Contactus@
ausbil.com.au

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# Ausbil Active Sustainable Equity Fund

Quarterly performance update

**September 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

'In September, Ausbil's ESG team had a number of company engagements on a wide range of topics'

## Performance Review

Fund performance for the quarter ending September 2025 was +5.03% (net of fees), versus the benchmark return of +4.71%, as measured by the S&P/ASX 200 Accumulation Index.

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

At a stock level, the overweight positions in Life360, Evolution Mining, Sandfire Resources, Pilbara Minerals, Charter Hall Group, Generation Development Group, Rio Tinto and Hub24 added to relative performance. The underweight position in Commonwealth Bank and not holding QBE Insurance also added value. Conversely, the overweight positions in CSL, James Hardie, WEB Travel Group, Xero and Cochlear detracted from relative performance. The underweight positions in Westpac Bank and Suncorp Group, and not holding BHP, Northern Star Resources and Fortescue also detracted value.

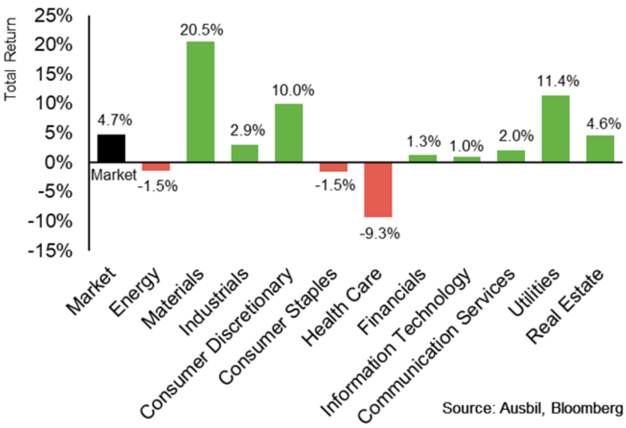
## Market Review

This quarter, markets were resilient, with the S&P/ASX 200 Accumulation Index delivering +4.7%, bringing the trailing market 1-year return to +10.6%. August reporting season was incrementally more positive than last year, and there were rate cuts by both the RBA and the Federal Reserve that helped support the market, which has been cautiously optimistic about the evolution in new global trade relations with the US.

Across the quarter, all major world markets moved higher, with the exception of India. Developed Markets (MSCI World) underperformed Emerging Markets (MSCI EM), with China, Canada and Hong Kong outperforming, while Europe and Australia underperformed against the MSCI World.

Across the quarter, the market overall performed well driven by Materials and Utilities, while Health Care significantly underperformed which was hit following a weak August reporting season and a material share price weakness in CSL. Materials, Utilities and Consumer Discretionary were the positive standouts, as shown in the chart.

### Sector returns – September Quarter 2025




Source: Ausbil, Bloomberg

## Fund Characteristics

**Returns[1] as at 30 September 2025**

| Period | Fund Return[1] % | Bench-mark[2] % | Out/Under-performance % |
|---|---|---|---|
| 1 month | -0.23 | -0.78 | 0.55 |
| 3 months | 5.03 | 4.71 | 0.32 |
| 6 months | 18.48 | 14.66 | 3.82 |
| 1 year | 16.05 | 10.56 | 5.48 |
| 2 years pa | 22.56 | 16.03 | 6.53 |
| 3 years pa | 16.52 | 15.17 | 1.35 |
| 4 years pa | 8.45 | 8.97 | -0.52 |
| 5 years pa | 13.47 | 12.98 | 0.49 |
| 7 years pa | 11.11 | 9.26 | 1.85 |
| Since inception pa<br>Date: 31 Jan 2018 | 11.18 | 9.30 | 1.88 |

### Top 10 Stock Holdings

| Name | Fund % | Index[2] % | Tilt % |
|---|---|---|---|
| Commonwealth Bank | 8.12 | 10.41 | -2.30 |
| CSL | 6.84 | 3.58 | 3.26 |
| ANZ Bank | 5.61 | 3.69 | 1.92 |
| Wesfarmers | 5.07 | 3.89 | 1.17 |
| Rio Tinto | 4.26 | 1.69 | 2.57 |
| Macquarie Group | 4.08 | 2.90 | 1.19 |
| Life360 | 3.94 | 0.46 | 3.48 |
| Goodman Group | 3.94 | 2.48 | 1.46 |
| Evolution Mining | 3.69 | 0.81 | 2.88 |
| Telstra | 3.49 | 2.05 | 1.45 |

### Sector Tilts

| Sector | Fund % | Index[2] % | Tilt % |
|---|---|---|---|
| Energy | 0.00 | 3.75 | -3.75 |
| Materials | 16.28 | 20.16 | -3.87 |
| Industrials | 5.21 | 6.50 | -1.29 |
| Consumer Discretionary | 6.78 | 8.06 | -1.28 |
| Consumer Staples | 2.15 | 3.40 | -1.26 |
| Health Care | 10.74 | 7.82 | 2.92 |
| Financials | 32.64 | 34.70 | -2.05 |
| Information Technology | 12.95 | 4.78 | 8.17 |
| Communication Services | 3.49 | 2.59 | 0.91 |
| Utilities | 0.00 | 1.43 | -1.43 |
| Real Estate | 8.56 | 6.81 | 1.75 |
| Cash | 1.18 | 0.00 | 1.18 |
| **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

Global markets have been positive since new bilateral trade deals began replacing old tariff arrangements and paving the way for a return to relative normalcy in global trade. Europe and Australia penned trade deals in the quarter. The market is waiting on a deal with China, which is really the peak economic risk looking into the next quarter, and coupled with the wars in Ukraine and the Middle East, geopolitics remain an ongoing noise in markets. Ausbil remains focused on clear economic signals to guide our asset allocation.

August reporting season was mixed, though incrementally more positive versus last two half reporting periods. With 33 beats and 22 misses, FY25 delivered net 11 beats (Macquarie Equities). Consensus outlook for earnings shifted down for FY26 by 1% at the end of reporting season for the S&P/ASX 300, with consensus EPSg at +4.1% (FactSet at 31 August 2025). As at the end of September, consensus had further revised their EPSg outlook up to +5.8% for FY26 (FactSet at 30 September 2025). Ausbil is more constructive on earnings growth for FY26 than consensus, with an EPSg outlook of +8.1% compared to consensus at +5.8%, but this is because we are generally more positive than consensus on our economic outlook as our macro view on the evolution of trade outcomes has largely been playing out since the April announcements.

Looking ahead, Ausbil is seeing opportunities in equities that are relatively shielded or even beneficiaries of the new US tariff policy. Underpinning our outlook for equities are a number of structural drivers that are offering opportunities, now at significantly cheaper valuations than before the tariffs.

## ESG Review

In September, Ausbil's ESG team had a number of company engagements on a wide range of topics. For instance, Ausbil participated in an AI roundtable with Telstra, where they discussed Telstra's approach to responsible AI. Ausbil had a meeting with Judo Capital's Chair and had an in-depth discussion about JDO's human capital management and differentiated approach, as well as board renewal and the Australian regulatory landscape for the banking industry. Ausbil participated in a group meeting with National Australia Bank's Chair, where Ausbil engaged on NAB's relationship-based banking strategy, relationships with regulators and NAB's approach to identify modern slavery risk as part of KYC. Other key topics discussed included NAB's payroll issue, fraud prevention, chair succession, climate change and climate change disclosure, ethical AI, industrial relations and deforestation. In addition, Ausbil had a dedicated ESG meeting with Pilbara Minerals to discuss elements of PLS's sustainability strategy. In particular, we focused on harmonisation of sustainability-related policies and management between PLS and the acquired business in Brazil (Latin Resources), staff culture and engagement following a disruptive year, community relationships in Australia and Brazil, modern slavery risk management and executive remuneration.

Ausbil also had a number of pre-AGM meetings, including NextDC, where Ausbil engaged on the remuneration package for FY25 and FY26, a one-off growth incentive plan, a new Director appointment, and CEO succession planning. Ausbil had a pre-AGM meeting with James Hardie to discuss management's new performance hurdles for executive remuneration incentives and board composition, as well as a meeting with the chair of TLS in relation to the upcoming AGM, discussing board composition, executive remuneration, including feedback from Ausbil on the new incentive structure and ESG governance at the board level. Ausbil engaged with Generation Development Group on their board structure and timeline of future appointments.

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

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