

Australian Ethical International Shares Fund



FUND PROFILE - 31 DECEMBER 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: 0.05%/0.05%

Fund facts

Fund size: \$4.12m

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

*(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 31/12/2020)



■ Australian Ethical International Shares
■ Benchmark

Performance (as at 31/12/2020)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	-0.7%	6.8%	8.8%	2.9%	8.3%	8.0%	9.0%	3.4%
Benchmark	-0.5%	5.7%	9.7%	5.7%	11.2%	10.5%	13.3%	6.9%

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.

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Top 10

MICROSOFT CORP	4.2%
ALPHABET INC-CL A	3.0%
AT&T INC	2.3%
VISA INCORPORATED CLASS A SHARES	2.1%
FACEBOOK INC-A	1.5%
MASTERCARD INC CLASS A	1.5%
ACCENTURE PLC	1.3%
EATON CORP PLC	1.3%
TESLA INC	1.2%
ADOBE 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:

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Australian Ethical Investment Ltd

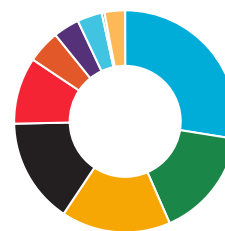
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

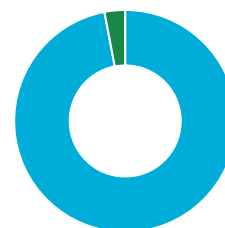
Sector allocation

Information Technology	27.5%
Industrials	15.9%
Communication Services	15.9%
Financials	15.3%
Health Care	9.7%
Real Estate	4.8%
Consumer Discretionary	3.8%
Utilities	3.6%
Consumer Staples	0.4%
Other	3.0%



Asset allocation

International Shares	97.0%
Cash	3.0%



Commentary

The International Shares Fund increased 6.8% (7.1% Wholesale Fund) over the December quarter versus its benchmark (MSCI ex Australia) which increased 5.7%, resulting in outperformance of 1.1% (1.4% Wholesale Fund). It was an eventful quarter where markets reacted positively to a vaccine being rolled out, Biden ousting Trump and the Brexit agreement being finalised. This resulted in very strong global performance, particularly driven by the US, where the S&P 500 increased 11.7% and the Nasdaq increased 15.4%.

The sectors contributing most to the Fund's performance were Industrials and Utilities. The Fund is overweight Industrials, with the overweight stocks outperforming over the quarter. Stock selection in Utilities was also the main driver of the positive performance, with the stocks held contributing positively while those not held underperformed the benchmark. The Fund is overweight the IT sector which contributed 0.21% of outperformance and for the first time this year the stocks held performed strongly, negating the non-holding of Apple, which returned 0.27% over the benchmark. The sectors which detracted from performance were Energy and Materials, both of which the Fund has zero weighting to due to our ethical selection criteria. Both sectors generated positive returns relative to the benchmark, as the oil price increased 21% over the quarter and metal prices increased on average 14%. The Fund is underweight the Consumer Discretionary sector, which for the first time did not detract from performance due to the below-benchmark performance of Amazon (not held).