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Ausbil Active Dividend Income Fund

Monthly performance update

April 2025

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'A number of structural drivers are offering opportunities now at significantly cheaper valuations than before the tariffs'

Performance Review

Fund performance for April 2025 was +3.32% (net of fees), versus the benchmark return of +3.62%, as measured by the S&P/ASX 200 Accumulation Index.

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

At a stock level, the overweight positions in Eagers Automotive, Coles Group, Helia Group, National Australia Bank, Evolution Mining, Challenger, The Lottery Corporation and Wesfarmers contributed to relative performance. The nil positions in South32 and Worley also added value. Conversely, the overweight positions in Woodside Energy Group, Treasury Wine Estates, Amcor, BHP, Macquarie Group, Qantas and Equity Trustees detracted from relative performance. The underweight positions in Commonwealth Bank and Transurban Group and not holding Pro Medicus also detracted value.

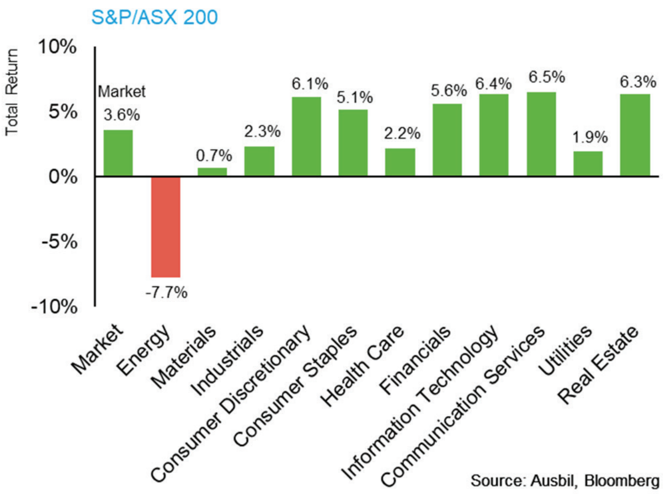
Market Review

In April, the onslaught of higher global tariffs from President Trump's 2 April 'Liberation Day' pushed markets to volatility levels not seen since COVID. However, as signs emerged that the US was willing to bargain bilaterally with willing countries, the market's retraced their initial falls. In the washup, the S&P/ASX 200 Accumulation Index ended April up 3.6%, bringing the trailing market 1-year return to +9.8%.

Emerging markets outperformed developed markets, with the US underperforming on tariff impact uncertainty. Global markets ended the month with variable outcomes. Hong Kong, China and Singapore were down, but India, Australia and Europe were up.

The market rebound from the early April tariff surprise was echoed across sectors except for Energy, as shown in the Chart.

Sector returns – April 2025



Source: Ausbil, Bloomberg

Fund Characteristics

Returns[1] as at 30 April 2025

Period	Distribution Return[2] % Net	Growth Return % Net	Total Return % Net	Bench-mark[3] %	Excess Return[4] % Net
1 month	0.46	2.86	3.32	3.62	-0.30
3 months	1.28	-4.70	-3.42	-3.69	0.26
6 months	2.62	-2.37	0.25	1.24	-0.99
1 year	5.43	2.09	7.52	9.79	-2.27
2 years pa	5.56	1.45	7.01	9.43	-2.43
3 years pa	5.75	-0.93	4.83	7.18	-2.36
4 years pa	5.94	0.35	6.29	7.92	-1.63
5 years pa	6.68	4.45	11.13	12.14	-1.02
Since inception pa Date: July 2018	5.98	2.09	8.07	8.13	-0.06

Top 10 Stock Holdings

Name	Fund %	Index[3] %	Tilt %
BHP	10.33	7.94	2.38
Commonwealth Bank	8.24	11.43	-3.19
National Australia Bank	7.45	4.55	2.90
Westpac Bank	6.34	4.62	1.72
CSL	5.86	4.98	0.87
Wesfarmers	4.97	3.64	1.33
Macquarie Group	3.84	2.81	1.03
Goodman Group	2.88	2.50	0.39
Telstra	2.73	2.14	0.60
Rio Tinto	2.43	1.78	0.65

Sector Tilts

Sector	Fund %	Index[3] %	Tilt %
Energy	3.52	3.62	-0.10
Materials	22.05	18.71	3.35
Industrials	5.98	6.16	-0.18
Consumer Discretionary	9.73	7.80	1.93
Consumer Staples	2.01	3.91	-1.90
Health Care	7.14	9.59	-2.45
Financials	36.60	35.10	1.50
Information Technology	0.00	4.25	-4.25
Communications Services	2.73	2.57	0.16
Utilities	3.28	1.45	1.83
Real Estate	5.14	6.84	-1.70
Cash	1.81	0.00	1.81
Total	**100.00**	**100.00**	**0.00**

1. Fund returns are net of fees but before taxes and exclude franking credits.
2. The 2018/2019 distribution was 92% franked. The 2019/2020 distribution was 70% franked. The 2020/2021 distribution was 71% franked. The 2021/2022 distribution was 93% franked. The 2022/2023 distribution was 85% franked. The 2023/2024 was 80% franked.
3. S&P/ASX 200 Accumulation Index.
4. Excess returns are net of fees but before taxes and exclude franking credits.

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Outlook

The month of April was volatile, having commenced with President Trump's "Liberation Day" tariff announcement on 2 April which took the market by surprise in exceeding expectations on breadth and size of the tariffs levied. Markets seemed to approve of the Trump presidency as he took power in the first quarter, but they swung to strain mode when tariffs were unveiled, and as Trump doubled down on the US reciprocal tariffs on China. While the market's initial reaction was very negative, signs of potential compromise, and possibilities for new bilateral agreements, has seen prices retrace somewhat, though with caution. Though the change in US tariff policy was seismic, April ended with green shoots in some trade relations.

Ausbil's view of the US economy as at the end of the month is that tariffs will have a downward drag on growth in the near term, but that the economy will avoid recession, before growth begins to build again at the end of 2025 and into 2026. While tariffs have caused a major shake-up in global trade, Ausbil expects Australian growth to be relatively unchanged, with Australian companies generating earnings growth in excess of consensus expectation of +6.4% in FY26.

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.

While the sell-down is uncomfortable for everyone, there are names that are relatively independent of tariff policy whose earnings growth outlook just became a whole lot more attractive at lower valuations – and it is in such volatility that we have found some of our best investments.

Monthly Distributions

	Ex-Price (mid) 30 June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Ex-Price (mid) 30 June	Total CPU	Franking Credit Per Unit	Franking Level
FY 2019	$1.000000	0.45	0.45	0.45	0.44	0.44	0.44	0.44	4.77	0.44	0.44	0.44	2.43	$1.019293	11.63	4.58	92%
FY 2020	$1.019293	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.54	$0.893822	5.60	1.67	70%
FY 2021	$0.893822	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	1.15	$1.099169	5.00	1.52	71%
FY 2022	$1.099169	0.46	0.46	0.46	2.00	0.46	0.46	0.46	0.46	0.46	0.46	0.46	3.56	$0.954105	10.16	4.07	93%
FY 2023	$0.954105	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	1.00	$1.003187	6.06	2.20	85%
FY 2024	$1.003187	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.43	$1.041421	5.60	1.92	80%
FY 2025	$1.041421	0.47	0.47	0.47	0.47	0.47	4.70*	4.70	4.70	4.70	4.70						

* Effective on 13 December 2024, units in the Fund were consolidated in the ratio of 10:1. That is, for every 10 units held by a unitholder, it was consolidated into one unit. The Unit Consolidation increased the Fund's unit price proportionately with the consolidation ratio.

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