

Ausbil Australian Active Equity Fund

Quarterly performance update

June 2025

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'As a result of tariffs and tensions, the June quarter saw high volatility with major market moves'

Performance Review

Fund performance for the quarter ending June 2025 was +10.53% (net of fees), versus the benchmark return of +9.48%, as measured by the S&P/ASX 300 Accumulation Index.

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

At a stock level, the overweight positions in Life360, Boss Energy, WiseTech Global, Lynas Rare Earths, Block, NextDC, National Australia Bank, Goodman Group, Macquarie Group and Xero contributed to relative performance. Conversely, the overweight positions in Treasury Wine Estates, BHP, Rio Tinto, CSL, Pilbara Minerals, Origin Energy and The a2 Milk Company detracted from relative performance. The underweight position in Commonwealth Bank and the nil positions in Pro Medicus and TechnologyOne also detracted value.

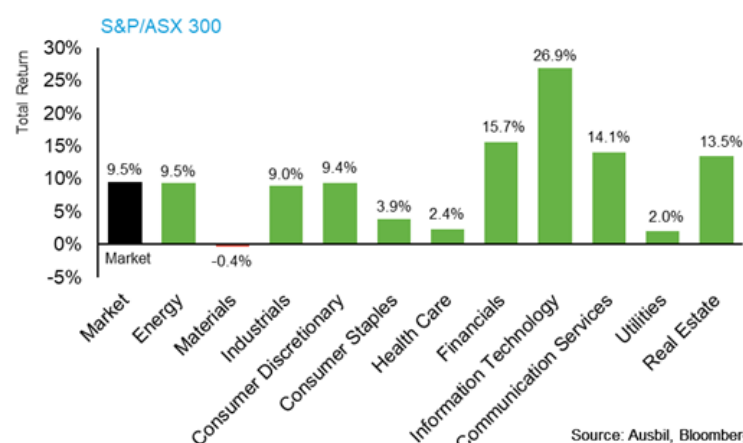
Market Review

The month of June saw the S&P/ASX 300 Accumulation Index deliver +1.4%, adding to a positive return for the quarter of +9.5%, bringing the trailing market 1-year return to +13.7%.

All major world markets moved higher this quarter, with the exception of Singapore. Emerging Markets (MSCI EM) slightly outpaced Developed Markets (MSCI World), with Nasdaq leading the quarter. This was despite tariffs in April, and military exchanges involving Iran, Israel and the US bombing of key nuclear installations in Iran.

All sectors enjoyed positive returns this quarter, other than Materials which were down slightly, as shown in the chart. Information Technology, Financials, Communication Services and Real Estate were the standouts.

Sector returns – June Quarter 2025



Fund Characteristics

Returns¹ as at 30 June 2025

Period	Fund Return ¹ %	Bench-mark ² %	Out/Under performance %
1 month	1.70	1.42	0.28
3 months	10.53	9.48	1.05
6 months	4.42	6.36	-1.93
1 year	9.52	13.74	-4.22
2 years pa	9.80	12.83	-3.02
3 years pa	11.54	13.35	-1.81
5 years pa	13.24	11.77	1.46
7 years pa	9.13	8.72	0.41
10 years pa	9.47	8.85	0.63
15 years pa	9.51	9.05	0.47
20 years pa	8.70	7.89	0.81
25 years pa	9.49	8.21	1.28
Since inception pa Date: July 1997	10.09	8.44	1.65

Top 10 Stock Holdings

Name	Fund %	Index ² %	Tilt %
Commonwealth Bank	10.14	11.71	-1.57
BHP	9.07	7.06	2.01
National Australia Bank	6.87	4.56	2.30
CSL	5.69	4.39	1.30
Macquarie Group	5.04	3.07	1.97
Goodman Group	4.37	2.63	1.74
Wesfarmers	3.60	3.64	-0.04
Xero	3.59	0.98	2.61
Telstra	3.25	2.10	1.15
ANZ Bank	2.96	3.28	-0.32

Sector Tilts

Sector	Fund %	Index ² %	Tilt %
Energy	3.13	4.03	-0.90
Materials	24.39	17.67	6.72
Industrials	0.76	6.52	-5.76
Consumer Discretionary	6.31	7.82	-1.51
Consumer Staples	3.23	3.62	-0.39
Health Care	8.06	9.21	-1.15
Financials	29.86	35.30	-5.43
Information Technology	11.15	4.86	6.28
Communication Services	4.04	2.73	1.31
Utilities	2.63	1.33	1.30
Real Estate	5.72	6.91	-1.19
Cash	0.71	0.00	0.71
Total	100.00	100.00	0.00

1. Fund returns are net of fees but before taxes.

2. The benchmark is S&P/ASX 300 Accumulation Index.



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Outlook

As a result of tariffs and tensions, the June quarter also saw high volatility with major market moves the size of which we have not seen since the Global Financial Crisis in 2008/09. June has seen further steps towards negotiated outcomes with Europe and China. Markets have continued to respond positively, and with tariffs currently on hold, they ended the quarter well.

Ausbil's view of the US economy is that tariffs will have a downward drag on growth in the near term, before growth begins to build again at the end of 2025 and into 2026. We think the chance of a US recession is less than the market is ascribing because considerations such as tax cuts, deregulation, lower oil prices, lower core inflation and lower interest rates will help offset some growth drag from tariffs. With the quantum of monetary tightening undertaken by global central banks in 2022 and 2023, monetary authorities have significant room to stimulate should this be needed.

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 potential major shake-up in global trade, Ausbil expects Australian growth to be relatively unchanged and expect Australian companies to generate earnings growth in excess of consensus expectation of +6.1% in FY26 (S&P/ASX 300). 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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