

# Ausbil Investment Management

## UNIT PRICING DISCRETIONS POLICY

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ABN 26 076 316 473  
ACN 076 316 473  
AFSL 229722

**ausbil**



The purpose of this document is to set out the approach taken by Ausbil in calculating unit prices for the Ausbil Funds and any discretions which may be applied to that process.

Ausbil Investment Management Limited (**Ausbil**) is the Responsible Entity for the managed investment schemes (**Funds**) set out below.

Fund name	ARSN
Ausbil Australian Active Equity Fund	089 996 127
Ausbil Australian Geared Equity Fund	124 196 407
Ausbil Australian Emerging Leaders Fund	089 995 442
Ausbil Australian SmallCap Fund	630 022 909
Ausbil MicroCap Fund	130 664 872
Ausbil Balanced Fund	089 996 949
Ausbil 130/30 Focus Fund	124 196 621
Ausbil Long Short Focus Fund	642 635 498
Ausbil Active Dividend Income Fund	621 670 120
Ausbil Australian Concentrated Equity Fund	622 627 696
Ausbil Active Sustainable Equity Fund	623 141 784
Ausbil Global SmallCap Fund	623 619 625
Ausbil Global Essential Infrastructure Fund	628 816 151
Ausbil Global Resources Fund	623 619 590
Candriam Sustainable Global Equity Fund	111 733 898

This Unit Pricing Discretions Policy (**Policy**) has been prepared by Ausbil to outline the basis on which it determines unit prices for these Funds and circumstances where discretion may be exercised in doing so. Ausbil notes that the exercise of any discretion is subject to the general duties of a Responsible Entity under section 601FC of the *Corporations Act 2001 (Cth)*, to exercise its powers and carry on its duties in the best interests of the unit holders and to exercise the discretions with a reasonable degree of care and diligence. This document is not a complete description of all matters affecting unit prices or investments in Funds, and should be read in conjunction with the Product Disclosure Statement (**PDS**), Additional Information Guide (**AIG**) (where relevant) and Constitution of the relevant Fund.

Ausbil has appointed Citigroup Pty Limited (**Citi**) as the Fund's Custodian and outsourced to Citi the investment administration of the Funds. Ausbil has adopted Citi's Accounting & Valuation Guide, Unit Pricing Guide and Accounting, Tax & Distribution Reporting Guide for the Fund's valuation and calculation of the unit prices.

Ausbil has outsourced unit registry services to SS&C Solutions Pty Ltd.

## Unit Pricing

The unit price is generally calculated each Business Day based on the net asset value (**NAV**) of the Fund divided by the number of units on issue in the Fund. The NAV of the Fund includes the assets (including income accumulated since the previous distribution) less any liabilities (including borrowings and expenses). Application and withdrawal unit prices are then calculated by applying a buy or sell spread to the NAV unit price. The buy/sell spread is an estimate of the costs of buying and selling the underlying assets of the Fund. The unit price will change as the market value of assets in the Fund rises or falls. Application and withdrawal unit prices for each Business Day are available at [www.ausbil.com.au](http://www.ausbil.com.au).

If the Responsible Entity receives an incomplete application or redemption request, the transaction request will not be processed until the Responsible Entity receives the correct documentation and will be processed using the unit price on the Business Day the Responsible Entity receives the correct documentation.

## Pricing Methodology

Ausbil operates on a forward pricing model. This means that applications and redemptions are processed using unit prices calculated and published after the application or redemption has been received. The unit price for a particular Business Day<sup>1</sup> is generally available the next Business Day. This means that if the Responsible Entity receives an application to invest or redeem today, before the cut off time, the unit price applicable to the application or redemption will be based on the NAV as at the close of the business today, which will generally be available the next Business Day. The latest unit prices are available on our website [www.ausbil.com.au](http://www.ausbil.com.au), or alternatively contact our Client Services Team on 1800 287 245 (toll free).

The cut-off time to receive applications and/or redemptions is 2.30pm Sydney time on a Business Day. Unit pricing is carried out in accordance with each Fund's Constitution and this Policy. If Ausbil decide to exercise our discretion and change the current unit pricing process for a Fund, the Responsible Entity will inform unit holders as soon as practicable by updating this policy on the website. A copy of this Policy is available from Ausbil free of charge upon request and is on our website at [www.ausbil.com.au](http://www.ausbil.com.au).

## Asset Valuations

Unless the Constitution of a Fund requires valuation at other times, Ausbil arranges for the valuation of the assets of each Fund each Business Day to determine its GAV/NAV, based on the market prices and valuations available at the end of that day.

Ausbil have outsourced the unit price calculations and asset valuations to Citi. Citi has an asset pricing policy which sets out the methodology by which the investments in each Fund will be valued. Ausbil believe the terms of that policy is consistent with market practice and based on sound methodology. Market-based pricing sources are used. Where an asset is not traded on the market or cannot be valued by reference to a regular market price source (e.g. a security has been suspended, new class of units from capital raising or an Initial Public Offering), Ausbil will arrange determination of that asset, based on its experience, reference to comparable investments and market knowledge. Ausbil may also use an independent valuer or other sources of information to determine the value. Valuation of assets are carried out as frequently as is considered necessary by Ausbil and is generally done on a daily basis.

## Valuation of Liabilities

Where a Fund incurs liabilities, Ausbil determines the value of these liabilities based on Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. Where a liability is payable over an extended period, Ausbil may make provision for the value of the liability and reduce the unit price of the relevant Fund to reflect this provision. Liabilities affecting more than one Fund are apportioned by Ausbil fairly amongst the relevant Funds. Ausbil believes that exercising its discretion in this way is reasonable because it ensures that liabilities of the Funds are borne fairly by all investors in the Funds.

## Unit Price Rounding

Ausbil rounds application and redemption net asset value (NAV) prices to 6 decimal places to the nearest integer. However the website unit prices are published to 4 decimal places. All statements and all other communications are 6 decimal places.

1. Business day means a day (other than Saturday, Sunday or Public Holiday) on which banks are open for general banking business in Sydney, New South Wales.

## Stale Prices

Ausbil generally applies the Citi standards for addressing stale prices. However it is Ausbil's practice to value securities on a daily (last sale) basis where the pricing is available. Where a last sale price is not available for a security after one month, Ausbil will determine the value of the asset (as described above in the section on asset valuations) and advise Citi.

## Suspension of redemptions

The Responsible Entity may, in accordance with the Constitution and the Corporations Act, suspend withdrawals when the Responsible Entity believes it is in the best interests of unitholders as a whole. As each Constitution has specific provisions around suspensions the PDS outlines the specific circumstances in which redemptions can be suspended.

Furthermore, Ausbil has the right to compulsorily redeem units in the Fund in certain other circumstances, including where holding the units is in breach of law. Exchange rates where the valuation of an asset or liability of a Fund is denominated in a currency other than Australian dollars, Citi's asset pricing policy contains guidelines on the exchange rate to be used to convert the valuation to Australian Dollars.

## Fees and Expenses

Fees charged to and expenses recovered from a Fund are accrued on a daily basis and are reflected in the NAV which is used to determine unit prices. These may include management fees, responsible entity fees and performance fees. For some Funds Ausbil absorbs expenses within its management fees and for others the expenses are charged to the Fund. This is described in detail in the relevant PDS and/or AIG for each Fund.

## Buy/Sell spread

In managing the assets of the Fund, the Fund may incur transaction costs such as brokerage, settlement costs, clearing costs and applicable stamp duty when assets are bought and sold. This generally happens when the assets of a fund are changed or when there are net cash flows into or out of a fund. Transaction costs will be charged in the form of 'buy spread' and a 'sell spread'. The buy-sell spreads are an additional cost to unitholders and are not a fee paid to the Responsible Entity but are paid to the Fund to ensure other unitholders are not disadvantaged by another unitholder applying or redeeming from the Fund. These costs are determined after the daily unit price is calculated and are applied either in addition to the daily unit price (applied when a unitholder invests) or deducted from the daily unit price (applied when a unitholder withdraws).

Generally, there will be no buy spread incurred on distributions which are re-invested. The Responsible Entity has discretion to waive or reduce the transaction costs on investments or withdrawals where no, or reduced costs, are incurred. The buy/ sell spread can be changed at any time by us. The Responsible Entity will provide notification to unitholders of any changes to the buy/sell spread at [www.ausbil.com.au](http://www.ausbil.com.au).

## Distributions

The Funds generally determine distributions monthly, quarterly, half-yearly or yearly. However there may be periods in which no distributions are made, or the Responsible Entity makes interim distributions. The Responsible Entity does not guarantee any particular level of distribution.

Distributions are usually paid within 14 days after the end of the distribution period.

The distributions a unitholder receive are generally assessable income and can be made up of both income and realised capital gains. Distributions are generally calculated based on the Fund's net income at the end of the distribution period divided by the number of units on issue. This gives a distributable income amount per unit. A unitholder's distribution entitlement is then determined by multiplying the number of units held by the distributable income amount per unit. An investor who invests during a distribution period may get back some of their capital as income.

### Version Control

Version September 2018	Approved by ExCo
Version March 2019	Approved by ExCo
Version April 2020	Approved by ExCo
Version October 2020	Approved by ExCo
Version January 2021	Approved by ExCo
Version July 2022	Approved by ExCo July 2022
Version August 2023	Approved by ExCo August 2023
Version Feb 2024	Approved by ExCO Feb 2024

### Disclaimer

Ausbil Investment Management Limited ("Ausbil") is not licensed to provide financial product advice to retail clients. Any information about financial products provided in this communication (or any attachment thereto) does not constitute financial product advice to retail investors. Prospective investors should obtain independent financial advice before making any investment decision. A copy of each Fund's current PDS can be obtained from Ausbil's website [www.ausbil.com.au](http://www.ausbil.com.au) or by contacting Ausbil on 02 9259 0200. Past performance is not a reliable indicator of future performance.