

MEDIA RELEASE

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For Immediate Release

Ausbil's Active Sustainable Equity Fund Divests Fossil Fuels

Ausbil is pleased to announce that the Ausbil Active Sustainable Equity Fund (Fund) celebrated a successful 3-years since inception on 31 January 2021 by formally excluding fossil fuels within its larger range of ESG exclusions. Since inception, the Fund has generated a track record of outperformance that includes the pandemic period in 2020*.

Previously, the Fund had excluded material investments in controversial activities such as uranium, thermal coal, gambling, alcohol, tobacco, weapons and armaments, and pornography. This exclusion list has been expanded to include investing in exploration, mining and/or the distribution of fossil fuels, including oil, gas, oil sands and all coal.

"The energy transition is well underway and smart capital is investing in the future of energy that is cleaner, renewable, and contributes to the sustainability goals around climate change," said Nicholas Condoleon, Portfolio Manager for the Ausbil Active Sustainable Equity Fund and Head of Equities Research. "A Biden Presidency is expected to accelerate policy initiatives supportive of the substitution of fossil fuels by renewable fuel sources making this a very exciting time to be in sustainable investing."

Ausbil's ESG and sustainable investing model is based in deep fundamental ESG research, engagement and advocacy across the universe of investable companies on the ASX. Ausbil's dedicated ESG research team powers a program of face-to-face engagement with the boards and leaders of Australia's listed companies.

"We have developed an 'engine' for ESG action that underpins our sustainable investment approach, and sees a rolling program of some 200 active engagements every year across all aspects of ESG," said Måns Carlsson, Ausbil's Head of ESG Research. "This deep pool of data informs a larger spectrum risk assessment within Ausbil's investment decision framework, improving risk-adjusted returns by considering the greater risk and ESG impact of every company."

"Increasingly, we are seeing investors, from the world's biggest institutions, to mum and dad super investors, driving the move towards sustainable investing," said Mark Knight, Ausbil's Head of Distribution. "Whether it is climate change, modern slavery or governance, sustainable investors want their capital to be responsible. They don't want their capital to overlook these issues."

Themes like decarbonisation and global warming are driving a growing energy thematic that will eventually tip the scales toward alternative energy, most likely faster than previously thought. COVID-19 has seen a drive towards renewables as a policy lever, and also as renewable energy costs fall in comparison to fossil fuels. "There is a long ramp-up of opportunity here in the long switch to more renewable energy sources for long-term investors," said Condoleon.

"Active and consistent engagement, backed with active advocacy and voting means we walk the walk of sustainable investing," said Carlsson. "Engaging means we will maintain an ongoing conversation with the companies in our universe, even when they have uninvestable ESG scores. This is how we achieve change."

Ausbil engages continually with companies for three reasons. (1) We believe we can have a more positive impact on companies that are in dialogue with us, than if we actively exclude them. (2) We want companies to become more sustainable in their journey, and increase the universe of where we can invest. (3) We need to understand the full distribution of ESG outcomes and behaviours to get a full picture of both ends of the curve, those we would never invest in, and those we believe are exemplary on an ESG basis.

About Ausbil Investment Management

Ausbil 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 a wholly-owned subsidiary of New York Life Insurance Company. As at 31 December 2020, Ausbil manage over \$13.7 billion in funds under management.

About Ausbil Active Sustainable Equity Fund

The Fund provides exposure to an actively managed portfolio, predominantly made up of listed Australian equities which meet Ausbil's sustainability approach to investing. The Fund invests in a portfolio of listed Australian companies which are primarily selected from the S&P/ASX 200 Index, that have a relatively good sustainability profile, and are not subject to long term earnings sustainability risk.



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“Ausbil has now added fossil fuels to the list of companies which are uninvestable for our Active Sustainable Equity Fund, but with which we will still engage on ESG issues to help improve the future,” said Carlsson.

*Returns since inception for the Ausbil Active Sustainable Equity Fund are outlined in the following table.

The latest performance table of the Ausbil Active Sustainable Equity Fund

Period	1 month %	3 months %	6 months %	FYTD %	CYTD %	1 year %	2 years (pa) %	3 years (pa) %	Since Inception (pa) %
Fund	-0.06	13.61	18.32	21.33	-0.06	9.96	18.66	11.77	11.77
S&P ASX 200	0.31	11.89	12.99	13.55	0.31	-3.11	9.93	7.00	7.00
Excess Return	-0.37	+1.72	+5.33	+7.77	-0.37	+13.07	+8.73	+4.77	+4.77

As at 31 January 2021. Figures shown are net of fees and before taxes. Inception date is 31 January 2018.

ENDS

Unless otherwise specified, any information contained in this publication is current as at the date of this report and is prepared by Ausbil Investment Management Limited (ABN 26 076 316 473 AFSL 229722) (**Ausbil**). Ausbil is the issuer of the Ausbil Active Sustainable Equity Fund (ARSN 623 141 784) (Fund). This report contains general information only and the information provided is factual only and does not constitute financial product advice. It does not take account of your individual objectives, financial situation or needs. Before acting on it, you should seek independent financial and tax advice about its appropriateness to your objectives, financial situation and needs. Securities and sectors mentioned in this monthly report are presented to illustrate companies and sectors in which the Fund has invested and should not be considered a recommendation to purchase, sell or hold any particular security. Holdings are subject to change daily. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Past performance is not a reliable indicator of future performance. Unless otherwise stated, performance figures are calculated net of fees and assume distributions are reinvested. Due to rounding the figures in the holdings, breakdowns may not add up to 100%. No guarantee or warranty is made as to the accuracy, adequacy or reliability of any statements, estimates, opinions or other information contained herein (any of which may change without notice) and should not be relied upon as a representation express or implied as to any future or current matter. You should consider the Product Disclosure Statement which is available at www.ausbil.com.au before acquiring or investing in the fund.

A short notice on the COVID-19 public health event, and how it can impact investments

Given the currently evolving issues around the Coronavirus (or Covid-19) globally, which has officially been designated a pandemic by the World Health Organisation, we wish to notify that, as with many firms, business may be disrupted. A public health crisis, pandemic, epidemic or outbreak of a contagious disease, such as the recent outbreak of Coronavirus (or Covid-19) in Australia, Italy, China, South Korea, the United States and other countries, could have an adverse impact on global, national and local economies, which in turn could negatively impact investment returns in any of Ausbil Investment Management Limited's registered managed investment schemes (the Funds). Disruptions to commercial activity relating to the imposition of quarantines or travel restrictions (or more generally, an inability on behalf of authorities to contain this pandemic) may adversely impact any investment, including by delaying or causing supply chain disruptions or by causing staffing shortages. The outbreak of Coronavirus has contributed to, and may continue to contribute to, volatility in financial markets. The impact of a public health crisis such as the Coronavirus (or any future pandemic, epidemic or outbreak of a contagious disease) is difficult to predict, which presents material uncertainty and risk with respect to any investment or fund performance. You should consider the Product Disclosure Statement which is available at www.ausbil.com.au before acquiring or investing in the fund.

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