

# Ausbil Active Sustainable Equity Fund

Monthly performance update

April 2021

Ausbil Investment Management Limited  
ABN 26 076 316 473  
AFSL 229722  
Level 27  
225 George Street  
Sydney NSW 2000  
GPO Box 2525  
Sydney NSW 2001  
Phone 61 2 9259 0200  
Fax 61 2 9259 0222

‘April has seen further improvement in the earnings outlook for Australian listed companies’

## Performance Review

Fund performance for April 2021 was +5.98% (net of fees) versus the benchmark return +3.47%, as measured by the S&P/ASX 200 Accumulation Index.

At a sector level, the Fund's overweight positions in the Health Care, Industrials and Information Technology sectors added to relative performance. The underweight positions in the Communication Services, Consumer Discretionary, Consumer Staples, Energy, Real Estate and Utilities sectors also added value. The overweight position in the Financials sector detracted value. The underweight position in the Materials sector also detracted value.

At a stock level, the overweight positions in Galaxy Resources, Orocobre, Mineral Resources, Cleanaway Waste Management, Fisher & Paykel Healthcare, IGO, Afterpay, Domain Holdings and Downer EDI added to relative performance. Not holding Woolworths added to relative performance. Conversely, the overweight positions in Webjet, Lynas Rare Earths, Qantas, a2 Milk Company, Elders and Costa Group detracted from relative performance. The nil positions Fortescue Metals, Rio Tinto, BHP and Appen also detracted from relative performance.

## ESG Review

In April, Ausbil continued its involvement in Investors Against Slavery and Trafficking and also provided feedback on RIO's draft modern slavery statement. Ausbil also became a signatory to an investor statement in relation to the Bangladesh Investor Initiative, which includes 250 institutional investors globally, to encourage companies sourcing in Bangladesh to become directly involved in helping to transform the Bangladesh apparel sector. The statement was in support of a legally binding approach that is independent, credible and successful in finding, fixing and preventing unsafe conditions in the workplace. Also, Ausbil participated in a call with a labour rights expert focused on Malaysia.

Ausbil also attended a roundtable event with the NSW Minister for Energy & Environment to discuss the NSW Government's 2020 Electricity Infrastructure Roadmap and plans for renewable energy. Ausbil had a pre-AGM meeting with QBE to discuss the upcoming resolutions as well as a meeting with the management of BOQ where recent trends in staff engagement were discussed.

## Outlook

April has seen further improvement in the earnings outlook for Australian listed companies, particularly since the historic reversal in consensus across the February reporting season that saw the FY21 consensus earnings outlook for the broad market rebound.

This multi-year growth outlook is tempered by the risk of some inflation and the ongoing risks around COVID-19, new variants, and a slowing down of vaccinations due to complications. Further unquantifiable risks remain around China trade relations and the potential for geopolitical instability in the Pacific region. At this stage in the recovery, the house view remains that while there might be some unanticipated higher reads on inflation, it is not in our view that inflation will become a problem in the short to medium term such that it warrants central banks to move.

Ausbil's portfolios have been positioned for a clear path to recovery, but with some volatility and uncertainty along the way. We are expecting a multi-year earnings growth cycle before inflation becomes a problem, and we maintain the position that investors are compelled to participate. While we maintain a positive outlook on earnings, this is still a time to invest in only the best quality companies, which exhibit superior underlying earnings growth and strength, in order to achieve longer-term outperformance.

## Fund Characteristics

Returns<sup>1</sup> as at 30 April 2021

Period	Fund Return <sup>1</sup> %	Bench-mark <sup>2</sup> %	Out/Under performance %
1 month	5.98	3.47	2.51
3 months	7.49	7.54	-0.05
6 months	22.12	20.33	1.79
FYTD	30.41	22.12	8.30
CYTD	7.42	7.88	-0.45
1 year	43.84	30.76	13.08
2 years pa	17.14	9.05	8.09
3 years pa	14.07	9.50	4.57
Since inception pa Date: 31 Jan 2018	13.33	8.87	4.47

## Top 10 Stock Holdings

Name	Fund %	Index <sup>2</sup> %	Tilt %
Commonwealth Bank	7.98	8.03	-0.05
CSL	7.75	6.27	1.49
National Australia Bank	5.93	4.47	1.46
ANZ Bank	5.60	4.16	1.45
Westpac Bank	5.11	4.66	0.46
Macquarie Group	4.04	2.77	1.27
Goodman Group	3.35	1.62	1.74
Afterpay	3.30	1.40	1.90
Downer EDI	3.22	0.20	3.01
Transurban Group	2.90	1.97	0.93

## Sector Tilts

Sector	Fund %	Index <sup>2</sup> %	Tilt %
Energy	0.00	3.44	-3.44
Materials	20.42	20.62	-0.20
Industrials	13.29	7.43	5.86
Consumer Discretionary	2.44	8.13	-5.69
Consumer Staples	4.13	4.99	-0.86
Health Care	15.37	9.98	5.39
Financials	31.37	30.02	1.35
Information Technology	6.34	5.00	1.34
Communication Services	0.00	2.52	-2.52
Utilities	0.00	1.26	-1.26
Real Estate	5.81	6.62	-0.81
Cash	0.83	0.00	0.83
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>

1. Fund returns are net of fees but before taxes.

2. The benchmark is S&P/ASX 200 Accumulation Index.

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 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](http://www.ausbil.com.au) before acquiring or investing in the fund. Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. Further information is available at [www.msci.com](http://www.msci.com).

#### **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.