

## International Shares Fund

Monthly Report | July 2018

### About International Shares Fund

- Only consists of companies that have passed Australian Ethical's positive and negative screens, based on the Ethical Charter.
- Certified by the Responsible Investment Association Australasia.



### Performance returns

|  | 1 month (%) | 3 months (%) | 1 year (%) | 3 years (% p.a.) | 5 years (% p.a.) | 7 years (% p.a.) | 10 years (% p.a.) | Since Inception (% p.a.) |
|--|-------------|--------------|------------|------------------|------------------|------------------|-------------------|--------------------------|
| <b>Fund (Retail)*</b>                    | 1.8         | 2.8          | 12.6       | 6.6              | 10.7             | 11.6             | 4.4               | 2.3                      |
| <b>Benchmark<sup>~</sup></b>             | 2.5         | 5.3          | 20.3       | 9.2              | 11.9             | 16.3             | 9.6               | 6.3                      |
| <b>Relative Performance</b>              | -0.7        | -2.5         | -7.7       | -2.6             | -1.2             | -4.7             | -5.2              | -4.0                     |
| <b>Fund (Wholesale)*</b>                 | 1.9         | 3.2          | 14.0       | 7.7              | n/a              | n/a              | n/a               | 9.2                      |
| <b>Benchmark</b>                         | 2.5         | 5.3          | 20.3       | 9.2              | n/a              | n/a              | n/a               | 10.4                     |
| <b>Relative Performance</b>              | -0.6        | -2.1         | -6.3       | -1.5             | n/a              | n/a              | n/a               | -1.2                     |
| <i>Alternative benchmarks</i>            |             |              |            |                  |                  |                  |                   |                          |
| <b>MSCI World ex Australia (AUD) Net</b> | 2.5         | 5.3          | 20.3       | 8.5              | 13.8             | 16.1             | 9.5               |                          |

\* Inception Date (Retail): 13 June 2007

\* Inception Date (Wholesale): 1 July 2015

<sup>~</sup> Benchmark was changed from MSCI Global Climate to MSCI World ex Australia from 1 July 2016. Composite benchmark is calculated by linking the two index series.

<sup>^</sup> MSCI Global Climate Index history started from 31 August 2010.

Past performance is not an indicator of future performance.

### Top holdings

|                            |      |
|----------------------------|------|
| Microsoft Corporation      | 3.6% |
| Alphabet Inc. Class A      | 3.5% |
| American Express Company   | 1.8% |
| Allianz SE                 | 1.7% |
| Accenture Plc Class A      | 1.7% |
| Amgen Inc.                 | 1.7% |
| Northern Trust Corporation | 1.6% |
| Prudential Financial, Inc. | 1.6% |
| Chubb Limited              | 1.6% |
| Facebook, Inc. Class A     | 1.5% |

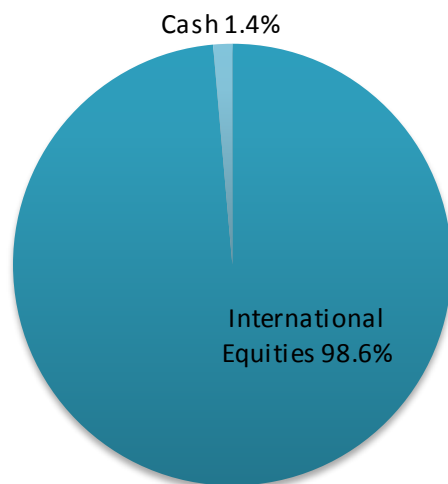
### Our ethical approach

Australian Ethical is a specialist ethical fund manager. By investing responsibly in well-managed ethical companies, we believe we can deliver competitive financial performance to our clients and positive change to society and the environment.

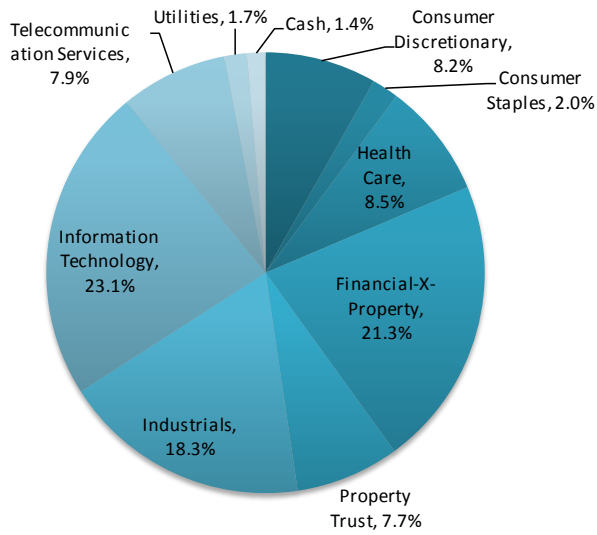
### Significant performers (for the month)

| Best                  | Total Return | Contribution | Worst                  | Total Return | Contribution |
|-----------------------|--------------|--------------|------------------------|--------------|--------------|
| Alphabet Inc. Class A | 8.0%         | 0.3%         | Facebook, Inc. Class A | -11.7%       | -0.2%        |
| Microsoft Corporation | 6.9%         | 0.2%         | Netflix, Inc.          | -14.3%       | -0.1%        |
| Xylem Inc.            | 12.9%        | 0.2%         | Tesla Inc              | -13.6%       | -0.1%        |

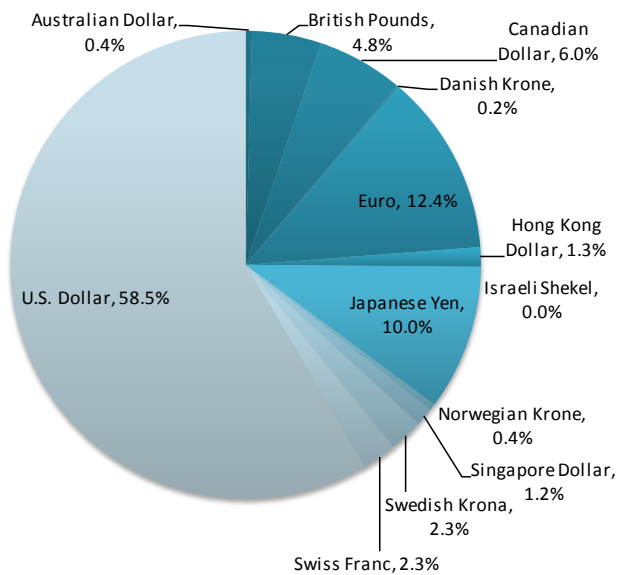
### Asset allocation



## Sector allocation



## Currency exposure



## Key information



### Portfolio Manager Ray Gin

Ray is a Portfolio Manager. He has over 28 years' experience in the equities market.

|                             |   |
|-----------------------------|---|
| Responsible entity:         | Australian Ethical Investment Ltd   |
| Minimum initial investment: | \$1,000 (retail)<br>\$25,000 (wholesale)  |
| Distribution:               | Six-monthly   |
| APIR:                       | AUG0006AU (retail)<br>AUG0025AU (wholesale)   |
| ARSN:                       | 124 861 338   |
| Contribution fee:           | None  |
| Establishment fee:          | None  |
| Withdrawal fee:             | None  |
| Termination fee:            | None  |
| Performance fee:            | None  |
| Management fee              | 2.20% pa (retail)<br>0.85% pa (wholesale)   |
| Buy-sell spread:            | 0.20%   |
| Platforms:                  | Netwealth   |
| Fund size:                  | \$ 618.4Million   |
| Objective:                  | To provide long-term growth through investment in overseas companies which meet the Australian Ethical Charter. |
| Structure:                  | The Fund is an open-ended public unit trust.  |

A full explanation of all of 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.

## Why invest ethically?

### Aligning values with investments

You probably already understand the importance of having a portfolio that matches your appetite for risk, but equally, if not more important, is holding a portfolio that reflects your values. For example, if you value the provision of fair working conditions (and no child labour) then it's important to invest in funds that negatively screen out stocks on this basis.

### Portfolio diversification

Ethical funds in particular, often invest in stocks that are not covered by many fund managers and brokers.

### Good for the world

Your investments can help build a new low-carbon economy, fund medical and technology breakthroughs, efficient transport and more.

## For more information

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