

# Australian Ethical International Shares Fund



FUND PROFILE - 31 MARCH 2021

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: 0.05%/0.05%

## Fund facts

Fund size: \$4.50m

Benchmark: Australian Ethical International Shares Composite

Asset class: Equity

Inception date: 13/06/2007

Minimum investment timeframe: 7 Years

Risk level: High

## Identifiers

ISIN code: AU60AUG00069

APIR code: AUG0006AU

## Distributions

Frequency: 2

Dates: 30/06, 31/12

## Fees

Management costs - PDS: 1.85%

Minimum initial investment: \$1,000  
\$500 with a Regular investor plan

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](http://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 31/03/2021)



■ Australian Ethical International Shares  
■ Benchmark

## Performance (as at 31/03/2021)

|           | 1m   | 3m   | 6m    | 1y    | 3y    | 5y    | 10y   | Since inception |
|-----------|------|------|-------|-------|-------|-------|-------|-----------------|
| Fund      | 5.3% | 7.5% | 14.9% | 23.0% | 11.3% | 11.2% | 8.9%  | 3.9%            |
| Benchmark | 5.1% | 6.3% | 12.4% | 23.5% | 13.2% | 13.2% | 13.6% | 7.3%            |

## Calendar Performance (as at end 2020)

|           | CY2020 | CY2019 | CY2018 | CY2017 | CY2016 |
|-----------|--------|--------|--------|--------|--------|
| Fund      | 2.9%   | 27.4%  | -3.0%  | 12.5%  | 2.9%   |
| Benchmark | 5.7%   | 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.

## Top 10

|                                  |      |
|----------------------------------|------|
| MICROSOFT CORP                   | 4.4% |
| ALPHABET INC-CL A                | 3.1% |
| AT&T INC                         | 2.2% |
| VISA INCORPORATED CLASS A SHARES | 1.8% |
| FACEBOOK INC-A                   | 1.7% |
| XYLEM INC-W/I                    | 1.4% |
| EATON CORP PLC                   | 1.4% |
| ACCENTURE PLC                    | 1.3% |
| MASTERCARD INC CLASS A           | 1.3% |
| PRUDENTIAL FINANCIAL INC         | 1.2% |

## 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:

t 1800 021 227

f 02 9252 1987

e [investors@australianethical.com.au](mailto:investors@australianethical.com.au)

w [australianethical.com.au](http://australianethical.com.au)

Australian Ethical Investment Ltd

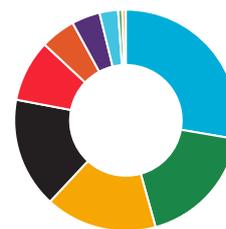
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

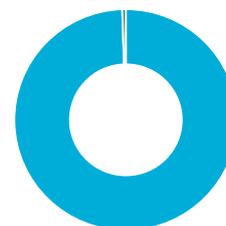
## Sector allocation

|                        |       |
|------------------------|-------|
| Information Technology | 27.7% |
| Financials             | 18.0% |
| Communication Services | 16.2% |
| Industrials            | 16.1% |
| Health Care            | 9.0%  |
| Real Estate            | 5.1%  |
| Consumer Discretionary | 4.1%  |
| Utilities              | 2.7%  |
| Consumer Staples       | 0.6%  |
| Other                  | 0.5%  |



## Asset allocation

|                      |       |
|----------------------|-------|
| International Shares | 99.5% |
| Cash                 | 0.5%  |



## Commentary

The March quarter was marked by unique political, economic and market events. The storming of Capitol Hill in the US, followed by the impeachment process of then President Trump, the spike in COVID cases (particularly in the UK where new cases peaked at 68,000 on a single day) and the strange market behaviour surrounding subreddit Wall Street Bets and Gamestop. However despite the noise, global markets performed strongly over the quarter with the MSCI World index rising 5.7%, reflecting broad positive market performance across regions. The positive performance was driven by the continued recovery in major economies supported by significant fiscal spending, accommodative monetary policy, and the ongoing vaccine rollout. Despite the general positive performance, the quarter was marked by periods of volatility, largely triggered by a sharp uptick in bond yields as future inflation concerns grew.

The International Shares Fund had another good quarter, appreciating 7.5% (Wholesale 7.8%) over the March quarter versus its benchmark (MSCI ex Australia) which increased 6.33%, resulting in outperformance of 1.59%. The sectors contributing the most to the Fund's performance were Communication Services and IT, where the Fund has overweight positions. Communication Services contributed 1.39% of the outperformance. However, it was stock selection in both these sectors which generated most of the positive attribution. The outperformance in Communication Services was a reversal of the significant underperformance in the previous quarter.

The sectors which detracted from performance were the absence of Energy, Consumer Discretionary and Materials which outperformed. The Fund is substantially underweight in all these sectors (zero weighting in Energy and Materials due to our ethical selection criteria). The energy spike along with the oil price and Materials was a reversal of the previous quarter's underperformance. In addition in Consumer Discretionary, Amazon was a strong performer, but a stock which the Fund does not hold due to our ethical criteria. It represents about 24% of the sector and our lack of holding contributed -0.79% to the Fund's performance.