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Ausbil Australian Emerging Leaders Fund

Quarterly performance update

June 2025

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'As a result of tariffs and tensions, the June quarter saw high volatility with major market moves'

Performance Review

Fund performance for the quarter ending June 2025 was +14.68% (net of fees) versus the benchmark return of +9.84%. The benchmark is a composite, 70% of the S&P/ASX MidCap 50 Accumulation Index and 30% of the S&P/ASX Small Ordinaries Accumulation Index.

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

At a stock level, the overweight positions in Zip, Life360, Boss Energy, Megaport, Hub24, NexGen Energy and WiseTech Global contributed to relative performance. The underweight position in AGL Energy and not holding IDP Education and Worley also added value. Conversely, the overweight positions in Reece Australia, Judo Capital, Guzman y Gomez, Auckland International Airport, Reliance Worldwide, Telix Pharmaceutical, Mineral Resources and The a2 Milk Company detracted from relative performance. The underweight position in NextDC and not holding TechnologyOne also detracted value.

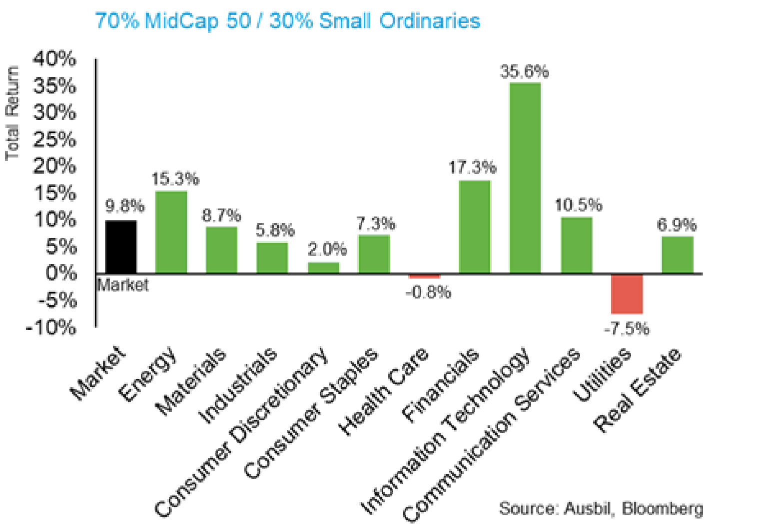
Market Review

The month of June, the Composite Benchmark (70% S&P/ASX MidCap 50 and 30% S&P/ASX Small Ordinaries accumulation indices) delivered +0.8%, adding to a positive return for the quarter of +9.8%, bringing the trailing market 1-year return to +15.2%.

All major world markets moved higher this quarter, with the exception of Singapore. Emerging Markets (MSCI EM) slightly outpaced Developed Markets (MSCI World), with Nasdaq leading the quarter. This was despite tariffs in April, and military exchanges involving Iran, Israel and the US bombing of key nuclear installations in Iran.

All sectors enjoyed positive returns this quarter, except for Health Care and Utilities, as shown in the chart. Information Technology, Financials, Communication Services and Energy were the standouts.

Sector returns – June Quarter 2025



Fund Characteristics

Returns[1] as at 30 June 2025

Period	Fund Return[1] %	Benchmark[2] %	Out/Under performance %
1 month	3.14	0.80	2.34
3 months	14.68	9.84	4.84
6 months	9.99	6.98	3.02
1 year	18.01	15.24	2.77
2 years pa	13.34	11.26	2.08
3 years pa	13.04	12.52	0.52
5 years pa	13.84	11.10	2.74
7 years pa	7.89	8.09	-0.20
10 years pa	10.07	10.50	-0.43
15 years pa	9.51	9.20	0.31
20 years pa	8.65	7.53	1.12
Since inception pa Date: April 2002	10.67	9.09	1.58

Top 10 Stock Holdings

Name	Fund %	Index[2] %	Tilt %
REA Group	4.83	2.83	2.01
SGH	4.74	2.46	2.28
HUB24	4.60	1.65	2.95
Life360	4.44	1.69	2.75
Charter Hall Group	4.28	2.07	2.20
Zip	4.08	0.43	3.64
Washington H Soul Company	3.87	2.40	1.47
The a2 Milk Company	3.56	1.32	2.23
Pinnacle Investment Management	3.50	0.86	2.64
Fisher & Paykel	3.40	1.45	1.95

Sector Tilts

Sector	Fund %	Index[2] %	Tilt %
Energy	3.58	6.00	-2.42
Materials	12.73	17.54	-4.80
Industrials	20.68	15.27	5.41
Consumer Discretionary	3.51	8.57	-5.07
Consumer Staples	3.56	4.47	-0.91
Health Care	5.48	7.14	-1.67
Financials	22.88	16.08	6.79
Information Technology	16.57	11.38	5.19
Communication Services	3.00	1.80	1.20
Utilities	0.00	1.34	-1.34
Real Estate	5.51	10.39	-4.88
Cash	2.50	0.00	2.50
Total	**100.00**	**100.00**	**0.00**

1. Fund returns are net of fees and gross of taxes.
2. The composite benchmark is 70% S&P/ASX Midcap 50 Accumulation Index and 30% S&P/ASX Small Ordinaries Accumulation Index.

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Outlook

As a result of tariffs and tensions, the June quarter also saw high volatility with major market moves the size of which we have not seen since the Global Financial Crisis in 2008/09. June has seen further steps towards negotiated outcomes with Europe and China. Markets have continued to respond positively, and with tariffs currently on hold, they ended the quarter well.

Ausbil's view of the US economy is that tariffs will have a downward drag on growth in the near term, before growth begins to build again at the end of 2025 and into 2026. We think the chance of a US recession is less than the market is ascribing because considerations such as tax cuts, deregulation, lower oil prices, lower core inflation and lower interest rates will help offset some growth drag from tariffs. With the quantum of monetary tightening undertaken by global central banks in 2022 and 2023, monetary authorities have significant room to stimulate should this be needed.

Ausbil is seeing opportunities in equities that are relatively shielded from, or are beneficiaries of, the new US tariff policy. While tariffs have caused a potential major shake-up in global trade, Ausbil expects Australian growth to be relatively unchanged and expect Australian companies to generate earnings growth in excess of consensus expectation of +6.1% in FY26 (S&P/ASX 300). 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.

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