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**

<table>
<thead>
<tr>
<th>Pricing frequency:</th>
<th>Daily</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buy/Sell spread:</td>
<td>0.10%/0.10%</td>
</tr>
</tbody>
</table>

**Fund facts**

| Fund size: | $3.51m |
| 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 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 30/06/2019)**

```
          Fund    Benchmark
 1m        4.4%      5.3%
 3m        5.5%      5.2%
 6m       18.3%     17.3%
 1y       12.1%     11.9%
 3y       11.7%     14.0%
 5y       9.7%      11.2%
 10y      7.5%      12.6%
Since inception   2.9%      6.6%
```

**Calendar Performance (as at end 2018)**

```
          Fund    Benchmark
CY2018    -3.0%      1.5%
CY2017    12.5%      13.4%
CY2016    2.9%       5.9%
CY2015    13.3%      11.5%
CY2014    8.4%       9.5%
```

Source: FE.

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 Corporation 3.5%
Alphabet Inc. Class A 2.2%
Prudential Financial, Inc. 1.6%
Allianz SE 1.6%
American Express Company 1.6%
Chubb Limited 1.4%
Accenture Plc Class A 1.4%
IQVIA Holdings Inc 1.4%
Amgen Inc. 1.4%
AXA SA 1.3%

Ratings and awards

RIAA rating: CERTIFIED BY RIAA

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.

Sector allocation

- Financials 22.0%
- Information Technology 20.5%
- Industrials 16.4%
- Communication Services 14.8%
- Health Care 9.3%
- Real Estate 9.1%
- Consumer Discretionary 3.5%
- Utilities 2.4%
- Consumer Staples 0.7%
- Other 1.3%

Asset allocation

- International Shares 98.7%
- Cash 1.3%

Commentary

The Australian Ethical International Shares Fund increased in the June quarter, up 5.5% (5.7% Wholesale Fund), outperforming the Fund’s benchmark (MSCI World ex Australia index) of 5.2%. Most of the international market movement in this quarter was driven by political events rather than economic.

The Financial, Industrial and IT sectors were the top performers with the Fund overweight in these sectors which meant some of the financial stocks held by the Fund such as Prudential, Allianz and American Express were not as exposed to the effects of trade wars.

The detractors were Consumer Discretionary, Consumer Staples and Health Care. Due to our ethical screening process, we are underweight in these sectors which meant the fund did not benefit from increases in stocks such as Amazon and Coca-Cola.

In the middle of the quarter, the US markets declined nearly 6% due to the US-China trade wars. The UK fell 3% as ongoing Brexit pressures saw the resignation of Theresa May as a resolution looked impossible under her leadership.

The European and Asian markets similarly declined as trade tensions rippled through global markets. However, these same markets rallied in June with the US up nearly 7%, the UK +3.7% and Germany +5.7% due to expectations of a resolution to the trade wars at the G20 meeting.

Asian markets recovered as there was an announcement that Trump and Xi would meet for trade talks at the G20.
**Australian Ethical International Shares Fund (Wholesale)**

**FUND PROFILE - 30 JUNE 2019**

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**Fund facts**

| Fund size: | $59.51m |
| 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 transnational 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 30/06/2019)**

![Cumulative performance chart](chart.png)

**Performance (as at 30/06/2019)**

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