

# Ausbil Australian Concentrated Equity Fund

Monthly performance update

January 2026

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

'In January, positive market sentiment persisted, supported by an optimistic outlook for economic growth in both Australia and the US'

## Performance Review

Fund performance for the month ending January 2026 was +2.07% (net of fees), versus the benchmark return of +1.72%, as measured by the S&P/ASX 300 Accumulation Index.

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

At a stock level, the overweight positions in BlueScope Steel, Evolution Mining, Lynas Rare Earths, BHP, Sandfire Resources, James Hardie and Mineral Resources contributed to relative performance. The underweight position in Commonwealth Bank and nil positions in Fortescue and Pro Medicus also added value. Conversely, the overweight positions in Life360, Xero, Block, WiseTech Global, The a2 Milk Company, Aristocrat Leisure and News Corporation detracted from relative performance. The nil positions in South32, Woodside Energy and Northern Star Resources also detracted value.

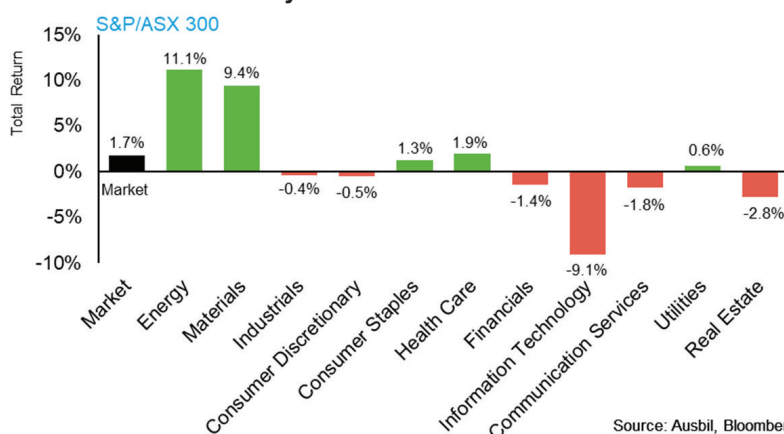
## Market Review

January delivered a positive start to 2026 with the market (the S&P/ASX 300 Accumulation Index) returning +1.7%, achieving a trailing market 1-year return of +7.8%.

Developed Markets (MSCI World) delivered an amazing year in calendar 2025, achieving returns of +21.1%, but were trumped by Emerging Markets (MSCI EM) which achieved +33.6%. January has seen this positive sentiment extended, across all major markets except Europe and India.

The rebound in resources across 2025, coupled with surging commodity prices, drove the Materials sector to outperform, a trend that continued in January in both the Energy and Materials sectors, as shown in the chart. On the flip side, Information Technology gave some of the recent strong gains back on valuation concerns and more upside risk in rates. Real Estate was also impacted on the possibility of rate rises.

## Sector returns – January 2026



## Fund Characteristics

Returns<sup>1</sup> as at 31 January 2026

Period	Fund Return <sup>1</sup> %	Bench- mark <sup>2</sup> %	Out/Under- performance %
1 month	2.07	1.72	0.35
3 months	0.33	0.39	-0.06
6 months	3.62	3.32	0.29
1 year	6.15	7.76	-1.60
2 years pa	10.13	11.36	-1.23
3 years pa	8.32	9.77	-1.45
4 years pa	9.87	10.23	-0.36
5 years pa	10.61	10.10	0.51
7 years pa	11.56	10.15	1.41
Since inception pa Date: 30 Nov 2017	9.98	8.98	1.01

## Top 10 Stock Holdings

Name	Fund %	Index <sup>2</sup> %	Tilt %
BHP	12.01	9.25	2.76
ANZ Bank	11.84	3.94	7.90
Commonwealth Bank	7.64	9.00	-1.36
PLS Group	4.74	0.47	4.27
CSL	4.57	3.17	1.40
Macquarie Group	4.22	2.71	1.51
Rio Tinto	4.16	2.03	2.14
Goodman Group	4.03	2.26	1.77
Evolution Mining	3.54	1.08	2.46
Sandfire Resources	3.22	0.33	2.89

## Sector Tilts

Sector	Fund %	Index <sup>2</sup> %	Tilt %
Energy	0.51	4.17	-3.67
Materials	36.18	24.71	11.47
Industrials	3.22	6.85	-3.63
Consumer Discretionary	5.21	7.30	-2.09
Consumer Staples	2.89	3.45	-0.56
Health Care	6.67	7.25	-0.58
Financials	25.97	32.37	-6.40
Information Technology	6.54	3.48	3.06
Communication Services	4.74	2.56	2.18
Utilities	2.76	1.35	1.41
Real Estate	5.02	6.52	-1.50
Cash	0.30	0.00	0.30
<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 300 Accumulation Index.



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## Outlook

Global and Australian markets ended with significant returns after a solid 2025 despite a complete rewriting of world trade relations. In January, positive market sentiment persisted, supported by an optimistic outlook for economic growth in both Australia and the US. Looking ahead into 2026, with Australian, US and global economic growth expected to improve, and with a return to more steady trade relations, we see more opportunity in equities, and strong, more broad-based earnings growth ahead of consensus.

At the start of calendar 2026, on the back of a significant rerating in commodity prices in Q4 2025, and an even more promising outlook for growth, consensus has increased their FY26 EPSg to +10%. Ausbil is more positive again with an EPSg expectation of +15% for FY26 (both for the S&P/ASX 200), largely on a better outlook for resources and key cyclicals than the market. In FY27, we are forecasting earnings to be ahead of the market, driven by resources, a recovery in financials and strong growth in industrials.

Ausbil is seeing opportunities in equities that are beneficiaries of a stronger US economy, and a strong local economy buoyed by resources and other cyclicals. Underpinning our outlook for equities are a number of structural drivers that are offering opportunities. These include an increased commitment to military spending globally (as the US withdrawal of support for Ukraine and others has sparked an upward shift in defence spending); increased investment in infrastructure to accommodate the growth in AI; ongoing investment to secure independent energy security; and the increase in demand for electricity over carbon-based energy.

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

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