

# Ausbil Active Sustainable Equity Fund

Quarterly performance update

June 2025

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'In June 2025, Ausbil participated in an ESG research field trip to South East Asia, focused on artificial intelligence'

## Performance Review

Fund performance for the quarter ending June 2025 was +12.81% (net of fees), versus the benchmark return of +9.50%, as measured by the S&P/ASX 200 Accumulation Index.

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

At a stock level, the overweight positions in Life360, Hub24, Pro Medicus, Charter Hall Group, Macquarie Group, Block, Goodman Group and CAR Group added to relative performance. The nil positions in BHP and Woodside Energy Group also added value. Conversely, the overweight positions in Judo Capital, Rio Tinto, Pilbara Minerals, Web Travel Group and CSL detracted from relative performance. The underweight positions in Commonwealth Bank, Computershare and National Australia Bank, and not holding WiseTech Global and TechnologyOne also detracted value.

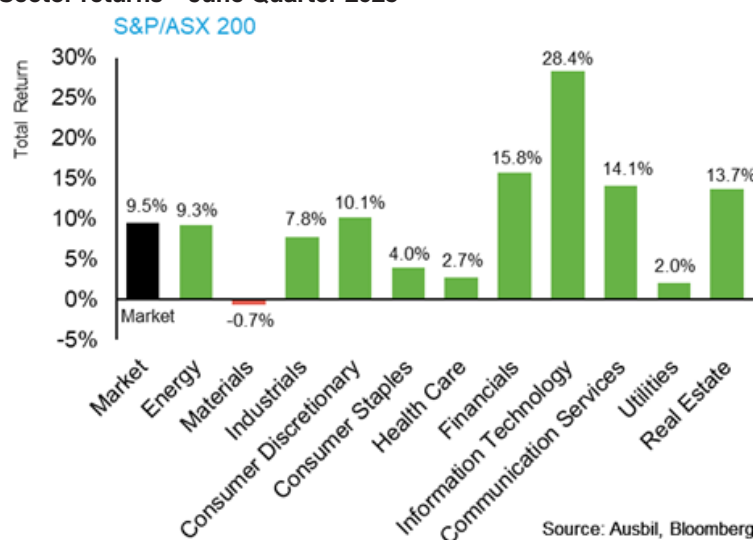
## Market Review

The month of June saw the S&P/ASX 200 Accumulation Index deliver +1.4%, adding to a positive return for the quarter of +9.5%, bringing the trailing market 1-year return to +13.8%.

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, other than Materials, as shown in the chart. Information Technology, Financials, Communication Services and Real Estate were the standouts.

## Sector returns – June Quarter 2025



## Fund Characteristics

Returns<sup>1</sup> as at 30 June 2025

Period	Fund Return <sup>1</sup> %	Bench- mark <sup>2</sup> %	Out/Under- performance %
1 month	1.90	1.41	0.48
3 months	12.81	9.50	3.30
6 months	9.15	6.44	2.72
1 year	21.34	13.81	7.53
2 years pa	18.00	12.95	5.05
3 years pa	15.28	13.56	1.72
4 years pa	8.93	8.18	0.75
5 years pa	13.27	11.85	1.42
7 years pa	10.72	8.78	1.93
Since inception pa Date: 31 Jan 2018	10.85	8.96	1.89

## Top 10 Stock Holdings

Name	Fund %	Index <sup>2</sup> %	Tilt %
Commonwealth Bank	9.74	12.04	-2.30
CSL	5.83	4.52	1.31
Wesfarmers	4.91	3.75	1.17
Macquarie Group	4.53	3.16	1.37
Goodman Group	4.17	2.71	1.46
National Australia Bank	3.63	4.70	-1.06
Telstra	3.60	2.16	1.45
Rio Tinto	3.58	1.55	2.03
Westpac Bank	3.37	4.51	-1.14
Life360	3.34	0.29	3.05

## Sector Tilts

Sector	Fund %	Index <sup>2</sup> %	Tilt %
Energy	0.00	4.04	-4.04
Materials	11.99	17.52	-5.53
Industrials	6.97	6.27	0.70
Consumer Discretionary	6.60	7.75	-1.15
Consumer Staples	2.64	3.67	-1.03
Health Care	10.97	9.13	1.84
Financials	35.43	36.07	-0.65
Information Technology	13.57	4.70	8.87
Communication Services	3.60	2.61	0.99
Utilities	0.00	1.37	-1.37
Real Estate	6.91	6.88	0.03
Cash	1.32	0.00	1.32
<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 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

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.

## ESG Review

In June 2025, Ausbil's ESG research team participated in an ESG research field trip to South East Asia, focused on artificial intelligence (AI) with meetings with various companies across the value chain in China, Taiwan and South Korea. Ausbil was a key contributor to RIAA's Human Rights Working Group's toolkit on AI and Human Rights in 2024, which discussed various ESG risks associated with AI. This trip cemented many of Ausbil's views on responsible AI, as well as adding new insights on how AI intersects with a number of ESG issues, such as climate change, modern slavery and human capital. The trip also gave Ausbil insights into data centre demand and supply, energy demand, responsible sourcing of materials and many other topics.

During the month, Ausbil had a number of governance-related meetings. For instance, Ausbil engaged with **JDO's** board in relation to executive remuneration and board composition and also had an in-depth discussion about culture and staff engagement, including JDO's innovative ways to measure and monitor these areas. Ausbil also met with **SUN's** board to discuss changes to the executive remuneration framework to reflect SUN's changed structure into a pure-play insurance company. We also discussed chair and CEO succession as well as SUN's people strategy, including business benefits from SUN's diversity and inclusion focus. Ausbil met with **BSL's** chair and discussed a wide range of topics, including board composition, BSL's decarbonisation strategy, BSL's recent safety performance issues and responses, and BSL's diversity and inclusion strategy. In addition, Ausbil engaged with **CHC** on their strategy on pubs and clubs going forward.

Ausbil continued its policy advocacy work in relation to modern slavery. For instance, Ausbil chaired the second meeting of the Human Rights Working Group of RIAA, which included a guest presentation by SEDEX focusing on the latest trends in the corporate world in relation to responsible sourcing and modern slavery risk management. Ausbil also provided a summary to members on the latest developments around modern slavery regulation globally. Ausbil was invited to participate in an expert focus group to discuss ways to strengthen Australia's modern slavery regulation, including providing commentary on a discussion paper. The group consisted of recognised thought leaders on the topic in Australia and the meeting was hosted and facilitated by the Federal Anti-Slavery Commissioner's Office. Ausbil participated on a panel together with SEDEX and Domus 8.7 to discuss practical remediation of modern slavery issues. Ausbil presented the investor perspective and the financial materiality of the issue. Ausbil is the first corporate partner with Domus 8.7, an organisation that specialises in providing remediation actions to victims of modern slavery.

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