

Australian Ethical International Shares Fund (Wholesale)



FUND PROFILE - 30 SEPTEMBER 2020

Australian Ethical is one of Australia's leading ethical fund managers. By investing responsibly in well-managed ethical companies, we deliver competitive financial performance to our clients and positive change to society and the environment. Since our inception in 1986, our Ethical Charter has guided all investment decisions and underpinned our business practices. Every year 10 per cent of our profits* are distributed to charitable organisations and social impact initiatives through The Australian Ethical Foundation.

Investment objective

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

Price information

Pricing frequency:	Daily
Buy/Sell spread:	0.10%/0.10%

Fund facts

Fund size:	\$62.48m
Benchmark:	Australian Ethical International Shares Composite
Asset class:	Equity
Inception date:	30/06/2015
Minimum investment timeframe:	7 Years
Risk level:	High

Identifiers

ISIN code:	AU60AUG00259
APIR code:	AUG0025AU

Distributions

Frequency:	2
Dates:	30/06, 31/12

Fees

Management costs - PDS:	0.85%
Minimum initial investment:	\$25,000
Additional transactional and operational costs:	0.00%

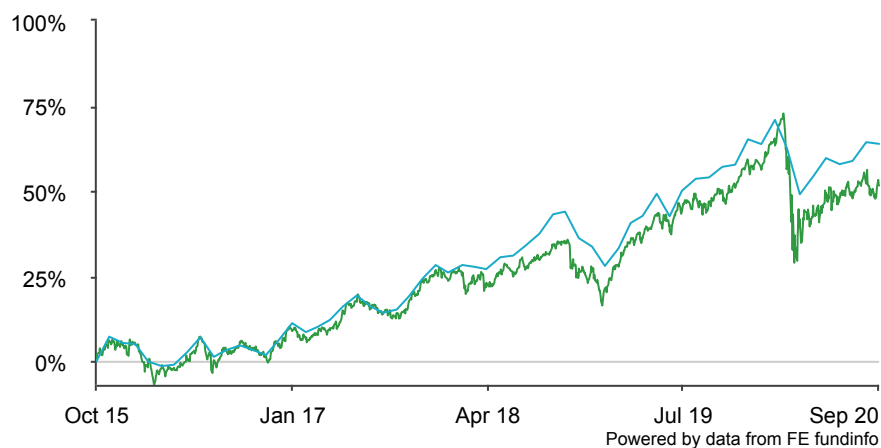
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(after tax, before bonus expense)

Investment strategy

The opportunity to invest in a diversified portfolio of companies listed on international stock exchanges, which meet the Australian Ethical Charter.

Cumulative performance (as at 30/09/2020)



■ Australian Ethical International Shares
■ Benchmark

Performance (as at 30/09/2020)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	-0.4%	2.1%	7.6%	0.9%	8.8%	8.7%	-	8.5%
Benchmark	-0.3%	3.8%	9.9%	4.3%	11.2%	10.4%	-	9.6%

Calendar Performance (as at end 2019)

	CY2019	CY2018	CY2017	CY2016	CY2015
Fund	28.6%	-1.7%	13.6%	3.9%	-
Benchmark	28.0%	1.5%	13.4%	5.9%	-

Source: FE fundinfo.

Total returns are calculated using the sell (exit) price, net of management fees and gross of tax as if distributions of income have been reinvested at the actual distribution reinvestment price. The actual returns received by an investor will depend on the timing, buy and exit prices of individual transactions. Return of capital and the performance of your investment in the fund are not guaranteed. Past performance is not a reliable indicator of future performance. Figures showing a period of less than one year have not been adjusted to show an annual total return. Figures for periods of greater than one year are on a per annum compound basis. The current benchmark may not have been the benchmark over all periods shown in the above chart and tables. The calculation of the benchmark performance links the performance of previous benchmarks and the current benchmark over the relevant time periods.

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Top 10

MICROSOFT CORP	4.5%
ALPHABET INC-CL A	3.0%
VISA INCORPORATED CLASS A SHARES	2.3%
AT&T INC	1.9%
FACEBOOK INC-A	1.8%
MASTERCARD INC CLASS A	1.4%
ADOBE INC	1.4%
ACCENTURE PLC	1.4%
AMGEN INC	1.4%
NVIDIA CORPORATION	1.3%

Ratings and awards

RIAA rating:



UNPRI signatory:



Why invest ethically?

Portfolio diversification: Diversify your portfolio by investing in companies and sectors not well covered by other fund managers and brokers.

Help build a better world: Invest in the new, low-carbon economy, fund medical and technology breakthroughs, efficient transport and more.

Promote human rights: We strive to avoid any investment in companies involved in the poor treatment of asylum seekers or the exploitation of workers through poor working conditions.

Need Help?

Contact us between 9:00am-5:00pm

AEST Monday-Friday on:

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Australian Ethical Investment Ltd

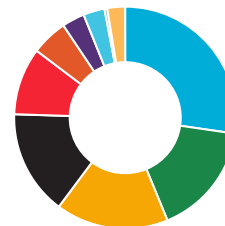
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

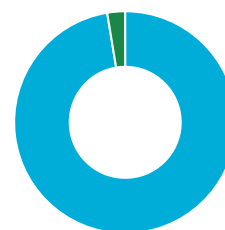
Sector allocation

Information Technology	27.3%
Communication Services	16.5%
Industrials	16.4%
Financials	15.3%
Health Care	9.8%
Real Estate	5.3%
Utilities	3.3%
Consumer Discretionary	3.1%
Consumer Staples	0.4%
Other	2.6%



Asset allocation

International Shares	97.4%
Cash	2.6%



Commentary

The International Shares Fund increased 1.8% (2.1% Wholesale Fund) over the September quarter versus its benchmark (MSCI ex Australia) which increased 3.78%, resulting in underperformance of 1.9% (1.7% Wholesale Fund). The good performance of the overall global markets was driven by the very strong performance of the US, where the S&P 500 increased 8.5% and the Nasdaq increased 11%. In August the US indices broke record highs due to resilient company earnings, a shift in the Federal Reserve approach to monetary policy and optimism about a vaccine. As the Fund is underweight the US market (62% versus benchmark of 68%) it contributed to the underperformance.

The two sectors which contributed positively to the Fund's performance were Energy and Utilities. The Fund is underweight Energy (the sector declined as the oil price decreased in September) due to our ethical selection criteria, which provided a positive contribution as the sector underperformed. Stock selection in Utilities contributed to the positive performance. The two sectors which detracted from performance were IT and Communication Services, both of which the Fund is overweight. Both IT and Communication Services provided positive returns, but relative to the benchmark the sectors underperformed due to stock selection. In the IT sector the Fund underperformed by 1.53%, with 0.88% of the underperformance attributable to the Fund not holding Apple due to our ethical selection criteria. The other negative contributor was Consumer Discretionary, a sector which the Fund is underweight. The largest stock in this sector is Amazon which the Fund does not hold, contributing an underperformance of 0.28% of the overall underperformance.

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