



Trust Management - Australasian Share Fund screens out Fossil Fuels

INVESTMENT⁺

Over the past several months, Trust Management has been engaging with its investors and clients in relation to the issue of fossil fuels. Following extensive research on the impact of excluding companies whose major business activity is the extraction and/or production of fossil fuels, we have resolved to fossil a screen for fuels to our the Sustainable Australasian Share Fund .

This paper summarises the outcome of the research conducted and the changes to the Fund.

The investment mandate of the Sustainable Australasian Share Fund currently includes an ethical screen which excludes from the portfolio any companies whose major activity involves alcohol, tobacco, armaments, pornography and gambling.

From 1 October 2015, we will be further screening out any companies whose major activity involves the extraction and/or production of fossil fuels.

We are making this change because the majority of current investors share similar concerns with respect to the extraction and production of fossil fuels.

We are very conscious that for most investors, an investment into our Australasian Share Fund is part of a wider balanced portfolio of assets. As such, we have conducted extensive analysis on the expansion of the ethical screen in relation to the expected impact on return, volatility and correlation with other asset classes.

Our research concludes that expanding the ethical screen will not have a material impact upon the return, the volatility of the return or the correlation of the Fund's performance with other asset classes.

We believe the change will better align Investors' ethical views with the Fund's ethical screen, without having a material impact on the investment objectives of the Fund.

As noted above the proposed change will become effective from 1 October 2015. With respect to the current Investment Statement and Prospectus, the only change will be to the ethical screen as outlined in the current investment policy of the Fund as shown below:

In order to meet the sustainability criteria, we will seek to avoid investments in companies whose major business activities are:

- tobacco products
- alcoholic beverages
- pornography
- gambling
- armaments
- the extraction and/or production of fossil fuels.

If you have any questions, or would like to know more about our Sustainable Australasian Share Fund, please do not hesitate to contact John Williams, Investment Manager 09 550 4040.

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