

Australian Ethical International Shares Fund (Wholesale)

Fund Profile - 30 June 2021

Australian Ethical



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: \$85.96m

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: 0.59%

Minimum initial investment: \$25,000

Additional transactional and operational costs: 0.00%

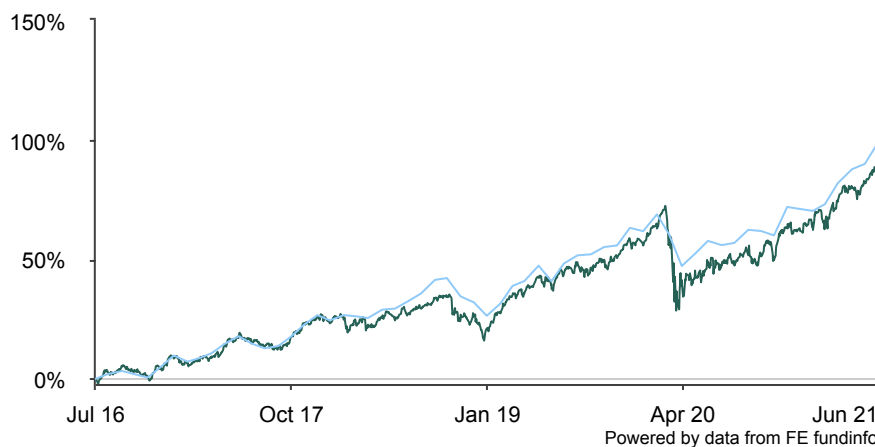
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website australianethical.com.au

*(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 30/06/2021)



■ Australian Ethical International Shares

■ Benchmark

Performance (as at 30/06/2021)

	1m	3m	6m	1y	3y	5y	10y	Since inception
Fund	4.5%	8.8%	17.3%	28.3%	14.4%	13.7%	-	11.5%
Benchmark	4.7%	9.3%	16.3%	27.5%	14.5%	14.7%	-	12.2%

Calendar Performance (as at end 2020)

	CY2020	CY2019	CY2018	CY2017	CY2016
Fund	3.9%	28.6%	-1.7%	13.6%	3.9%
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	4.6%
ALPHABET INC-CL A	3.2%
VISA INCORPORATED CLASS A SHARES	1.7%
FACEBOOK INC-A	1.7%
PRUDENTIAL FINANCIAL INC	1.7%
AT&T INC	1.5%
XYLEM INC-W/I	1.5%
ACCENTURE PLC	1.3%
EATON CORP PLC	1.2%
MASTERCARD INC CLASS A	1.2%

Ratings and awards

RIAA rating:



UNPRI signatory:



Why invest ethically?

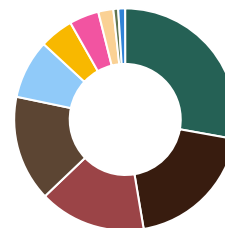
Portfolio diversification: Diversify your portfolio by investing in companies and sectors not well covered by other fund managers and brokers.
Help build a better world: Invest in the new, low-carbon economy, fund medical and technology breakthroughs, efficient transport and more.
Promote human rights: 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?

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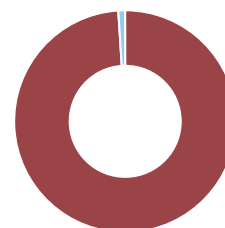
Sector allocation

Information Technology	27.8%
Financials	19.5%
Communication Services	15.5%
Industrials	15.4%
Health Care	8.6%
Real Estate	4.9%
Consumer Discretionary	4.3%
Utilities	2.2%
Consumer Staples	0.7%
Other	1.0%



Asset allocation

International Shares	99.0%
Cash	1.0%



Commentary

Global markets posted another strong quarter with the MSCI World Index appreciating 7.7%. This was driven by the US where the S&P 500 rose 8.6%, and closely followed by Europe (MSCI Europe ex UK) which rose 7.1%. Australia kept pace, the ASX 200 was up 8.3% driven by cyclicals. In Asia performance was subdued relative to other regions; including the Nikkei which was down 1.2%. Performance in global equity markets was driven by improved economic activity, the roll out of the vaccination program and strong monetary and fiscal support. This improved economic activity was reflected in a rising Purchasing Managers' Index. Unemployment rates have fallen faster than anticipated, and YoY Inflation rates have continued to rise – prompting investors to pay close attention to how Central Banks will react. However, despite the inflation concerns bond yields fell over the quarter with questions remaining around whether the rise in inflation will be sustained.

The International Shares Fund appreciated 8.6% (Wholesale class: 8.8%) over the June quarter versus its benchmark (MSCI ex Australia) which increased 9.33%, resulting in underperformance of 0.34%. The sectors contributing mostly to the Fund's performance were Industrials, IT and Communication Services, sectors where the Fund has overweight positions. Industrials contributed 0.52% of the outperformance, but it was stock selection which generated most of the positive attribution.

The sectors which detracted from performance were Consumer Discretionary, Consumer Staples and Energy which outperformed the benchmark. The Fund is substantially underweight in these sectors (zero weighting in Energy due to our ethical selection criteria). Energy continues to outperform in line with the oil price. As in the previous quarter, Amazon (Consumer Discretionary) was the strong performer, a stock which the Fund does not hold due to our ethical criteria. It represents about 22% of the sector and contributed -0.32% to the Fund's performance.

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