

Ausbil Active Sustainable Equity Fund

Monthly performance update

October 2025

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'Ausbil continued its advocacy efforts and industry collaboration on ESG matters'

Performance Review

Fund performance for October 2025 was +0.27% (net of fees), versus the benchmark return of +0.39%, as measured by the S&P/ASX 200 Accumulation Index.

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

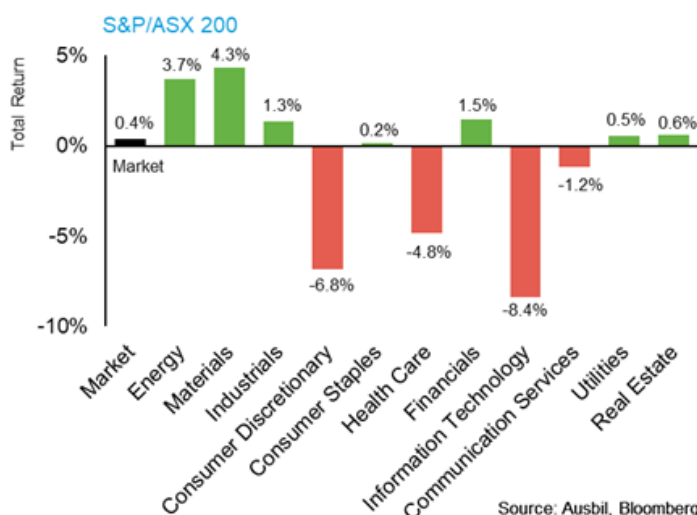
At a stock level, the overweight positions in Sandfire Resources, Hub24, Pilbara Minerals, Rio Tinto, ANZ Group and James Hardie added to relative performance. The nil positions in WiseTech Global, Aristocrat Leisure, Xero and Coles Group also added value. Conversely, the overweight positions in CSL, Life360, Pro Medicus, Lynas Rare Earths, JB Hi-Fi, REA Group and Wesfarmers detracted from relative performance. The nil positions in Fortescue, BHP and Woodside Energy Group also detracted value.

Market Review

October produced another positive month in markets, with the S&P/ASX 200 Accumulation Index delivering +0.4%, bringing the trailing market 1-year return to +12.5%. While inflation reads have been higher, causing central banks to hold rates steady rather than cutting, strengthening economic growth and evolving positives in Trump's trade shakeup of the world have underpinned markets.

October delivered a mixed bag in terms of sector returns, as shown in the chart. Materials and Energy have been resurgent in the last few months due to increased upward cyclicality from improving economic growth, and positive moves on key commodities necessary to national security. Critical minerals moved up in response to President Trump's announcement of a critical minerals framework signed with Australia in October, covering investment in processing, critical minerals and rare earths.

Sector returns – October 2025



Fund Characteristics

Returns¹ as at 31 October 2025

Period	Fund Return ¹ %	Benchmark ² %	Out/Under-performance %
1 month	0.27	0.39	-0.12
3 months	2.22	2.70	-0.47
6 months	13.52	11.09	2.44
1 year	16.58	12.46	4.11
2 years pa	26.08	18.51	7.56
3 years pa	14.34	13.08	1.26
4 years pa	8.29	9.10	-0.82
5 years pa	12.95	12.64	0.31
7 years pa	12.46	10.30	2.16
Since inception pa Date: 31 Jan 2018	11.09	9.25	1.84

Top 10 Stock Holdings

Name	Fund %	Index ² %	Tilt %
Commonwealth Bank	8.62	10.66	-2.05
CSL	6.24	3.21	3.03
ANZ Bank	6.15	4.06	2.09
Wesfarmers	4.60	3.54	1.06
Rio Tinto	4.56	1.83	2.73
Macquarie Group	4.01	2.88	1.13
Goodman Group	3.91	2.49	1.42
Evolution Mining	3.69	0.81	2.88
Life360	3.63	0.43	3.20
Telstra	3.48	2.06	1.42

Sector Tilts

Sector	Fund %	Index ² %	Tilt %
Energy	0.00	3.87	-3.87
Materials	17.65	20.89	-3.24
Industrials	5.41	6.61	-1.20
Consumer Discretionary	6.27	7.48	-1.21
Consumer Staples	2.30	3.40	-1.09
Health Care	9.87	7.41	2.45
Financials	33.53	35.10	-1.57
Information Technology	12.43	4.40	8.03
Communication Services	3.48	2.60	0.88
Utilities	0.00	1.43	-1.43
Real Estate	8.61	6.82	1.79
Cash	0.46	0.00	0.46
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. This month, China and the US agreed to hold tariff changes for a year to allow for further trade negotiation, while the US signed critical minerals agreements with Australia, Malaysia, Thailand and Japan. These developments provided a positive backdrop to markets in October.

Ausbil remains positive on the earnings outlook for FY26, and is ahead of consensus, largely due to our more constructive view on the economy. The immediate term remains clouded by the current US shutdown, but as we approach Christmas, we expect to see this shutdown resolve as such shutdowns are not in the interests of either side of politics in the US. The higher inflation reads in the US and Australia have slowed easing, with Australia now expected to hold rates where they are into 2026. We see one more cut by the Fed in the US in this current easing cycle. Markets have been buoyant, and the current level of rates is not a hinderance to earnings growth.

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. These include an increased commitment to military spending globally (including across Europe); 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.

ESG Review

In October, Ausbil continued its advocacy efforts and industry collaboration on ESG matters. Ausbil attended the Investor Group on Climate Change (IGCC) summit in Sydney and participated in the human rights working group meeting of the Responsible Investment Association (RIAA) where we provided an update on developments in responsible AI, specifically sharing insights from the August reporting season, Australian policy developments and recent legal cases involving AI. In addition, Ausbil presented on a panel at an event organised by AIRA (Australian Investor Relations Association), focused on stewardship. Representing Investors Against Slavery and Trafficking – Asia-Pacific (IAST-APAC), we presented at a side event of the 80th session of the UN General Assembly. This focused on the role of financial sector actors in preventing and addressing contemporary forms of slavery. Ausbil's presentation covered the financial materiality of the issue and the role investors can play through constructive engagement.

In addition, Ausbil had numerous ESG engagements with portfolio companies on key ESG topics. For instance, Ausbil had both a dedicated ESG meeting with Wesfarmers's investor relations and sustainability managers and a pre-AGM meeting with the Chairman. Key topics in that engagement related to responsible sourcing, consumer aggression and the drivers behind the improvements in occupational health and safety. Ausbil also had a meeting with Macquarie Group's Chief Risk Officer to discuss their management of non-financial and financial risk. Ausbil requested a call with Rio Tinto to specifically discuss ESG risk management at the Simandou mine in Guinea. Ausbil met with Evolution Mining and engaged on the continued improvement in safety performance and initiatives to continue progress as well as recent local community engagements and initiatives to strengthen their social license to operate. Ausbil also participated in and chaired an investor group meeting with Woolworths fully dedicated to responsible sourcing. The meeting focused on discussing ideas on global best practice in relation to labour rights risk management. During October, Ausbil also attended the AI showcase held by Technology One (TNE) in Melbourne for all stakeholders including customers and investors. TNE showcased how they have integrated AI into their current product case and introduce their new agentic AI offering, Plus. TNE demonstrated how safeguards were implemented into their AI design.

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