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Ausbil Australian SmallCap Fund

Monthly performance update

November 2025

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'We continue to focus on profitable, liquid businesses with sustainable models capable of delivering across all market conditions'

Performance Review

Fund performance for November 2025 was -5.89% (net of fees) versus the benchmark return of -1.48%, as measured by the S&P/ASX Small Ordinaries Accumulation Index.

Fund Review

Profit taking and an aggressive market rotation out of previous 'winners', especially in the technology sector, impacted returns in the month of November with the Small Ordinaries falling -1.48%, with the Small Industrials falling -3.43%, offset by a strong rally in Small Resources +3.07%. Metals and mining now comprise approximately 26% of the Small Ordinaries index, and it is worth noting that many of the companies that rallied in November do not meet our investment grade filter.

The Fund delivered -5.89% (net of fees) in November, below the -1.48% return of the Small Ordinaries index. While the Fund is still tracking well ahead of benchmark calendar YTD (+29.6% net of fees vs +23.2% return of the Small Ordinaries), a number of high conviction winners have pulled back over the last 3 months such as **Life360**, which we have topped up given no change in our fundamental view. **Notably, the fund does not have any exposure to Corporate Travel (CTD).**

Contribution over the month came from **Light and Wonder** (LNW) and **Genesis Minerals** (GMD). Detractors for the month included **Life360** (360) and **Temple & Webster** (TPW).

Key Contributors

Light & Wonder (LNW) increased +39.8% over the course of the month. A better-than-expected 3Q25 result, in conjunction with more certainty around the primary Australian listing (from the NASDAQ) were the key drivers. As the vagaries around key market concerns abated, the market returned to a focus on fundamentals – a company delivering approximately 20% EPS growth over the next 3-years which is trading at an undemanding multiple relative to peers and the broader market. While the shares have re-rated, we believe we are only at the beginning of this journey.

Genesis Minerals (GMD) announced the agreement for the relocation of the rail line surrounding Tower Hill. Shortening the line will allow significantly more space for the proposed expansion of the Leonora mill and enable the planned Tower Hill open pit to be developed to the size required to fully access the deposit. Tower Hill is on track for mine development in FY27 and first ore in FY28. We expect further details on Tower Hill will be provided in Genesis' updated long term plan set for the June half of 2026. GMD is a successful Microcap graduate, a long-term holding since 2023 (at around $1.15) and remains a core holding for the Fund. We see significant upside to production over the long-term relative to market expectations.

Key Detractors

Life360 (360) fell -18.8% in a softer month for technology stocks. Despite delivering what we believe to be a solid trading update and an upgrade to full-year guidance, the market raised concerns on the pace of Monthly Active User growth. We believe this to be a reflection more of normal quarterly variance than a structural slowdown given low global penetration. 360 continues to have an exciting 12-months ahead, including integration of the recent Nativo acquisition, the rollout of the now launched pet product and opportunities in elder care. We added to the position in the pull back.

Temple & Webster (TPW) fell following an underwhelming trading update at its AGM where the company reported +18% revenue growth FYTD. This implied the revenue growth rate had decelerated over the recent 14-week period to around +14% from the +28% reported in August. Consensus expectations were looking for around +23% revenue growth for the 1H26 and therefore fell short of market expectations. Whilst the short-term share price performance is disappointing, valuation has always limited our position size. We have maintained the position with confidence in managements $1b revenue target, their over $150m cash on balance sheet and an active buyback.

Outlook

A hawkish US rate cut, combined with a somewhat hawkish pivot by the RBA, was the catalyst for an aggressive market rotation. Highly valued growth stocks bore the brunt of the sell-off, which was exacerbated by "large-cap tourists" retreating from small caps and seeking refuge in the larger, more liquid segments of the market. Small-cap industrials declined in aggregate, while small-cap resources were buoyed by a strong gold price and a resurgence in copper and spodumene prices. Against this backdrop of choppy markets, our discipline remains unchanged. We continue to focus on profitable, liquid businesses with sustainable models capable of delivering across all market conditions. Importantly, we are well equipped and have the capability to identify compelling opportunities in the resources sector, as well as in "picks and shovels" style contractors that also stand to benefit from higher commodity prices.

Returns[1] as at 30 November 2025

Period	Fund Return[1] %	Bench-mark[2] %	Out/Under performance %
1 month	-5.89	-1.48	-4.41
3 months	-3.27	3.84	-7.11
6 months	14.68	16.73	-2.06
1 year	25.89	19.43	6.47
2 years pa	34.26	19.65	14.60
3 years pa	21.92	11.49	10.43
4 years pa	14.14	4.48	9.66
5 years pa	19.70	7.13	12.56
Since inception pa Date: 30 April 2020	25.85	11.00	14.85

Top 5 Stocks[3]

1. Generation Development Group
2. Genesis Minerals
3. Life360
4. Light & Wonder
5. Tuas

Subscribe to our monthly updates here

1. Fund returns are net of fees.
2. S&P/ASX Small Ordinaries Accumulation Index.
3. Top 5 stocks sorted alphabetically.

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