

Ausbil Australian SmallCap Fund

Quarterly performance update

September 2026

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

'Small Industrials are trading at a significant discount to large industrials while offering superior earnings growth, creating opportunities where earnings momentum remains resilient'

Performance Review

Fund performance for the quarter ending September 2026 was -0.78% (net of fees) versus the benchmark return of -0.53%, as measured by the S&P/ASX Small Ordinaries Accumulation Index. Since inception the Fund has returned +19.19% pa (net of fees), outperforming the S&P/ASX Small Ordinaries Accumulation Index return of +8.26%.

Fund Review

The ASX Small Resources return of +8.20% outperformed the ASX Small Industrials return of -4.03% over the September quarter, with the gold rally and recovery in base metals supporting commodities. Rising bond yields and a stronger US dollar prompted a resources pullback in September, but it did not erase the quarter's relative gains.

Key Contributors and Detractors

Key Fund contributors over the quarter came from **Genesis Minerals** (GMD) and **Codan** (CDA). Detractors included **Life360** (360) and **ZIP Co** (ZIP).

Genesis Minerals (GMD) returned +38.3% for the quarter, supported by stronger gold prices and July's agreement to merge with **Vault Minerals** (VAU). The transaction would further consolidate the Leonora region, increasing group production to more than 600,000ozpa.

Codan (CDA) returned +50.0% for the quarter as August's strong FY26 result was followed by a material upgrade in late September. The Communications order book had already risen 50% to a record \$380 million at the full-year result, with management subsequently lifting the Communications segment revenue growth guidance from 20% to 30-40%. Accelerating revenue growth translated into margin expansion, with segment margins expanding to ~40% compared to 26% a year earlier. Since the Fund initiated a position in Codan in 2023, the company has become a multi-year growth story and successful Fund graduate.

Life360 (360) fell -29.1% over the quarter as the August result disappointed elevated short-term market expectations. This was despite a strong 2Q result, with monthly active user (MAU) additions recovering to 4.6 million, ahead of market expectations of approximately 4.4 million, alleviating concerns of slowing user growth.

ZIP Co (ZIP) fell -37.4% over the quarter. Higher interest rates, rising fuel costs and pressure on household budgets increased concerns around spending growth and credit quality, particularly given ZIP's exposure to US consumers.

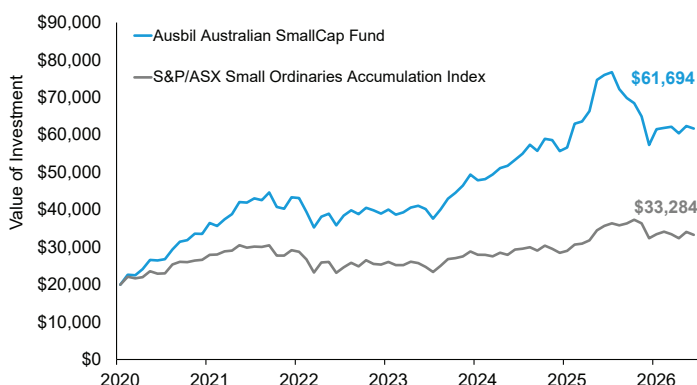
Outlook

September saw central banks globally raise rates to combat inflation, fuelled by prolonged tensions in the Middle East. In the US, the Federal Reserve conducted 'insurance' hikes, marginally tightening monetary conditions without undermining a period of resilient economic growth supported by AI investment and productivity growth. Domestically, the RBA's fourth hike in this tightening cycle reflects stubborn inflation, elevated government expenditure and anaemic productivity growth. However, much is now factored into valuations, and Small Industrials are trading at a significant discount to large industrials while offering superior earnings growth, creating opportunities where earnings momentum remains resilient.

Returns¹ as at 30 September 2026

Period	Fund Return ¹ %	Benchmark ² %	Out/Under Performance %
1 month	-1.09	-2.34	1.25
3 months	-0.78	-0.53	-0.25
6 months	7.66	2.77	4.89
1 year	-18.84	-6.74	-12.10
2 years pa	7.55	6.45	1.10
3 years pa	15.35	10.41	4.94
4 years pa	14.54	9.51	5.03
5 years pa	8.04	2.18	5.86
Since inception pa Date: 30 April 2020	19.19	8.26	10.93

Growth of A\$20,000 Invested Since Inception to 30 September 2026



Source: Ausbil. Performance to 30 September 2026. Fund inception: 30 April 2020. This illustration shows how an investment of A\$20,000 in the Ausbil Australian SmallCap Fund at inception would have changed based on the Fund's actual historical returns, assuming all distributions were reinvested and no additional investments or withdrawals were made. Fund returns are net of fees and costs but before taxes and assumes distributions are reinvested. Past performance is not a reliable indicator of future performance.

Top 5 Stocks³

1. Codan
2. Generation Development Group
3. Genusplus Group
4. Life360
5. NRW Holdings

1. Fund returns are net of fees and costs but before taxes and assume distributions are reinvested. Past performance is not a reliable indicator of future performance.
2. S&P/ASX Small Ordinaries Accumulation Index.
3. Top 5 stocks sorted alphabetically.



Subscribe to our monthly updates here



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

This material is issued by Ausbil Investment Management Limited (Ausbil) ABN 26 076 316 473, AFSL 229722 as at 30 September 2026 and is subject to change. The material is not intended to provide you with financial product advice. It does not take into consideration the investment objectives, financial situation or needs of any person. For this reason, you should, before acting on this material, obtain professional advice from a licensed financial adviser and read the relevant Product Disclosure Statement which is available at www.ausbil.com.au and the target market determination which is available at www.ausbil.com.au/invest-with-us/design-and-distribution-obligations. Past performance is not a reliable indicator of future performance. Any reference to past performance is for illustrative purposes only and should not be relied upon on. Ausbil, its officers, directors and affiliates do not guarantee the performance of, a particular rate of return for, the repayment of capital of, the payment of distribution or income of, or any particular taxation consequences for investing with or in any Ausbil product or strategy. The performance of any strategy or product depends on the performance of the underlying investment which may rise or fall and can result in both capital gains and loss. Any references to particular securities or sectors are for illustrative purposes only. It is not a recommendation in relation to any named securities or sectors. The material may contain forward looking statements which are not based solely on historical facts but are based on our view or expectations about future events and results. Where we use words such as but are not limited to 'anticipate', 'expect', 'project', 'estimate', 'likely', 'intend', 'could', 'target', 'plan', 'believe', 'think', 'might' we are making a forecast or denote a forward-looking statement. These statements are held at the date of the material and are subject to change. Forecast results may differ materially from results or returns ultimately achieved. The views expressed are the personal opinion of the author, subject to change (without notice) and do not necessarily reflect the views of Ausbil. This information should not be relied upon as a recommendation or investment advice and is not intended to predict the performance of any investment or market. The actual results may differ materially from those expressed or implied in the material. Ausbil gives no representation or warranty (express or implied) as to the completeness or reliability of any forward looking statements. Such forward looking statements should not be considered as advice or a recommendation and has such should not be relied upon. To the extent permitted by law, no liability is accepted by Ausbil, its officers or directors or any affiliates of Ausbil for any loss or damage as a result of any reliance on this information. While efforts have been made to ensure the information is correct, no warranty of accuracy or reliability is given, and no responsibility is accepted for errors or omissions. Any opinions expressed are those of Ausbil as of the date noted on the material and are subject to change without notice.