

Ausbil 130/30 Focus Fund

Monthly performance update

May 2025

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

'While tariffs have caused a major shake-up in global trade, Ausbil expects Australian economic growth to be relatively unchanged'

Performance Review

Fund performance for May 2025 was +4.17% (net of fees), versus the benchmark return of +4.20%, as measured by the S&P/ASX 200 Accumulation Index.

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

The largest short positions were in selected stocks within the Financials, Consumer Discretionary and Materials sectors.

At a stock level, the overweight positions in Life360, Generation Development Group, Evolution Mining, Hub24, WiseTech Global, Sandfire Resources, Macquarie Group, Santos and Block contributed to relative performance. Conversely, the overweight positions in Aristocrat Leisure, Zip, BlueScope Steel, Cochlear, CSL and James Hardie detracted from relative performance. The nil positions in Brambles, Pro Medicus and Qantas also detracted value.

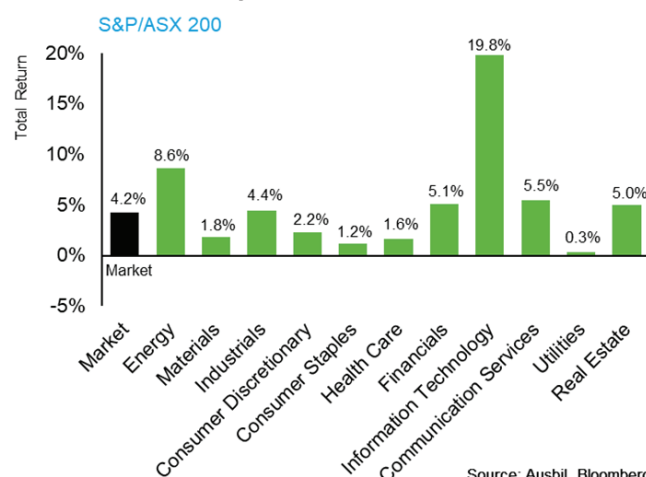
Market Review

May saw the April rebound continue as tariff uncertainty began to ease and macro data continued to highlight a resilient economy despite the tariff impacts. As a result, the S&P/ASX 200 Accumulation Index ended May up +4.2%, bringing the trailing market 1-year return to +13.4%.

All major world markets moved higher in response to the resilient economic data, some major central banks continuing to ease rates, and previously bearish positioning compelling market participants to increase their active risk. The S&P 500 and Nasdaq led, with developed and emerging markets joining with solid performances. The S&P 500 has retraced 18.6% since the tariff low close in early April, and is just 3.8% off its year-to-date high for 2025.

All sectors enjoyed positive returns in May, though Information Technology delivered an outsized result at +19.8%, driven by significant rerating in names like Life360 and WiseTech Global, as shown in the Chart.

Sector returns – May 2025



Fund Characteristics

Returns¹ as at 31 May 2025

Period	Fund Return ¹ %	Benchmark ² %	Out/Under-performance %
1 month	4.17	4.20	-0.03
3 months	4.29	4.31	-0.02
6 months	-0.13	1.64	-1.77
1 year	11.63	13.36	-1.73
2 years pa	10.23	13.14	-2.92
3 years pa	5.86	9.62	-3.76
5 years pa	9.48	12.11	-2.63
7 years pa	7.39	9.06	-1.67
10 years pa	8.12	8.12	0.00
Since inception pa Date: July 2010	8.91	8.84	0.07

Market Exposure

	% of Fund
Long	102.16
Short	-4.89
Net	97.27

Top 10 Stock Holdings

Name	Fund %	Index ² %	Tilt %
Commonwealth Bank	10.82	11.63	-0.81
BHP	8.88	7.67	1.21
CSL	5.72	4.72	1.00
National Australia Bank	4.96	4.61	0.35
Macquarie Group	4.54	3.00	1.54
Goodman Group	3.68	2.64	1.04
Wesfarmers	3.46	3.72	-0.26
Telstra	3.24	2.18	1.06
Aristocrat Leisure	2.56	1.54	1.02
Woolworths	2.56	1.54	1.02

Sector Tilts

Sector	Fund %	Index ² %	Tilt %
Energy	2.49	3.78	-1.29
Materials	17.70	18.34	-0.63
Industrials	1.60	6.25	-4.65
Consumer Discretionary	6.63	7.66	-1.03
Consumer Staples	4.73	3.81	0.92
Health Care	10.17	9.37	0.80
Financials	33.12	35.12	-1.99
Information Technology	7.28	4.71	2.57
Communication Services	4.52	2.63	1.89
Utilities	2.16	1.40	0.75
Real Estate	6.87	6.93	-0.06
Cash	2.73	0.00	2.73
Total	100.00	100.00	0.00

1. Fund returns are net of fees but before taxes.

2. The benchmark S&P/ASX 200 Accumulation Index.



Subscribe to our monthly updates here

Outlook

The release of Trump's 'Liberation Day' reciprocal tariffs on 2 April were at levels which were significantly larger and materially worse than markets expected. The negative surprise, triggered in quick fashion, delivered a seismic tariff shock for global markets. Ausbil quickly took the view that Trump would negotiate rather than remain recalcitrant, and we assessed the flow-on risks to Australia via the impact on China (noting that over 45% of Australia's exports to Asia are ex-China), ultimately determining that an overall US policy of lower taxes, support for manufacturing, and general deregulation with a background of monetary easing would not be overly impacted by tariffs. Since the April low, Trump has proven our thesis that he would negotiate, and this saw markets rebound not just in April, but further in May.

Ausbil's view of the US economy is that tariffs will have a downward drag on growth in the near term, but the economy will avoid recession, 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, higher then lower 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.

While tariffs have caused a major shake-up in global trade, Ausbil expects Australian economic growth to be relatively unchanged. We expect Australian companies to generate earnings growth in excess of consensus expectations for FY26, which are currently at +5.9% for the S&P/ASX 200.

Underpinning our outlook for equities are a number of structural drivers that are offering opportunities, now at significantly cheaper valuations than before the tariffs. 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.

ASIC Benchmark 2. - Periodic Reporting

This benchmark is aimed at ensuring that investors receive timely, basic fund investment performance information on a periodic basis to make informed investment decisions. Please refer to the below information relating to this benchmark.

The Fund's current net asset value and redemption price are available at www.ausbil.com.au/unit-prices. The Ausbil 130/30 Focus Fund – wholesale class' net performance returns are available at www.ausbil.com.au/performance-tables. There have been no changes to the key service providers, the related party status of the Fund, the Fund's risk profile, the Fund's strategy or the investment team.

Please refer to the Update of Information available at <http://www.ausbil.com.au/products/ausbil-130-30-focus-fund> (Important Notice to Investors) for more information on the appointment of additional securities lenders.

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

This material is issued by Ausbil Investment Management Limited (Ausbil) ABN 26 076 316 473, AFSL 229722 as at May 2025 and is subject to change. The material is not intended to provide you with financial product advice. It does not take into consideration the investment objectives, financial situation or needs of any person. For this reason, you should, before acting on this material, obtain professional advice from a licensed financial adviser and read the relevant Product Disclosure Statement which is available at www.ausbil.com.au and the target market determination which is available at www.ausbil.com.au/invest-with-us/designand-distribution-obligations. Past performance is not a reliable indicator of future performance. Any reference to past performance is for illustrative purposes only and should not be relied upon on. Ausbil, its officers, directors and affiliates do not guarantee the performance of, a particular rate of return for, the repayment of capital of, the payment of distribution or income of, or any particular taxation consequences for investing with or in any Ausbil product or strategy. The performance of any strategy or product depends on the performance of the underlying investment which may rise or fall and can result in both capital gains and loss. Any references to particular securities or sectors are for illustrative purposes only. It is not a recommendation in relation to any named securities or sectors. The material may contain forward looking statements which are not based solely on historical facts but are based on our view or expectations about future events and results. Where we use words such as but are not limited to 'anticipate', 'expect', 'project', 'estimate', 'likely', 'intend', 'could', 'target', 'plan', 'believe', 'think', 'might' we are making a forecast or denote a forward-looking statement. These statements are held at the date of the material and are subject to change. Forecast results may differ materially from results or returns ultimately achieved. The views expressed are the personal opinion of the author, subject to change (without notice) and do not necessarily reflect the views of Ausbil. This information should not be relied upon as a recommendation or investment advice and is not intended to predict the performance of any investment or market. The actual results may differ materially from those expressed or implied in the material. Ausbil gives no representation or warranty (express or implied) as to the completeness or reliability of any forward looking statements. Such forward looking statements should not be considered as advice or a recommendation and has such should not be relied upon. To the extent permitted by law, no liability is accepted by Ausbil, its officers or directors or any affiliates of Ausbil for any loss or damage as a result of any reliance on this information. While efforts have been made to ensure the information is correct, no warranty of accuracy or reliability is given, and no responsibility is accepted for errors or omissions. Any opinions expressed are those of Ausbil as of the date noted on the material and are subject to change without notice.