

## Manager profile

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### Company overview

Ausbil Dexia Limited (Ausbil) is an Australian equities specialist manager with approximately \$12 billion in funds under management as at 31 December, 2009. Established in April 1997, Ausbil is a joint venture between senior members of the Australian investment/management team and Dexia Asset Management, the asset management arm of the Dexia Group. Ausbil offers the focus and specialisation of an employee-owned boutique backed by the financial integrity of a global banking partner.

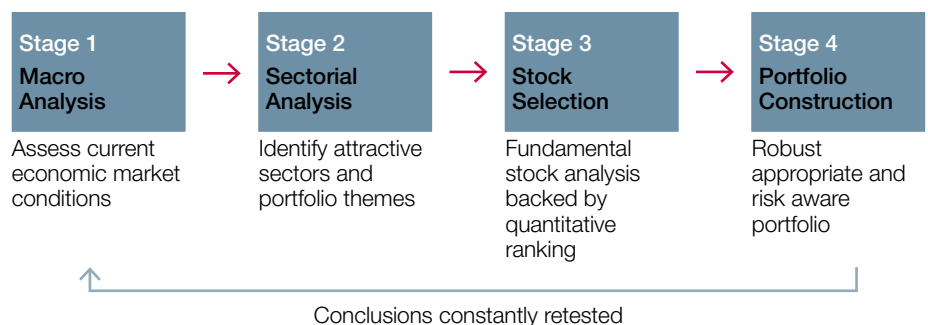
### Investment philosophy and style

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, Ausbil's investment process allows it to exploit 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. Its process seeks to identify earnings and earnings revisions at an early stage and pre-empt stock price movements. It seeks to position its portfolios towards those sectors and stocks which it believes will experience positive earnings revisions and away from those it believes will suffer negative revisions.

### Investment process

Ausbil employs a four stage process to provide the framework for portfolio construction consistent with its investment philosophy and is summarised in the diagram below.



The focus of this approach is to identify attractive sectors and stocks which are likely to be subjected to a relatively strong earnings environment and positive earnings revisions for the year ahead.

### Reason Advance selected Ausbil

Ausbil seeks to position its portfolios towards those sectors and stocks it believes will experience positive earnings revisions and away from those it believes will suffer negative revisions. At any time, its portfolio will be tilted towards stocks which afford the most compelling opportunities for appreciation over the year ahead.

Ausbil's disciplined assessment of whether the market has fully priced in the next 12 month's potential for each sector and its underlying stocks makes it an ideal manager to blend with other bottom-up, longer term investment managers within our Australian equities portfolio.

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