

# MEDIA RELEASE

December 2019

## Ausbil Global SmallCap Fund “Approved” by Zenith Investment Partners

The Ausbil Global SmallCap Fund has received an ‘approved’ rating from Zenith Investment Partners. In their report, Zenith noted the following:

- Zenith believes the portfolio managers have complementary skill sets, and their previous experience in Global SmallCap is advantageous.
- Zenith believes Ausbil’s focus on macroeconomic analysis is a key differentiator relative to peers.
- The strategic relationship between New York Life and Ausbil is a positive one.

The Ausbil Global SmallCap Fund actively invests in global small-cap market opportunities across the world’s developed markets, seeking companies that demonstrate unrecognised growth and the potential for significant rerating over time.

“Global small caps is an area that provides significant diversification and asset allocation benefits for Australian investors seeking new opportunities for growth they cannot find locally,” said Mark Knight, Head of Distribution at Ausbil.

Ausbil’s active global small-cap investment process aims to exploit the inefficiencies within the asset class by investing in quality companies with unrecognised growth potential at attractive valuations. The investment strategy uses both qualitative and quantitative analysis and tools alongside a disciplined risk management process, with the aim of producing consistent and risk controlled outperformance.

“With investing, it’s often the opportunities that the market is ignoring, or just doesn’t understand yet, where the best returns are to be found,” says Tobias Bucks, Co-Portfolio Manager of the Ausbil Global SmallCap Fund. “While investors are chasing FAANG<sup>1</sup> stocks in a frenzy of FOMO, there are over 4,300 global small caps, many with the potential to be the next Facebook or Apple, that are yet to be recognised at this early stage of their journey.”

The Fund aims to outperform the MSCI World Small Cap Index in AUD over the long term, giving the Fund an investable opportunity set covering some 23 developed markets, and over 4,300 companies.

“In simple terms, small companies have a history of outperforming large companies on average,” says Simon Wood, Co-Portfolio Manager of the Ausbil Global SmallCap Fund. “It is also small companies at an early stage of their development that offer investors the greatest long-term growth potential.”

Over the long term, smaller companies have been shown to outperform larger companies on a risk-adjusted basis, as found by Rolf Banz in a famous 1981 study<sup>2</sup>. This has been further corroborated in many works, including by Professor Jeremy Siegel in 2014<sup>3</sup>, showing that small companies significantly outperformed large companies in the US from 1926 to 2012.

The PDS can be obtained from our website at [www.ausbil.com.au](http://www.ausbil.com.au)

### About Ausbil Investment Management

Ausbil Investment Management Limited is a leading Australian based investment manager. Established in April 1997, Ausbil’s core business is the management of Australian and global equities for major superannuation funds, institutional investors, master trust and retail clients. Ausbil is owned by its employees and New York Life Investment Management (NYLIM), a wholly owned subsidiary of New York Life Insurance Company. As at 30 November 2019, Ausbil manage over \$12.2 billion in funds under management.

### About the Portfolio Managers

#### Simon Wood, CFA, Portfolio Manager, Global Small Caps

Simon has over 19 years of investment experience working in Sydney and London for AMP Capital, Barings and FactSet. Simon has a Bachelor of Arts (Honours), Finance and Accounting from the University of Brighton, is a CFA Charterholder and is a Chartered Global Management Accountant.

#### Tobias Bucks, Portfolio Manager, Global Small Caps

Tobias has over 15 years of financial markets experience working in Sydney and London with companies such as Newton Investment Management, Barings and CLSA. Toby has a Master of Arts in Social Anthropology from the University of Edinburgh.

<sup>1</sup> FAANG: Facebook, Apple, Amazon, Netflix and Google (Alphabet).

<sup>2</sup> Banz, R. W. (1981). The Relationship between Return and Market Value of Common Stocks. *Journal of Financial Economics*, 9(1), 3–18.

<sup>3</sup> Siegel, J. (2014) *Stocks for the Long Run: The Definitive Guide to Financial Market Returns*. 5th edition. New York: McGraw-Hill.

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