

The Ausbil MicroCap strategy provides investors with a diversified portfolio of high quality, dynamic companies outside the Top 200.

What are MicroCaps?

Micro-capitalisation ("Microcap") stocks represent the 'little known' investment opportunities outside the S&P/ASX 200. These businesses tend to be domestically focused product or service providers.

Why MicroCaps?

The Microcap stock universe is one of the most dynamic. From a portfolio management perspective, it is also among the most inefficient, as the investment universe is under-researched by both institutional investors and the broking community. Through superior proprietary research, we believe these inefficiencies can be exploited to deliver compelling investment opportunities.

Investment aim

The aim of the Fund is to outperform the S&P/ASX Emerging Companies Accumulation Index over the long term by investing in ASX listed companies outside the top 200.

Key features of the Strategy

- Invest in 35-60 industrial and resource MicroCap stocks
- Process focuses on companies with sustainable business models and positive earnings revisions
- Aims to provide investors with long-term capital growth
- Benchmarked against the newly launched 'Microcap' benchmark

Key benefits of the Strategy

- Managed by a dedicated and experienced specialist MicroCap team
- Benefit from Ausbil's existing macro-economic and sector analysis

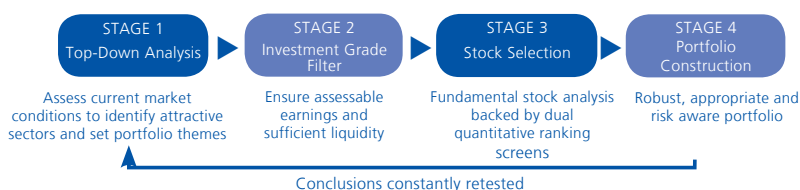
Investment team

The Fund is managed by a dedicated MicroCap team, with additional support from Ausbil's well respected and successful Australian equities investment team.

Investment style

Ausbil utilises a 'core' approach and seeks the best opportunities within the MicroCap universe. Our focus is on identifying liquid, well positioned and appropriately structured companies likely to enjoy positive earnings uplifts over the coming period.

The process is summarised in the diagram below:



Performance

| Period | Portfolio Return ¹ % | | Benchmark ² % | Out/Under Performance% | |
|-----------------------------------|---------------------------------|-------|--------------------------|------------------------|-------|
| | Gross | Net | | Gross | Net |
| One Month | -1.09 | -1.89 | -4.90 | 3.81 | 3.01 |
| Three Months | -7.16 | -8.69 | -13.18 | 6.02 | 4.49 |
| Since Inception Date: Feb 2010 | 5.41 | 1.92 | -9.18 | 14.59 | 11.10 |

Top 5 Stock holdings

| Company Name | Sector |
|---------------------------------|-----------------------|
| CSG | IT |
| Grange Resources | Mining – Iron Ore |
| Mineral Resources | Resource / Industrial |
| Matrix Composites & Engineering | Energy |
| Thorn Group | Retail |

Product Features

| Characteristic | Comments |
|------------------------|--|
| Benchmark | S&P/ASX Emerging Companies Accumulation Index |
| Minimum Investment | \$50,000 |
| Pricing Frequency | Daily |
| Distribution Timetable | Semi-annually: end June and end December |
| Fees ³ | Management fee: 1.20%p.a. Performance fee: 20.5% of the benchmark outperformance |

1. Performance figures assume that distributions are reinvested. Gross returns are before fees and taxes. Net returns are after fees but before taxes.
 2. S&P/ASX Emerging Companies Accumulation Index.
 3. Inclusive of GST.
 All Data is as at 30th of June 2010

