

## Responsible Investment Leaders Australian Share Fund - Manager Replacement

### Client communication

The Responsible Investment Leaders Funds team has added a new manager to the Responsible Investment Leaders (RIL) Australian Share Fund. Ausbil Dexia has been appointed to manage 30% of the RIL Australian Share Fund, and will invest with CAER (Corporate Analysis Enhanced Responsibility) providing Environmental, Social and Governance (ESG) research and analysis. Ausbil is replacing BlackRock within the Fund.

Ausbil's broad investment philosophy is that active management of portfolios facilitates consistent and risk controlled outperformance. Rather than focusing only on growth or value investing, the investment processes allow them to exploit the inefficiencies across the entire market, at all stages of the cycle and across all market conditions.

The basic premise of Ausbil's philosophy is that stock prices ultimately follow earnings and earnings revisions. Ausbil seeks to identify earnings and earnings revisions at an early stage, and hence to pre-empt stock price movements.

Ausbil includes ESG within their process by 3 key means: 1. Sector Analysis: considering sectors which have potential to benefit from structural change eg alternative energy; 2. Macro analysis: eg considering impacts of carbon based legal regimes; 3. Stock selection: Analysing ESG influences on earnings drivers and ESG metrics in ranking model.

The portfolio Ausbil manages on behalf of RIL also excludes companies within high social impact sectors in accordance with the RIL Charter.

Additionally for the RIL mandate Ausbil will work with CAER over time to avoid the lowest performing companies on a broad rating aligned with the RIL's particular focus on social, environmental and governance considerations.

As a result of the changes, the new manager line-up and weightings are as follows:

Manager	Style/approach	Weighting
AMP Capital Investors	Sustainable Alpha/GARP	37.5%
Ausbil	Core/style indifferent	30%
BT Investment Management	Core	32.5%

If you have any questions please contact your Client Services Manager or our Client Services Team on 1800 658 404.



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