Ausbil Australian Emerging Leaders Fund

Ausbil Investment
Management Limited
ABN 26 076 316 473
ACN 076 316 473
AFSL 229722

Quarterly Investment Report

December 2016

ausbil

Australian equities

Performance review

Fund performance for the December quarter 2016 was -4.94% versus the benchmark return of -0.33%. The composite benchmark is 70% S&P/ASX Midcap 50 Accumulation Index and 30% S&P/ASX Small Ordinaries Accumulation Index.

At a sectoral level, the Fund benefited from overweight positions in the Materials and Consumer Staples sectors. The underweight positions in the Health Care and Real Estate sectors also added value. Conversely, the overweight positions in the Telecommunication Services and Information Technology sectors detracted from relative performance. The underweight positions in the Financials, Utilities and Industrials also detracted value.

At a stock level, the overweight positions in BlueScope Steel, Alumina and Sandfire Resources contributed to relative performance. The underweight positions in Healthscope, Cochlear, Sirtex Medical, Star Entertainment Group, Northern Resources and Crown Resorts also added value. Conversely, the overweight positions in Vocus Communications, TPG Telecom, Scottish Pacific Group, Evolution Mining, Mayne Pharma Group, Bega Cheese and Ardent Leisure Group detracted from relative performance. The underweight positions in Tatts Group and Bendigo & Adelaide Bank also detracted value.

Market review

The Australian equity market (S&P/ASX 300 Accumulation Index) closed at a yearly high as the market rallied 4.9% during the last quarter of 2016. Developed equity markets were mostly positive on the expected recovery in global growth (MSCI World: +2.0%, S&P 500: +3.8%, FTSE 100: +4.3%), however emerging markets underperformed (MSCI Emerging: -4.3%). For the 2016 calendar year, most global equity markets showed positive returns (MSCI World: +8.2%, S&P500: +12.0%, MSCI Emerging: +11.3%, S&P/ASX 300: +11.8%).

Domestically, large-cap stocks (S&P/ASX 20 Accumulation Index: +7.9%) continued their recent outperformance, while mid-cap stocks (S&P/ASX MidCap 50 Accumulation Index: +0.6%), and small-cap stocks (S&P/ASX Small Ordinaries Accumulation Index: -2.5%) relatively underperformed. The Mid Cap Resources Sector bounced 14.5% in the quarter and was the best performing sector over the year with a 95.4% total return, closely followed by the Small Cap Resources sector (+59.5% for the year). Equity market volatility generally remained low, except around the US presidential election which increased relative levels of uncertainty. However, Trump's post-election statements to rejuvenate economic growth helped buoy equity markets.

Within the Australian equity market, Insurance (+16.0%), Chemicals (+15.5%), Metals & Mining ex-Gold (+14.0%), Banks (+13.8%), Utilities (+9.2%), and Energy (+7.4%) outperformed. Conversely, Health Care (-8.8%), Transportation Infrastructure (-7.6%), Telecommunication Services (-4.2%), Media (-2.9%) and Information Technology (-2.7%) underperformed.

Commodity prices were volatile but generally higher. Oil (Brent: +16.1%; WTI: +11.4%; US Natural Gas: +28.1%) benefited from production cuts announced by oil exporting countries. Coal (Metallurgical: +5.9%; Thermal: +19.5%) strengthened till November, then consolidated swiftly in December, albeit closed higher. Bulk metals (Iron Ore: +41.2%; Alumina: +48.0%) continued to rally strongly after Donald Trump's election. Base metals (Manganese: +31.1%; Copper +13.9%, Zinc: +7.6%) we also generally higher. Precious metals (Gold: -12.8%; Silver -16.9%, Platinum: -12.1%) weakened significantly as the US dollar strengthened.

QBE Insurance (+33.7%) continued to benefit from rising interest rates while Sims Metal Management (+39.3%) benefited from the rally in scrap steel prices, while Alumina (+25.3%) benefited from a recovery in the aluminium price. CSR (+31.2%) and Incitec Pivot (+29.3%) benefited from the demand for building materials and mining-related chemicals respectively. BlueScope Steel (+19.7%) was supported by higher steel (revenue) prices, and towards the end of the quarter, a selloff in coal (input cost) prices. The Banks remained in demand as money came out of the yield trade with National Australia Bank (+13.6%), Westpac (+13.6%) and Commonwealth Bank (+13.8%), and ANZ Bank (+13.0%) continuing to benefit from rising interest rates which supported net interest margins via repricing mortgage rates. The increase in electricity prices following the closure of the Hazelwood coal-fired generation plant helped AGL Energy (+16.0%). Among the underperformers, Sirtex Medical (-55.1%) issued a profit warning, and given its expensive valuations, the stock was heavily sold off, compounded by earlier Director selling. Generic drug

[1] Ausbil Australian Emerging Leaders Fund Investment Report

Australian equities

manufacturer Mayne Pharma (-32.8%) was accused of price fixing in the generic market by the US Department of Justice, and is expected to face court proceedings in 2017. Bellamy's (-48.7%), Bega Cheese (-36.1%), and Blackmores (-11.3%) issued profit warnings due to weak sales growth and higher inventory issues, as regulatory changes in China started to bite. These stocks were trading at valuations implying high growth expectations which were subsequently significantly downgraded by investors.

In a busy quarter for corporate activity, ANZ Bank announced a partial sale of its Asian retail and wealth management business to DBS Bank in Singapore. CSR acquired Boral's (-14.0%) 40% interest in the Bricks JV. Boral also announced a $3.5b acquisition of Headwaters Inc, a building products company in the US. Fortescue Metals (+19.0%) acquired BC Iron's (-19.2%) 75% holding in the Nullagine JV (and the associated rehabilitation liabilities) for $1. Ooh! Media (-8.4%) agreed to acquire Executive Channel International, and the company announced a merger of equals with APN Outdoor (+7.5%). Seven West Media (-8.6%) announced the sale of its 50% holding in Presto to Foxtel. Santos (+11.4%) entered into a binding agreement with Cooper Energy to divest its Victorian assets pending approval from AWE (unchanged), and also conducted a $1.5 billion equity raising to strengthen its balance sheet. Metals X (-15.6%) separated its gold business, Westgold Resources, from its existing diversified metals (tin and nickel) business. Cromwell Property Group (+7.0%) lodged a $2.7b bid for Investa Office Fund (+5.5%). Henderson Group (+5.0%) announced a merger with Janus Capital to form a larger and more diversified asset management business.

The Australian Competition and Consumer Commission (ACCC) approved Qube Holdings' (+4.7%) acquisition of Australian Amalgamated Terminals (AAT). Mining giant Rio Tinto (+16.1%) entered into exclusive negotiations with Yancoal (+122.7%) for the sale of Rio's coal business. There is speculation that Wesfarmers (-4.4%) may also consider selling its coal business. Fairfax Media (-5.8%) received an offer for its New Zealand business if its merger with NZME was unsuccessful. The New Zealand Commerce Commission had earlier issued a statement of issues with the original proposal. DUET Group (+12.9%) received a takeover bid from Cheung Kong Infrastructure at a 28% premium to its pre-announcement price. Travel insurance company Cover-More Group (+33.1%) received a takeover bid from Zurich Insurance at a 48% premium to its pre-announcement price. Origin Energy (+21.6%) also announced its intention to spin off its upstream oil and gas (exploration and production) business. Estia Health (-17.2%) mandated Macquarie Bank (+8.6%) to assist with an emergency capital raising. Woolworths (+3.6%) announced the sale of its underperforming Masters and fuel businesses. Corporate Travel (+4.3%) announced a capital raising to fund acquisitions of travel agencies in the United Kingdom.

Equity Market Outlook

Donald Trump was elected as the next president of the US, and he is expected to be sworn in on 20 January 2017. Investors are focussing on his pro-growth policies which are raising expectations of inflation and economic growth.

The US Federal Reserve (Fed) increased interest rates by 0.25% during the quarter, and its commentary signalled further increases for 2017 as a better-than-expected recovery in the US economy added weight to their view. Equity markets interpreted the rate hike as a key confidence indicator in economic growth prospects. Although increases in interest rates are generally perceived to be a headwind for equity markets, the Fed suggested that it may willing to "stay behind the yield curve" and let the US economy "run hot" in order to claw back the loss in economic activity following the GFC. This is expected to further support growth assets. There are always risks to the current confident mood and one area to monitor in 2017 will be the right-wing Eurosceptic parties gaining popularity ahead of elections. If these parties gain a meaningful foothold in the governments of the larger European Union countries, equity markets may well experience another episode of heightened volatility.

The Australian economy is undergoing a transition as non-mining capital expenditures are looking to finally overtake mining capital expenditures. This is expected to bode well for domestic economic activity and the outlook for a pickup in earnings. However, the continuing trend of substituting full-time jobs with part-time jobs is not ideal, and inevitably expected to dampen consumer spending as well as inflation. The Reserve Bank of Australia is somewhat willing to tolerate below-trend economic growth in the short term, in order to avoid further Official Cash Rate cuts which can fuel another leg of unsustainable house price growth.

The normalisation of interest rates and valuations are expected to put ongoing downward pressure on the share prices of interest rate sensitive sectors such as Real Estate, Infrastructure, Utilities and Telecommunication Services. This is also expected to put downward pressure on stocks trading at high multiples despite minimal negative earnings revisions. Conversely, increases in interest rates are expected to benefit the Banks (stabilisation of net interest margins) and Insurance (higher reinvestment rates) sectors. Furthermore, improving global growth is expected to bode well for Metals & Mining and Energy sectors (commodities).

Australian equities

For the S&P/ASX MidCap 50 consensus EPS forecasts are now +14.0% for FY17 with +2.7% for FY18 which delivers consensus PE valuations of 16.8x and 16.4x for 2017 and 2018 respectively. For the S&P/ASX Small Ordinaries consensus EPS forecasts are now relatively strong at +15.3% for FY17 and +18.0% for FY18 with PE valuations sitting at 17.6x for FY17 and 14.9x for FY18.

IPO activity should increase post the February reporting season and we expect further corporate activity as the A$ remains attractive for offshore acquirers and as corporates look to offset modest growth momentum with earnings accretive deals.

Fund Strategy

The Fund increased weightings in the Energy, Hotels Restaurants & Leisure, Steel and Construction Materials sectors during the December quarter. In addition, holdings were increased in the Commercial Services & Supplies and Healthcare sectors. The Fund reduced holdings in the Media, Financial Services and Consumer Discretionary Retailing sectors. The Fund maintained its zero exposure to Real Estate and Utilities.

Economic Review

The global reflation investment positioning continued into the month of December. The US 10-year bond rose to a peak yield of 2.63% before settling lower into the close. The US dollar appreciated further and equity markets outperformed, with the Dow Jones Industrial Average fast approaching the key 20,000 level on the index. On the political front, US President Obama imposed sanctions against Russia, citing cyber-related activities intended to interfere with the US election process. Chinese warships led by their sole aircraft carrier entered the South China Sea for a routine military exercise. The European Central Bank determined that Italy's oldest and third largest commercial and retail bank, Banca Monte dei Paschi di Siena 1472, needs to fill a capital shortfall of €8.8bn under an adverse stress testing scenario. The European Union's President Dijsselbloem cleared Europe's Stability Fund to provide necessary short term debt funding measures to Greece.

The Organization of Petroleum Exporting Countries (OPEC) persuaded non-members to cut oil production by 558,000 barrels per day (bblpd). These are additional cuts to the decision on 30 November to reduce member output by 1.2 million bblpd. Saudi Arabia suggested that it will cut output even more than it is required to do so next year. About 1.8% of global oil supply will be removed from early 2017. Markets are likely to come into balance by early as 2Q17 and keep prices sustainably above US$50/bbl in 2017.

United States
The US Federal Reserve hiked rates by 25 basis points, taking the target range from 0.5% to 0.75%. According to the committee's median staff projections, the expected rate path has been raised by 25bps in each year for 2017, 2018 and 2019. The long run equilibrium rate was raised to 3% from 2.9%. Macroeconomic projections were revised slightly higher across the 3-year forecast horizon for GDP, while lowering the unemployment rate below its long run normal rate. The long run potential for GDP was left unchanged at 1.8%. Chair Yellen highlighted the high degree of prevailing fiscal policy uncertainty at the moment.

The Fed's preferred measure of core inflation has accelerated to 1.7% in October, compared to 1.3% a year ago. The post-Trump rebound in confidence levels, surging business surveys and a solid labour market are driving activity at a robust pace. The economic outlook continues to trend higher as the Conference Board's composite leading index is pointing to year average growth well above potential for 2017, in the range of 2% to 2.3%.

Europe
The European Central Bank announced they would taper somewhat and extend the QE programme by nine months, leading to sharply steeper yield curves. From April 2017, the pace reduces from €80bn to €60bn to end date December 2017 "or beyond" if necessary. There were no material changes to the December staff macro forecasts. GDP is estimated at 1.7% in 2016, 1.7% in 2017 (1.6% previously) and 1.6% in 2018 and 2019. Inflation is expected remain below its 2% target over the three year forecast horizon to 2019.

The euro area grew at a 0.3% pace in Q3, taking the annual rate to 1.7%. The PMI's released since Brexit on 23 June 2016 have re-accelerated in the core countries and the German Ifo and ZEW business expectations survey continue to trend higher.

Australian equities

In the UK Autumn Statement on Fiscal Policy, the Chancellor of the Exchequer announced new pro-growth fiscal stimulus measures totalling £122bn over the next five years and abandoned the goal of achieving surplus by 2020. This is equivalent to a fiscal expansion of around 6% of GDP over the next five years.

China
Government authorities are stepping up their fight against capital outflows disguised through outbound investment. The State Administration of Foreign Exchange, The Peoples Bank of China and the State Council have collectively announced new measures subjecting many overseas deals to more stringent reviews. The Financial Times noted that several European companies in China have been unable to remit dividends abroad following the recent introduction of new exchange controls.

Economic momentum accelerated in the December quarter with inflation rising. The official government and private sector measured November PMI surveys moved further into expansionary territory. The improvement is also independently corroborated by the Spaceknow Satellite Manufacturing Index. Headline consumer prices increased to 2.3% in November from 2.1% in October. The core inflation rate (ex food and energy) moved higher to 1.8%. Producer input prices are accelerating further into positive territory to 3.3% from 1.2% from the extreme negative 6% in December 2015.

Japan
The Bank of Japan (BoJ) kept rates unchanged at its December policy meeting. While the BoJ will continue with QE, it upgraded its assessment of the economic outlook. As the economy continues on its moderate expansionary trend, the BoJ noted a pickup in exports and industrial production, an improvement in business sentiment and highlighted policy support from highly accommodative financial conditions and large fiscal stimulus.

BoJ Governor Kuroda provided a positive outlook for 2017. The global economy has finally moved out of its adjustment phase following the Global Financial Crisis and is entering a new upward phase. At the post meeting press conference Kuroda made the following comments: (1) the BoJ was not considering a yield target increase on the 10-year bond; (2) it was satisfied with the current shape of the curve; (3) it would continue to acquire bonds irrespective of duration; (4) Yen currency weakness is due to US dollar strength; and will assess its impact at their next Outlook report due in April 2017; and (5) judged it not appropriate to reduce ETF purchases at this point in time.

Australia
The Federal Treasury's Mid-Year Economic and Fiscal Outlook (MYEFO) for Budget 2016/17 should calm speculative fears of a possible rating downgrade to Australia's AAA status. MYEFO keeps intact the projected return to a budget surplus in 2020/21. In the nearer term, cumulative deficits over the next four years are AUD10bn higher than expected at the time of the May Budget. The average annual pace of fiscal consolidation is 0.5% of GDP over the four year period. Commonwealth net debt is expected to peak at 19% of GDP in 2018-19 and then decline over the medium term. According to ratings agencies Fitch and Moody's, the fiscal outlook is consistent with the current AAA rating. However, Standard & Poor's issued a statement implying that the next Budget in May 2017 will be a key signpost for them. An important point, the forecasting methodology for commodity prices, has changed as "the factors driving iron ore and coal prices are likely to be temporary and prices are widely expected to retrace some of their recent gains." Treasury has adopted a phased reduction in commodity prices for iron ore and metallurgical coal and suspended the decade long practice of using consensus average of the last 4 weeks leading into the budget.

The Reserve Bank of Australia left policy unchanged at 1.5% with a 'neutral' bias. There were changes to the statement, acknowledging that "slowing in the year-ended growth rate is likely, before it picks up again." The bank upgraded its global inflation outlook: "inflation is more balanced than it has been for some time" and upgraded outlook for the terms of trade as commodity prices reflect "both stronger demand and cut-backs in supply" which would boost national income. The released minutes also contained the reference to financial stability as the board discussed the easing cycle since 2011, with the balance between target-consistent inflation outcomes and potential risks to household balance sheets to be "kept under review". Assistant Governor Kent reiterated the upbeat outlook as major headwinds for the past years are subsiding for mining investment (adjustment is estimated at 80% complete) and the 4½-year negative income shock is turning positive.

Real GDP for the September quarter 2016 was unexpectedly negative 0.5%, taking the annual rate a step lower to 1.8% from 3.1%. The broad based nature of the contraction was driven by external temporary influences, particularly the un-seasonally wet weather pattern on construction activity and retail sales, and a rise in policy uncertainty associated with the 2 July 2016 Federal election. Nominal GDP reflecting wages and company profits grew at a faster annual pace of 3%, exceeding real GDP for the second consecutive

quarter. The household saving ratio moved lower to 6.3% from the previous quarter. For the second consecutive quarter, real net national disposable income accelerated to 0.8% from 0.6% taking the annual rate to 3.2% from 2.3%, which was the strongest annual growth rate since 1Q2012.

Global Outlook

Global monetary policy divergence is in progress as the United States normalises interest rates in the next few years. The concept of the 'neutral federal funds rate' (estimated to be at 0% real and 2% nominal) will be the key factor driving monetary policy. The past year's dis-inflationary offset from lower oil and commodity prices is quickly fading, and will see the various forecast core measures of inflation consolidating well above the key 2% level. We expect the US Federal Reserve to hike rates by a minimum 50 basis points in 2017. As activity and inflationary pressures build over the year, the Federal Reserve would likely adjust its tightening trajectory with the unveiling and implementation of President Trumps' tax cuts and expansionary fiscal policies on infrastructure. In Europe and Japan, negative deposit rates will continue as QE programmes are modified and tapered gradually.

Australian Economic Outlook

Australia is in an ongoing structural transition with the decline in mining investment nearing completion and exerting a significantly lesser drag on activity. We expect the modest upswing in non-mining business investment to support activity with real GDP growth around trend, estimated at 2.8%. Low nominal wages and flexibility has allowed businesses to expand their workforces to date, but we are fast approaching the point where the next stage should be to embark on private business investment. The extremely low cash rate is providing ongoing support to aggregate demand and the low Australian dollar is driving domestic production, especially in the services sector. Core inflation is undershooting the low end of the target band, with benign wage inflation outcomes at 2%. Business confidence is consolidating higher and sustaining an optimistic profile similar to the period from 2002 to 2008. Consumer confidence has sustained a favourable improvement back into optimistic territory through 2016. Employment growth, despite being slow and in the part-time category, should see the unemployment rate remain well below 6%. This in turn is supporting household income and private consumption. Housing remains the key beneficiary in the near term, but the boom seems to have peaked late last year. Construction, net exports and infrastructure spend are important drivers for growth in the near term. Given we believe in sustainably higher oil and commodity prices, we expect the fair value for the AUD/USD exchange rate to average 0.78 for 2017 and average 0.80 for 2018. We expect the record low cash rate at 1.50% to remain unchanged for this year before gradual rate hikes commence in June 2018.

At the upcoming May 2017/18 Federal Budget there is the opportunity for fiscal stimulus to be pursued through the channel of infrastructure investment. This can be achieved by the Government committing to achieve a budget surplus on recurrent spending, while opening up the prospects for capital investment. Whether that option is pursued will be dictated by the Government's obsession with keeping the AAA credit rating and the rating agencies at bay.

Fund overview

Fund Returns

Period	Fund Return % Gross	Fund Return % Net	Bench-mark %	Out/Under Performance % Gross	Out/Under Performance % Net
3 months	-4.94	-5.12	-0.33	-4.61	-4.79
FYTD	2.04	1.73	7.21	-5.17	-5.49
CYTD	6.80	6.23	16.47	-9.68	-10.24
1 year	6.80	6.23	16.47	-9.68	-10.24
3 years pa	7.15	6.43	11.72	-4.57	-5.29
5 years pa	12.53	11.18	11.48	1.05	-0.30
7 years pa	7.69	6.40	6.07	1.62	0.33
10 years pa	5.76	4.40	2.72	3.04	1.69
Since inception pa Date: April 2002	12.60	11.07	8.84	3.76	2.23

Top Ten Stock Holdings

Name	Fund %	Index %	Tilt %
Aristocrat Leisure	8.36	3.56	4.80
BlueScope Steel	8.13	2.01	6.12
Fortescue Metals	4.68	3.85	0.83
TPG Telecom	3.94	0.82	3.12
Boral	3.75	2.43	1.32
Alumina	3.75	1.64	2.11
Link Administration	3.13	1.05	2.08
Independence	3.11	0.40	2.71
Evolution Mining	3.09	0.48	2.61
Ansell	2.85	1.40	1.45

Fund Sector Tilts

Name	Fund %	Index %	Tilt %
Energy	3.88	1.57	2.30
Materials	36.75	20.95	15.80
Industrials	5.21	9.36	-4.15
Consumer Discretionary	23.76	24.48	-0.72
Consumer Staples	4.96	2.70	2.26
Healthcare	5.23	10.98	-5.75
Financials	2.36	13.88	-11.52
IT	6.68	3.59	3.10
Telecommunication	7.55	2.38	5.17
Utilities	0.00	5.35	-5.35
Real Estate	0.00	4.75	-4.75
Cash	3.61	0.00	3.61
Total	**100.00**	**100.00**	**0.00**

Fund overview

Fund activity

Major Purchases and Sales

Purchases	Sales
Beach Energy	Spark Infrastructure
Tabcorp	AWE
Sims Metal Management	Fisher & Paykel Corporation
Ansell	Bega Cheese
Downer EDI	Reliance Worldwide Corporation
NEXTDC	Scottish Pacific Group
Southern Cross Media	
Western Areas	

The Fund purchased shares in Beach Energy, Tabcorp, Sims Metal Management, Ansell and Downer EDI during the December quarter. The positions in Spark Infrastructure, AWE, Fisher & Paykel Corporation, Bega Cheese, Reliance Worldwide Corporation and Scottish Pacific were sold during the period.

Beach Energy (BPT) engages in exploration, development and production of oil and gas, primarily in the Cooper Basin. BPT has significant leverage to the reduction of Cooper Basin costs. Santos (the operator of the joint venture) is targeting significant cost reductions as this is one of its highest cost assets. Cooper Basin unit production costs to date are down 15% and drilling costs down 17%. The company is likely to also benefit from ongoing exploration success, outperformance relative to production guidance and the rising east coast gas thematic. Further, the strength of the company's balance sheet will likely enable the company to take advantage of acquisition opportunities or return material capital to shareholders.

Tabcorp's proposed merger with Tatts makes good strategic sense as there are $130 million of easily identifiable synergies in combining their two wagering businesses. The combined entity would also be of a scale large enough to pursue global opportunities. The deal is up to 10% accretive for Tabcorp shareholders after integration. There is some risk that the ACCC does not approve, but on balance, we think that the issues could be satisfied. On an underlying basis, Tabcorp's wagering business is cycling a soft year and the regulatory environment is turning into tailwinds rather than headwinds given that the South Australian government has started charging a point of consumption tax.

Sims Metal Management (SGM) has a structurally challenged business in scrap recycling. Management have recently exited the most challenged parts of their footprints in Central US, where the competition for buying scrap is the most intense. Both price and volumes are positively correlated with the scrap price. Relative to its substitute materials for steelmaking, such as pig iron and iron ore, scrap is currently trading at a discount to longer term relativities. Thus, it is likely to increase. As such, it is likely that SGM will see some consensus earnings upgrades.

Ansell (ANN) is hoping for a sale price of 18/19x EBITDA for its Sexual Wellness business, which is consistent with prior condom business sales, or about $680m. In addition ANN are exploring M&A opportunities in its core industrial glove business. We foresee a period of significant business repositioning or optimisation driven by divestments and acquisitions over the next 12 months. Assuming this plays out, we expect earnings and ROCE will both be revised up by the market. ANN could also be exposed themselves to M&A with 3M often touted as an interested buyer.

Downer EDI (DOW) is well positioned to benefit from the increased infrastructure spend in road, rail and power sectors over the next 2-3 years. In particular, State governments are well funded following the privatisation of power assets, which should provide a high degree of project certainty. When combined with a strong balance sheet and low multiple, DOW is well placed to grow earnings despite a decline in resources activity.

Contact details

Chris Terzis
Senior Manager, Institutional Business
Phone 61 2 9259 0211

Notes

Ausbil Investment
Management Limited
Level 27
225 George Street
Sydney NSW 2000
Australia
Toll Free 1800 287 245

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 Australian Emerging Leaders Fund (ARSN 089 995 442) (Ausbil Australian Emerging Leaders Fund, Australian Emerging Leaders Fund or 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 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.

**Contactus@
ausbil.com.au**