and processes applications. Full details of the current administrator of the Fund are on the Australian Ethical website.

account based income stream A flexible post-retirement (or, in some circumstances, pre-retirement) arrangement which allows you to draw on your superannuation benefits in regular payments that you choose based on a percentage of your account balance and a factor applying to your age.

accumulation fund A superannuation fund where the benefit a member receives is the total of contributions to the fund plus earnings on those contributions, minus fees, charges, expenses and tax.

Australian Ethical Investment Australian Ethical Investment Ltd.

Australian Ethical Superannuation Australian Ethical Superannuation Pty Ltd.

Australian Prudential Regulation Authority (APRA) The controlling regulatory authority for superannuation funds in Australia.

Australian Securities and Investments Commission (ASIC) The regulatory authority for financial services in Australia.

average weekly ordinary time earnings (AWOTE) A measure of wage and salary levels of employees in Australia.

benefit The amount of money in the superannuation fund to which the member is entitled.

buy–sell spread The difference between the price at which you can buy an asset and the price at which you can sell it. A measure of transaction costs.

custodian An entity which holds assets on behalf of the trustee of a superannuation fund. Full details of the current custodian for the Fund are on the Australian Ethical website.

derivatives Investment products whose value is derived from other assets. For example, futures, options, swaps and warrants.

direct investment An investment made directly to the Fund, not through an adviser.

the Fund Australian Ethical Retail Superannuation Fund.

indexed to inflation Adjusted according to the consumer price index, applying from 1 July each year.

lump sum A benefit taken as a single payment, rather than as an income stream.

market capitalisation A measure of the size of a company. It is the product of multiplying its share price by the total number of shares on issue.

member An individual with an account in the Fund.

post–June 1983 component That part of an eligible termination payment which relates to eligible service after 30 June 1983.

Product Disclosure Statement A legally required document describing a financial product. Formerly known as a prospectus.

rollover The transfer of funds from one superannuation fund to another.

strategy A strategy is an investment option. Australian Ethical Superannuation offers five strategies for both accumulation/ rollover and income stream accounts, each with different risk and return characteristics. When you join the Fund you will select the strategy or strategies which best suit your investment needs and objectives.

substantially self-employed An individual who receives some income from one or more employers but where the total income from that employment is less than 10 per cent of their assessable income.

superannuation guarantee Legislation which requires employers to provide a minimum level of superannuation for most employees.

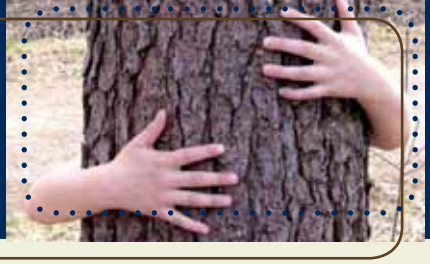
Superannuation Industry (Supervision) Act 1993 and Regulations The main body of legislation governing the operation of superannuation funds.

trust deed The legal document governing the operation of the Fund. A copy is available for inspection by members at the trustee's office or from the Australian Ethical website.

trustee The trustee of the Fund is Australian Ethical Superannuation Pty Ltd.

unit trust A form of pooled savings. Much of the money invested in this Fund will be invested in public unit trusts managed by Australian Ethical Superannuation's parent company, Australian Ethical Investment Ltd.

unlisted company A company whose shares are not listed for trade on a stock exchange or securities market. Usually a small company or a company with a relatively small number of shareholders.



Helpful contacts

Ethical Investment Association

www.eia.org.au

Australian Securities and Investments Commission (ASIC)

1300 300 630
www.asic.gov.au

Visit this website to confirm accreditation of financial advisers or for general information regarding advice and complaints about advisers, government policy and procedures.

Australian Taxation Office

superannuation infoline: 13 10 20
www.ato.gov.au

The tax office has general information regarding superannuation and taxation. It also has a service for locating lost superannuation.

www.findmysuper.com.au

You can also use this commercial website to find missing superannuation.

Australian Prudential Regulation Authority (APRA)

1300 131 060
www.apra.gov.au

Call the authority if you have any questions regarding the regulations of banks, insurance companies and superannuation funds, credit unions, building societies and friendly societies.

Association of Superannuation Funds of Australia (ASFA)

www.asfa.asn.au

This is the peak industry body established for Australia's superannuation funds, their trustees and their members. They have helpful information about contributions in the *ASFA Super Guru* section of their website.

Management services directory

Trustee

Australian Ethical Superannuation Pty Ltd,
ABN 43 079 259 733

GPO Box 2435
CANBERRA ACT 2601

1300 134 337
fax: 02 6201 1959
aes@austethical.com.au
www.austethical.com.au

Auditor of the trustee

Thomas Davis and Co., ABN 97 486 078 285

20th Floor, 68 Pitt Street
SYDNEY NSW 2000

Auditor of the Fund

Mr PL Whiteman, Partner
Thomas Davis and Co., ABN 97 486 078 285

20th Floor, 68 Pitt Street
SYDNEY NSW 2000

Insurer

TOWER Australia Limited, ABN 70 050 109 450
AFSL 237848

GPO Box 5380 Sydney NSW 2001
80 Alfred Street Sydney NSW 2061

02 9448 9000
Customer service: 1800 221 142
fax: 02 8244 9630
grouppriskadmin@toweraustralia.com.au
www.toweraustralia.com.au

Australian financial services licensee

Australian Ethical Investment Ltd, ABN 47 003 188 930

GPO Box 2435
CANBERRA ACT 2601

Superannuation Complaints Tribunal

Level 15, 31 Queen Street
Melbourne Vic 3000

1300 780 808

Reference numbers

Superannuation Fund Number (SFN):	4794 / 449 / 82
Australian Business Number (ABN):	49 633 667 743
Superannuation Product Identification Number (SPIN):	AET0100AU
Registered superannuation entity licence number:	L0001441
Fund registration number:	R1004731

Please post all applications and correspondence to:

Australian Ethical Superannuation
PO Box 1916
Wollongong NSW 2500

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At Australian Ethical, we prefer to use CyclusPrint Matt for all our publications. This paper stock is 100% recycled from post consumer waste by Dalum Papir in Denmark. Cyclus is free from chlorine bleaching. All residual products from processing the used fibres are also recycled, for example, as a raw material for making leached filler, as raw material for the cement industry, and as biological sludge for fertiliser.

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www.cyclus.dk/866
www.blauer-engel.de/willkommen/willkommen.htm
www.eco-label.com

australianethical® superannuation

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