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Ausbil Active Sustainable Equity Fund

Monthly performance update

July 2025

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'In July, Ausbil presented at the launch of the RIAA Human Rights Working Group's Investor Toolkit on human rights in global value chains'

Performance Review

Fund performance for July 2025 was +3.03% (net of fees), versus the benchmark return of +2.36%, as measured by the S&P/ASX 200 Accumulation Index.

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

At a stock level, the overweight positions in Life360, Hub24, Block, CSL, Pro Medicus, Generation Development Group, Pilbara Minerals and Cochlear added to relative performance. The underweight position in Commonwealth Bank and the nil position in Northern Star Resources also added value. Conversely, the overweight positions in Sandfire Resources, Evolution Mining, Macquarie Group and Judo Capital detracted from relative performance. The nil positions in BHP, Woodside Energy Group, Fortescue, Aristocrat Leisure, WiseTech Global and Lynas Rare Earths also detracted value.

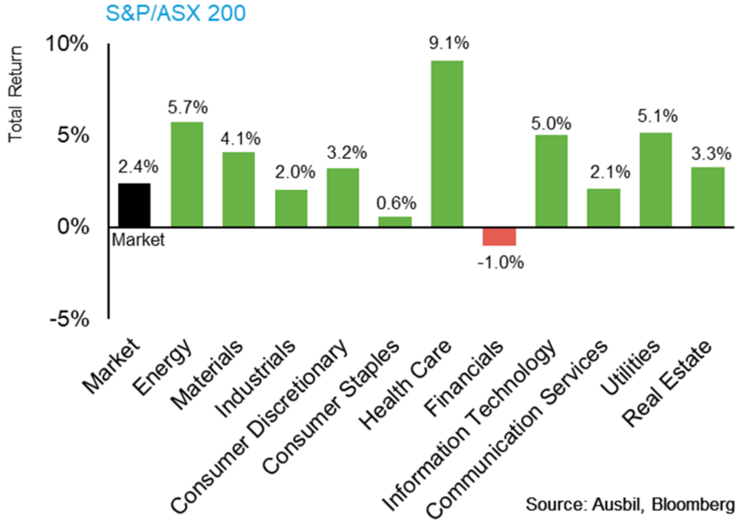
Market Review

With promising progress on trade deals, and despite central banks holding rates steady in July, the S&P/ASX 200 Accumulation Index delivered +2.4%, bringing the trailing market 1-year return to +11.8%.

All major world markets moved higher this month, with the exception of India. Emerging Markets (MSCI EM) outperformed Developed Markets (MSCI World), with the UK and Singapore delivering the best results in developed markets.

All sectors enjoyed positive returns this month, other than Financials which was impacted by banks coming off their valuation highs, as shown in the chart. Health Care, Energy, Information Technology and Utilities were the standouts.

Sector returns – July 2025



Source: Ausbil, Bloomberg

Fund Characteristics

Returns[1] as at 31 July 2025

Period	Fund Return[1] %	Bench-mark[2] %	Out/Under-performance %
1 month	3.03	2.36	0.67
3 months	11.05	8.17	2.88
6 months	6.03	4.18	1.85
1 year	19.48	11.81	7.67
2 years pa	17.67	12.67	5.01
3 years pa	13.58	12.33	1.25
4 years pa	9.30	8.52	0.78
5 years pa	13.37	12.26	1.11
7 years pa	11.10	8.93	2.17
Since inception pa Date: 31 Jan 2018	11.16	9.19	1.97

Top 10 Stock Holdings

Name	Fund %	Index[2] %	Tilt %
Commonwealth Bank	9.19	11.29	-2.09
CSL	6.77	4.97	1.79
Wesfarmers	4.89	3.69	1.20
ANZ Bank	4.89	3.46	1.43
Macquarie Group	4.24	2.92	1.32
Goodman Group	4.17	2.71	1.46
Rio Tinto	3.99	1.57	2.42
Life360	3.68	0.35	3.33
Telstra	3.64	2.15	1.48
National Australia Bank	3.03	4.52	-1.48

Sector Tilts

Sector	Fund %	Index[2] %	Tilt %
Energy	0.00	4.15	-4.15
Materials	11.91	17.93	-6.02
Industrials	5.19	6.27	-1.08
Consumer Discretionary	6.57	7.79	-1.22
Consumer Staples	2.41	3.59	-1.17
Health Care	11.73	9.68	2.04
Financials	35.08	34.82	0.26
Information Technology	15.21	4.89	10.32
Communication Services	3.64	2.61	1.03
Utilities	0.00	1.40	-1.40
Real Estate	7.00	6.88	0.12
Cash	1.27	0.00	1.27
Total	**100.00**	**100.00**	**0.00**

1. Fund returns are net of fees but before taxes and assume distributions are reinvested. Past performance is not a reliable indicator of future performance.
2. The benchmark is S&P/ASX 200 Accumulation Index.

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Outlook

Markets responded positively across July as Trump revealed a number of trade deals, including the critical EU deal, as discussions moved forward with China. While media has spruiked recession fears this July, our macro-outlook remains unchanged from last month, with US economic growth expected to improve into 2026, and with the boost of more positive trade deals, including Europe. Tax cuts, deregulation, lower oil prices, lower core inflation and lower interest rates will help offset some growth drag from tariffs.

Australia managed to escape the high tariffs and had to settle for a reciprocal 10% because of the perceived unfairness of the GST on US exporters here. With China in advanced stages of trade negotiations we remain positive on our outlook, and we do not see a recession. While both the Federal Reserve and the RBA held rates steady this month, despite the market expecting cuts in both cases, we still expect more rate cuts from both central banks this year. We remain positioned accordingly and are judiciously ignoring the noise for the data.

Ausbil is seeing opportunities in equities that are relatively shielded or even 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 which are currently at +5.1% in FY26 (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.

ESG Review

In July 2025, Ausbil participated in a group meeting with Qantas specifically focused on the company's modern slavery risk assessment and risk management processes, where Ausbil engaged on risk assessments beyond tier 1 suppliers and the importance of grievance mechanisms. Ausbil also engaged with Sandfire Resources' board on executive remuneration following a large against-vote in the previous year. That meeting also included a discussion on governance and cultural heritage management. Ausbil also met with Lynas Rare Earths to discuss rare earths, including LYC's visibility into the supply chain and end usages of rare earths; while rare earths are instrumental for renewable energy, there is also a risk that some rare earths end up as components in controversial weapons. The conversation with LYC left us with better insights into how the company is exposed.

In July, Ausbil also presented at the launch of the RIAA Human Rights Working Group's Investor Toolkit on human rights in global value chains. This toolkit aims to better equip investors with ideas for productive and constructive engagement on human rights issues by focusing on identified case studies on best practice. Ausbil presented a number of ideas, both specific and broad themes, that could lead to changes in company behaviours.

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