

Ausbil Global SmallCap Fund

APIR: AAP8285AU
mFund: AXW09

Controversial Activity Exclusion Policy

1 July 2025

While Ausbil prefers to engage with companies on ESG issues, as opposed to excluding or divesting investments in companies, there are several controversial activities, Ausbil believes will be subject to increased regulatory restrictions impacting earnings over time, and where engagements are not possible to address the issues. As a result, Ausbil, in relation to Ausbil Global SmallCap Fund (ARSN 623 619 625) (**Fund**) has deemed certain activities as controversial and companies with material direct (manufacturing, development, or trading of) or indirect exposure (trading distribution of or through the value chain, eg provision of services/components to a controversial industry) to these controversial activities are excluded from the investible universe of the Fund.

Revenue, which is used to measure material thresholds, is generally a company's reported sales revenue or, if it is not available, then another reasonable measure or estimate of sales revenue is used.

The table below outlines these activities by type and provides examples of the assessment and/or material threshold that is applied to exclude the company.

Controversial Activities & Thresholds ¹			
Activity	Activity type	Example	Material Threshold
Controversial Weapons and Armaments	Development, production, testing, maintenance or sale	The development, production, testing, maintenance and sale of anti-personnel landmines, cluster bombs, nuclear weapons (including critical components and services), depleted uranium weapons & armour, chemical weapons, biological weapons or white phosphorous weapons.	0% of revenue ²
Tobacco & tobacco-based products	Production	The production of cigarettes, other tobacco products or e-cigarettes.	0% of revenue ³
Tobacco & tobacco-based products	Distribution	The distribution of cigarettes, other tobacco products or e-cigarettes.	5% of revenue ³
Thermal Coal	Exploration, mining, production and/or distribution	The exploration and/or mining of thermal coal and the production and/or distribution of thermal coal-related products and services.	10% of revenue
Adult Content	Production and/or distribution	The production and/or distribution of adult content, including pornographic material.	10% of revenue
Alcohol	Production, manufacture and/or distribution	The production, manufacture and/or distribution of alcohol products.	10% of revenue

Controversial Activities & Thresholds ¹			
Activity	Activity type	Example	Material Threshold
Gambling	Production and/or distribution	The production and/or distribution of gambling activities, such as gaming machines/software for gambling purposes.	10% of revenue
Genetically Modified Organisms (GMOs)	Research, development and/or production	Research, development and production activities that use GMOs, without adherence to responsible policies / procedures or alignment with international standards.	10% of revenue
Animal Testing		The testing of products on animals which is either prohibited by law or conducted irresponsibly.	0% of revenue
Oppressive Regimes		Companies that have high human rights risks which are not properly mitigated.	0% of revenue

1. The thresholds apply on a combined basis, eg a company with 6% exposure to alcohol and 5% exposure to gambling = 11%, which means the company is excluded from the investable universe.
2. The Fund may include companies that (a) derive up to 5% of revenue from activities related to white phosphorous weapons because white phosphorous is required for other non-controversial activities (eg fertilizers), and (b) own up to 5% of a company directly involved in controversial weapons and armaments.
3. The Fund may include companies that are indirectly involved in the tobacco industry if they provide support through products and/or services that are not solely geared to the tobacco industry (eg packaging) or provide real estate (eg leases) to companies with direct involvement.

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 Global SmallCap Fund (ARSN 623 619 625) (**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 and the target market determination which is available at www.ausbil.com.au/invest-with-us/design-and-distribution-obligations/fund-tmlds before acquiring or investing in the Fund.