

Media release

28 February 2013

Future Fund excludes tobacco producers

The Future Fund Board of Guardians (Board) today announced the decision to exclude primary tobacco producers from its investment portfolio.

The decision follows a review of the investments by the Board's Governance Committee which was announced in October 2012.

Mr David Gonski AC, Chairman of the Board, said that the Board had carefully considered the issues.

"The Board noted tobacco's very particular characteristics including its damaging health effects, addictive properties and that there is no safe level of consumption. In doing so the Board also considered its investment policies and approach to environmental, social and governance issues.

"As a result, the Board determined that in this instance it is appropriate to exclude primary tobacco product manufacturers," Mr Gonski said.

The Board's Governance Committee reviewed all aspects of the exclusions policy as it relates to tobacco. The Committee also considered the existing approach to exclusions across the remainder of the portfolio and did not identify any other additional exclusions as appropriate. This position was fully endorsed by the Board.

The Future Fund's exposure to securities issued by 14 entities¹ involved in tobacco production totalled approximately \$222 million at 31 December 2012 (0.3% of the value of the Future Fund). The Nation-building Funds hold no securities issued by these entities, however the same restriction will apply going forward.

ENDS

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¹ Altria Group, British American Tobacco, British American Tobacco (Malaysia), Gudang Garam Tbk, Imperial Tobacco Group, ITC, Japan Tobacco, KT&G Corporation, Lorillard, Philip Morris CZ, Philip Morris International, Reynolds American, Souza Cruz and Swedish Match.