

Ausbil 130/30 Focus Fund

Quarterly performance update

December 2025

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'On the earnings outlook, this sees Ausbil positioned significantly ahead of consensus on earnings growth in FY26'

Performance Review

Fund performance for the quarter ending December 2025 was -3.08% (net of fees), versus the benchmark return of -1.01%, as measured by the S&P/ASX 200 Accumulation Index.

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

The largest short positions were in selected stocks within the Information Technology, Real Estate and Consumer Discretionary sectors.

At a stock level, the overweight positions in IGO, Sandfire Resources, Evolution Mining, Rio Tinto, PLS Group, Light & Wonder, Domino's Pizza, Charter Hall Group and The a2 Milk Company contributed to relative performance. The nil position in Pro Medicus also added value. Conversely, the overweight positions in Life360, Block, NextDC, Zip, CSL, Coles Group, Amcor and Xero detracted from relative performance.

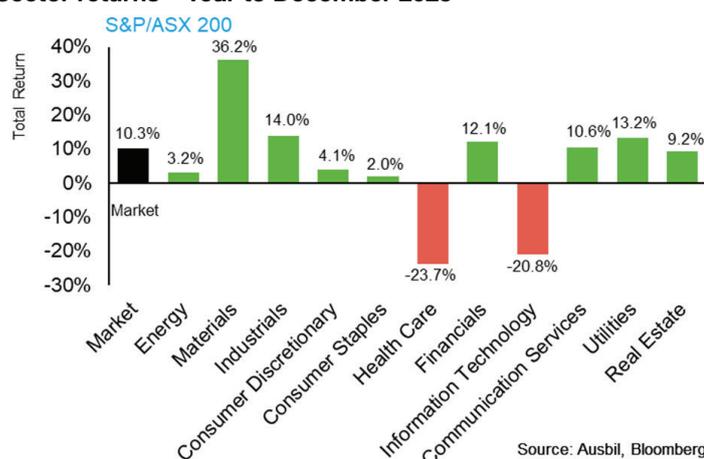
Market Review

The market (the S&P/ASX 200 Accumulation Index) closed December with a one month return of +1.3%, and a quarterly return of -1.0%. Despite a year that saw some of the most remarkable changes to trade relations since the Smoot-Hawley Tariff Act of 1930, the ASX 200 still delivered a positive return for the calendar year, achieving a trailing market 1-year return to +10.3%.

Developed Markets (MSCI World) delivered an amazing year, achieving returns of +21.1%, but were trumped by Emerging Markets (MSCI EM) which achieved +33.6%. Every major developed and emerging market returned positive results for calendar 2025, underscoring the benefits for those who patiently and carefully remained invested in equities in the face of the tariff crisis as Ausbil did.

The rebound in resources across 2025, coupled with surging copper and gold prices, drove the Materials sector to outperform all others, as shown in the Chart. On the flip side, Health Care significantly underperformed as was Information Technology.

Sector returns – Year to December 2025



Fund Characteristics

Returns¹ as at 31 December 2025

Period	Fund Return ¹ %	Benchmark ² %	Out/Under-performance %
1 month	0.92	1.30	-0.38
3 months	-3.08	-1.01	-2.06
6 months	2.14	3.65	-1.51
1 year	7.28	10.32	-3.05
2 years pa	9.14	10.88	-1.74
3 years pa	8.23	11.39	-3.16
5 years pa	7.11	9.89	-2.79
7 years pa	8.80	10.45	-1.65
10 years pa	8.65	9.31	-0.66
15 years pa	8.41	8.52	-0.12
Since inception pa Date: July 2010	8.77	8.84	-0.07

Market Exposure

	% of Fund
Long	106.58
Short	-8.95
Net	97.63

Top 10 Stock Holdings

Name	Fund %	Index ² %	Tilt %
BHP	10.22	8.72	1.49
Commonwealth Bank	9.89	10.15	-0.26
ANZ Bank	6.06	4.09	1.96
National Australia Bank	4.82	4.89	-0.07
Goodman Group	4.35	2.39	1.95
Macquarie Group	4.21	2.72	1.49
CSL	4.14	3.16	0.98
Rio Tinto	3.09	2.06	1.03
Telstra	3.08	2.08	1.00
Evolution Mining	3.03	0.97	2.06

Sector Tilts

Sector	Fund %	Index ² %	Tilt %
Energy	0.00	3.86	-3.86
Materials	29.46	22.99	6.47
Industrials	0.72	6.75	-6.03
Consumer Discretionary	6.44	7.37	-0.94
Consumer Staples	5.41	3.37	2.04
Health Care	8.47	7.14	1.33
Financials	30.62	34.15	-3.53
Information Technology	4.68	3.62	1.06
Communication Services	4.21	2.63	1.58
Utilities	4.53	1.40	3.13
Real Estate	3.08	6.71	-3.63
Cash	2.37	0.00	2.37
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.



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Outlook

Global and Australian markets ended a solid 2025 despite a complete rewriting of world trade relations. The December quarter witnessed upside inflation surprise that saw a reduction in the number of rate cuts expected in the US, and the Australian RBA switch to a holding pattern with warnings that rates could rise if inflation was persistently high. Ausbil's view has been that rates were to remain on hold heading into 2026, however we have adjusted our view towards the potential for one rise in Q4 2026 if higher than target band inflation remains a problem. Even with a rate rise that would likely be 25 basis points, rates would remain around their equilibrium level which is supportive of healthy business financing and positive capital allocation.

Looking ahead to 2026, with Australian, US and global economic growth expected to improve, and with a return to more steady trade relations, we see more opportunity in equities, and strong, more broad-based earnings growth ahead of consensus. On the earnings outlook, this sees Ausbil positioned significantly ahead of consensus on earnings growth in FY26. We think that this is largely due to our different and more positive view of the outcome for tariffs, and the path of the global, US and Australian economies. Resources should enjoy significant upgrades compared with consensus. This, together with market negative positioning, supports our view of substantial rerate potential.

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 major shake-up in global trade, Ausbil expects Australian growth to be relatively unchanged and we expect Australian companies to generate earnings growth in excess of consensus expectations. 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.

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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.