

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: 0.10%/0.10%

### Fund facts

Fund size: \$3.39m

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 fees - PDS: 1.85%

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

Additional transactional and operational costs: 0.00%

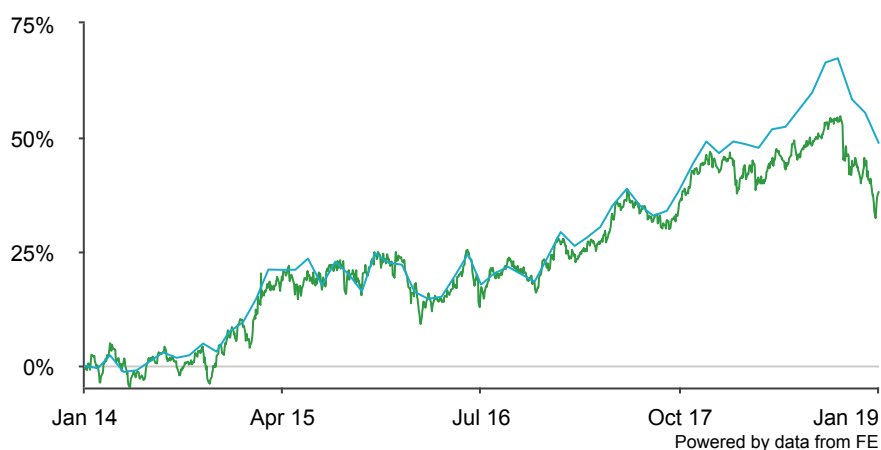
A full explanation of all the fees and costs that you may be charged for investing in the Fund is provided in the Fund's Product Disclosure Statements available from our website [australianethical.com.au](http://australianethical.com.au)

\*(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 31/12/2018)



■ Australian Ethical International Shares  
■ Benchmark

### Performance (as at 31/12/2018)

|           | 1m    | 3m     | 6m    | 1y    | 3y   | 5y   | 10y  | Since inception |
|-----------|-------|--------|-------|-------|------|------|------|-----------------|
| Fund      | -4.6% | -10.0% | -5.2% | -3.0% | 3.9% | 6.7% | 5.5% | 1.6%            |
| Benchmark | -4.3% | -11.1% | -4.6% | 1.5%  | 6.8% | 8.3% | 9.8% | 5.4%            |

### Calendar Performance (as at end 2018)

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

# Australian Ethical International Shares Fund

FUND PROFILE - 31 DECEMBER 2018

## Top 10

|                            |      |
|----------------------------|------|
| Microsoft Corporation      | 3.7% |
| Alphabet Inc. Class A      | 3.0% |
| Amgen Inc.                 | 1.9% |
| Allianz SE                 | 1.7% |
| Prudential Financial, Inc. | 1.6% |
| Anthem, Inc.               | 1.6% |
| Accenture Plc Class A      | 1.6% |
| Chubb Limited              | 1.6% |
| American Express Company   | 1.4% |
| AXA SA                     | 1.4% |

## 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

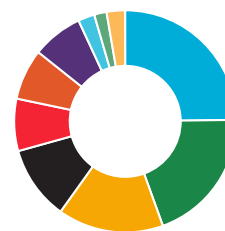
c/o Boardroom Pty Ltd

GPO Box 3993

Sydney NSW 2001

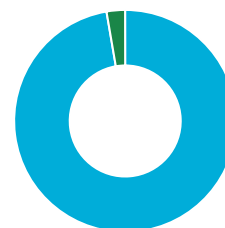
## Sector allocation

|                            |       |
|----------------------------|-------|
| Information Technology     | 24.8% |
| Financials                 | 19.7% |
| Industrials                | 15.4% |
| Health Care                | 10.8% |
| Consumer Discretionary     | 7.6%  |
| Real Estate                | 7.4%  |
| Telecommunication Services | 7.4%  |
| Consumer Staples           | 2.4%  |
| Utilities                  | 1.8%  |
| Other                      | 2.7%  |



## Asset allocation

|                      |       |
|----------------------|-------|
| International Shares | 97.3% |
| Cash                 | 2.7%  |



## Commentary

The MSCI World ex Australia index declined significantly over the December quarter, down 11.1%. This was predominantly driven by the US equities market which declined 14.3% (with the month of December down 9.2%) as investors sold off risk due to ongoing uncertainty with the US/China trade war. There were similar declines for France, Germany and the UK due to trade war concerns and the Brexit process stalling. Japan had its worst December performance in 50 years. The International Shares Fund declined by 9.7% (pre-fees) resulting in outperformance of 1.4% versus the benchmark.

The negative performance of the US market was mainly due to a profit warning by Apple which resulted in a sharp decline in all the IT stocks and a selloff in the Financials sector. The associated sell down of Amazon along with Apple were positive for the Fund and accounted for 0.75% of the attribution of the outperformance.

The Fund also benefited from its non-investment in Energy and Materials due to ethical screening (providing +0.65% attribution) but this was offset by the market's outperformance in Consumer Discretionary, Industrials and IT.

Telefonica SA was the best performing stock over the quarter with the share price appreciating 9%. The Fund is overweight this stock.

Alphabet Inc (Google) was the biggest detractor to performance. The Fund is overweight the stock and the share price declined 11%, falling in line with negative sentiment in the IT sector.

Australian Ethical Investment Ltd (ABN 47 003 188 930, AFSL 229949) is the Responsible Entity of the Australian Ethical managed funds. This information is of a general nature and is not intended to provide you with financial advice or take into account your personal objectives, financial situation or needs. Before acting on the information, consider its appropriateness to your circumstances and read the Financial Services Guide (FSG) and relevant product disclosure statement (PDS) available at [www.australianethical.com.au/managedfunds/pds](http://www.australianethical.com.au/managedfunds/pds). You may wish to seek independent financial advice from a licensed financial adviser before making an investment decision. The performance of your investment in the Australian Ethical is not guaranteed; past performance is not a reliable indicator of future performance. The information contained in this document is believed to be accurate at the time of compilation.

Where MSCI data is used, data is the property of MSCI. No use or distribution without written consent. Data provided "as is" without any warranties. MSCI assumes no liability for or in connection with the data. For full MSCI and RIAA disclaimer, please see <https://www.australianethical.com.au/sources/>