Contactus@
ausbil.com.au

ausbil

Ausbil Active Dividend Income 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 +3.43% (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 Energy and Financials sectors contributed to relative performance. The underweight positions in the Consumer Staples and Health Care sectors also added value. Conversely, the overweight positions in the Materials, Consumer Discretionary, Communication Services and Utilities sectors detracted value. The underweight positions in the Industrials, Information Technology and Real Estate sectors also detracted value.

At a stock level, the overweight positions in Macquarie Group, Evolution Mining, Qantas, Sandfire Resources, Hub24, Santos and Pinnacle Investment Management Group contributed to relative performance. The nil positions in Fortescue, Woolworths and Computershare also added value. Conversely, the overweight positions in Rio Tinto, Aristocrat Leisure, Propel Funeral Partners and Newmont Corporation detracted from relative performance. The underweight position in Westpac Bank and not holding TechnologyOne, WiseTech Global, Life360, Pro Medicus and Xero also detracted value.

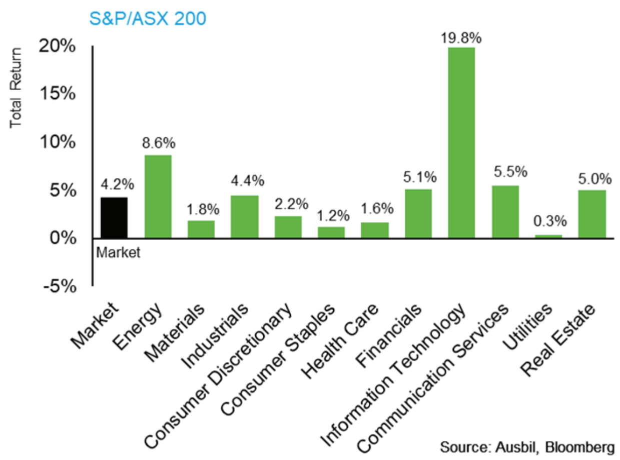
Market Review

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

Returns[1] as at 31 May 2025

Period	Distribution Return[2] % Net	Growth Return % Net	Total Return % Net	Benchmark[3] %	Excess Return[4] % Net
1 month	0.45	2.98	3.43	4.20	-0.77
3 months	1.33	1.95	3.28	4.31	-1.03
6 months	2.56	-1.61	0.94	1.64	-0.69
1 year	5.44	5.33	10.76	13.36	-2.59
2 years pa	5.75	4.64	10.39	13.14	-2.76
3 years pa	5.95	1.17	7.12	9.62	-2.51
4 years pa	5.87	0.76	6.63	8.41	-1.78
5 years pa	6.48	4.49	10.97	12.11	-1.15
Since inception pa Date: July 2018	5.95	2.54	8.49	8.67	-0.18

Top 10 Stock Holdings

Name	Fund %	Index[3] %	Tilt %
Commonwealth Bank	9.25	11.63	-2.38
BHP	9.09	7.67	1.42
CSL	5.76	4.72	1.04
National Australia Bank	5.70	4.61	1.09
ANZ Bank	5.53	3.41	2.12
Wesfarmers	5.21	3.72	1.49
Macquarie Group	5.03	3.00	2.03
Goodman Group	3.44	2.64	0.80
Telstra	3.18	2.18	1.00
Rio Tinto	2.96	1.65	1.31

Sector Tilts

Sector	Fund %	Index[3] %	Tilt %
Energy	4.26	3.78	0.48
Materials	22.76	18.34	4.43
Industrials	5.04	6.25	-1.21
Consumer Discretionary	9.92	7.66	2.26
Consumer Staples	0.72	3.81	-3.08
Health Care	6.97	9.37	-2.41
Financials	35.91	35.12	0.79
Information Technology	0.00	4.71	-4.71
Communications Services	3.64	2.63	1.01
Utilities	3.34	1.40	1.93
Real Estate	5.67	6.93	-1.26
Cash	1.76	0.00	1.76
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.

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.

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	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.

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

Contactus@
ausbil.com.au