

Ausbil Global SmallCap Fund

- Active ETF **ASX: GSCF**

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

'Recent market volatility has enabled the Fund to selectively increase its exposure to high-quality businesses across US and Japan'

Performance Review

Fund performance for the quarter ending September 2026 was -2.72%, versus the benchmark return of -4.10%, as measured by the MSCI World Small Cap Index in AUD.

The MSCI World Small Cap delivered a negative return of -4.10% over the quarter in AUD. The US and Germany were the main positive contributors for the Fund, while Japan and Switzerland were the main negative detractors for the Fund.

In terms of sector performance, the Information Technology and Materials sectors were the main positive contributors for the Fund. The Financials and Industrials sectors were the main negative detractors to performance.

Contributors and Detractors

Notable positive contributors over the period were Fortrea in the US and thyssenkrupp in Germany. R&S Group in Switzerland and Powell Industries in the US were the main negative contributors during the quarter.

thyssenkrupp (TKA) is a diversified German industrial company with leading positions across steel, engineering, materials and industrial services. The company is benefiting from several structural themes including increased European defence spending, energy security, electrification and a recovering European manufacturing cycle. In addition, management continues to unlock value through portfolio simplification and strategic actions, including the separation of TKMS. We believe the market continues to underestimate the earnings and value creation potential embedded within the business, making TKA an attractive example of unrecognised growth within our global small-cap universe.

Powell Industries is a leading provider of electrical equipment based in Houston, Texas. The company was founded in 1947. Powell has numerous manufacturing plants and distribution centres around the world. The company is one of the US leaders in the provision of switchgear and motor control systems which are essential for the control and protection of electrical circuits and motors. It also produces power management equipment providing advanced solutions for managing electrical energy ensuring efficiency and safety in power distribution systems. We expect Powell to exceed market expectations as continued investment in electrical grids, data centres and broader electrification supports demand for its products.

Outlook

US equities delivered modest positive returns over the third quarter, but the composition of those returns deteriorated as higher interest rates increased the valuation and financing burden on the broader market. The S&P 500 gained 2.0% and the Nasdaq Composite rose 2.5%, while the equal-weighted S&P 500 declined 2.3%. In September alone, the Nasdaq Composite advanced 1.9%, supported by concentrated earnings growth and continued capital

Performance

Returns¹ as at 30 September 2026

Period	Fund Return % Net	Benchmark ² %	Out/Under Performance % Net
1 month	3.90	-1.26	5.16
3 months	-2.72	-4.10	1.38
6 months	14.14	9.08	5.07
1 year	9.94	10.02	-0.07
2 years pa	11.68	14.36	-2.68
3 years pa	17.55	14.96	2.59
4 years pa	17.12	14.61	2.51
5 years pa	5.89	7.77	-1.88
7 years pa	9.89	10.06	-0.17
Since inception pa Date: 31 May 2018	8.85	9.37	-0.52

Top 10 Stock Holdings

Name	Fund %	Benchmark ² %	Tilt %
Sanmina	4.49	0.11	4.39
Fortrea Holdings	4.18	0.02	4.16
DigitalOcean	4.15	0.12	4.02
RenaissanceRe	4.00	0.13	3.87
Applied Industrial Technologies	3.97	0.12	3.85
Mueller Industries	3.70	0.12	3.58
Hammond Power Solutions	3.66	0.02	3.64
Powell Industries	3.53	0.05	3.47
Medpace	3.42	0.14	3.28
NKT	3.26	0.07	3.19

Investment Characteristics

	Return on invested capital	Debt to equity	Dividend yield	Price to free cash flow
Fund	13.3	63.6	1.2	21.69
Benchmark ²	6.0	94.3	1.8	20.30

Sector Allocations

Sector	Fund %	Benchmark ² %	Tilt %
Energy	0.36	4.93	-4.57
Materials	4.98	8.56	-3.58
Industrials	35.82	19.30	16.52
Consumer Discretionary	4.81	10.09	-5.28
Consumer Staples	1.81	3.99	-2.17
Health Care	13.77	11.63	2.14
Financials	10.99	14.48	-3.50
Information Technology	22.40	13.48	8.91
Communication Services	0.54	3.17	-2.62
Utilities	0.00	2.59	-2.59
Real Estate	3.60	7.79	-4.18
Cash	0.93	0.00	0.93
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 MSCI World Small Cap Net Total Return (TR) Index in AUD.

expenditure across the AI ecosystem, whereas the equal-weighted S&P 500 fell 4.8%. The divergence reflected the relative strength of large technology companies with substantial internal cash generation compared with consumer-facing, cyclical and smaller businesses that were more exposed to higher borrowing costs, weaker market breadth and cash flows weighted further into the future. These pressures intensified as resilient economic activity, persistent inflation, higher energy prices and heavy government and corporate debt issuance drove sovereign yields sharply higher. The US 10-year Treasury yield rose 54 basis points in September and approximately 87 basis points over the quarter to 5.29%, while the 30-year yield increased 34 basis points during September to 5.64%. Both reached their highest levels since 2002. Japanese equities were mixed, with the Nikkei 225 gaining 0.7% as AI and semiconductor stocks recovered, while the more broadly representative TOPIX declined 1.1%.

The economic backdrop nevertheless remained constructive, the Global Manufacturing PMI rising to 53.0 in September from 52.3 in August and 52.1 in July. The index remained above 50 for a fourteenth consecutive month and reached its highest level since February 2022. Output expanded at the fastest pace since July 2021, while new-order growth accelerated and export orders recorded their strongest increase in more than five years. Employment also rose at the fastest pace since May 2022 as manufacturers expanded capacity in response to stronger demand. Regional trends remained broadly constructive, although momentum varied. The US ISM Manufacturing PMI eased marginally to 54.5 from 54.6, while Japan moderated to 54.1 from 54.9. The Eurozone PMI strengthened to 52.9 from 52.7, despite Germany easing to 53.9 from 54.3, while the UK improved to 51.9 from 51.7. China strengthened, with the private-sector measure rising to 52.1 from 51.5 and the official PMI moving back into expansion at 50.1, compared with 49.8 in August. Australia was a notable exception, declining to 49.6 from 52.0. Unlike August, global input-cost and selling-price inflation accelerated during September as stronger demand, higher energy costs and supply-chain delays restored pricing power across the manufacturing sector.

The Fund continues to maintain its holdings in US and Japanese industrials, and it's overweight in electrical equipment with exposure to continued investment in the electrical grid in the US, Japan and Europe as well as to increased spend in construction and infrastructure. The Fund also maintains selective exposure to healthcare, where opportunities across aged care, medical innovation and drug discovery offer attractive long-term growth potential. Recent market volatility has enabled the Fund to selectively increase its exposure to high-quality businesses across US and Japanese healthcare, industrials and information technology, where attractive entry points have emerged and long-term growth potential remains underappreciated.

Region Allocation

Region	Fund %	Benchmark ² %	Tilt %
North America	65.95	65.36	0.59
Japan	15.29	13.01	2.28
United Kingdom	1.70	4.41	-2.72
Europe (Ex United Kingdom)	13.71	10.60	3.11
Asia Pacific (Ex Japan)	1.84	5.13	-3.29
Middle East	0.59	1.50	-0.91
Cash	0.93	0.00	0.93
Total	100.00	100.00	0.00



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

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