

Ausbil 130/30 Focus Fund

Quarterly performance update

March 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

'Trump's 'Liberation Day' reciprocal tariffs on 2 April were at levels which were significantly larger and materially worse than markets expected'

Performance Review

Fund performance for the quarter ending March 2025 was -3.84% (net of fees), versus the benchmark return of -2.80%, as measured by the S&P/ASX 200 Accumulation Index.

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

The Portfolio's largest short positions were in selected stocks within the Consumer Discretionary, Financials and Industrials sectors.

At a stock level, the overweight positions in Evolution Mining, Sandfire Resources, The a2 Milk Company, Telstra, Lynas Rare Earths, BlueScope Steel and Mirvac contributed to relative performance. The nil position in Pro Medicus also added value. Conversely, the overweight positions in Block, NextDC, Goodman Group, Insurance Australia Group, Pilbara Minerals and Auckland International Airport detracted from relative performance. The underweight positions in Computershare and Newmont Corporation also detracted value.

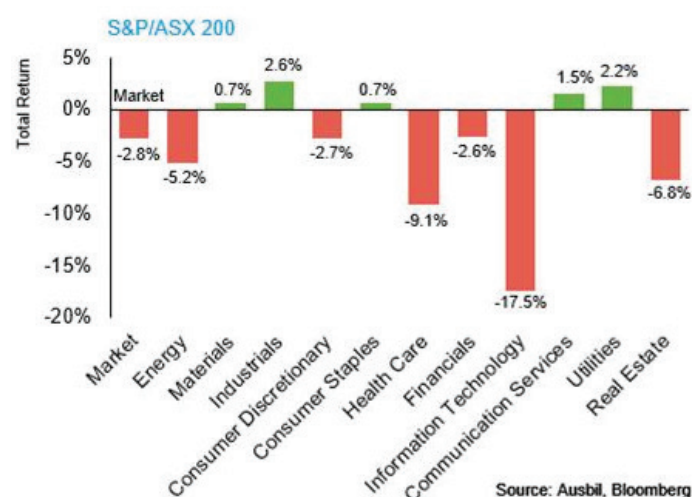
Market Review

The March quarter was marked with highs and lows as President Trump excited, then worried markets with his broad sweeping tariff policies. The S&P/ASX 200 Accumulation Index fell by -2.8%, in the quarter, and -3.4% for the month, bringing the trailing market 1-year return to +2.8%.

Emerging markets outperformed developed markets, with the US in particular underperforming. Global markets ended the quarter in a tailspin waiting for the outcome of Trump's 'Liberation Day' tariff announcements that will potentially rewrite world trade flows.

At the sector level this quarter, market uncertainty reflected in performance. Energy, Information Technology, Health Care, Real Estate were sold off significantly relative to market, with more defensive sectors like Utilities, Communication Services and Consumer Staples outperforming, as shown in the chart.

Sector returns – March Quarter 2025



Fund Characteristics

Returns¹ as at 31 March 2025

Period	Fund Return ¹ %	Benchmark ² %	Out/Under-performance %
1 month	-3.63	-3.39	-0.24
3 months	-3.84	-2.80	-1.04
6 months	-5.72	-3.57	-2.14
1 year	0.98	2.84	-1.86
2 years pa	5.61	8.49	-2.88
3 years pa	2.07	5.62	-3.55
5 years pa	10.22	13.24	-3.02
7 years pa	6.89	8.64	-1.75
10 years pa	7.00	7.15	-0.15
Since inception pa Date: July 2010	8.43	8.38	0.05

Market Exposure

	% of Fund
Long	101.32
Short	-6.57
Net	94.75

Top 10 Stock Holdings

Name	Fund %	Index ² %	Tilt %
Commonwealth Bank	10.20	10.73	-0.54
BHP	9.31	8.24	1.07
CSL	5.12	5.13	-0.01
Telstra	4.18	2.07	2.11
Macquarie Group	3.74	2.96	0.78
Wesfarmers	3.35	3.47	-0.12
National Australia Bank	3.26	4.44	-1.18
ANZ Bank	3.17	3.68	-0.51
Transurban Group	3.02	1.77	1.26
Westpac Bank	3.02	4.60	-1.58

Sector Tilts

Sector	Fund %	Index ² %	Tilt %
Energy	2.47	4.09	-1.62
Materials	21.17	19.24	1.93
Industrials	5.68	6.23	-0.55
Consumer Discretionary	3.60	7.62	-4.02
Consumer Staples	7.00	3.85	3.15
Health Care	9.24	9.73	-0.50
Financials	29.42	34.39	-4.97
Information Technology	1.22	4.14	-2.92
Communication Services	5.11	2.51	2.59
Utilities	3.70	1.48	2.22
Real Estate	6.15	6.72	-0.57
Cash	5.25	0.00	5.25
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 has undertaken significant analysis of the tariff situation unfolding.

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 relatively slimmer than the market is ascribing because considerations such as tax cuts, deregulation, lower oil prices, lower inflation and lower interest rates will help offset some growth drag from tariffs. With the hard 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 growth to be relatively unchanged and expect Australian companies to generate earnings growth in excess of consensus expectation of +8.2% in FY26.

During the COVID pandemic, we found significant opportunities in the market that delivered superior earnings growth in the years that followed. The Trump tariff shock is also revealing opportunities for those who can hold their nerve in the noise and find earnings growth that is relatively unrelated to tariffs. 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 defense 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 March 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.