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Ausbil Australian Geared Equity Fund

Quarterly performance update

June 2026

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‘As the world moves past the oil supply shock, Ausbil’s outlook for economic growth for the US and Australia remains supportive of equities’

Performance Review

Fund performance for the quarter ending June 2026 was +14.02% (net of fees), versus the benchmark return of +4.14%, as measured by the S&P/ASX 300 Accumulation Index.

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

At a stock level, the overweight positions in James Hardie, Block, Life360, BlueScope Steel, Sandfire Resources, Qantas, BHP Group and Goodman Group contributed to relative performance. The nil positions in Westpac Bank and Woodside Energy Group also added value. Conversely, the overweight positions in The a2 Milk Company, Cochlear, Origin Energy, WiseTech Global, CSL, IGO, National Australia Bank, Lynas Rare Earths and Evolution Mining detracted from relative performance. The nil position in Computershare also detracted value.

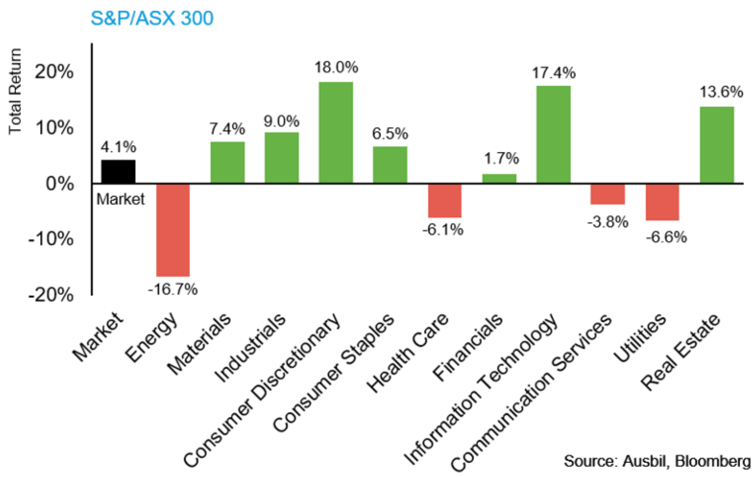
Market Review

The June quarter was positive for markets as hostilities in the Middle East appeared to be easing towards a resolution following a temporary ceasefire. The market returned +4.14% for the quarter (for the S&P/ASX 300 Accumulation Index), bringing the 1-year return to +6.16%.

In global equity markets, Emerging Markets (MSCI EM) outperformed Developed Markets (MSCI World), though both delivered positive returns. Global markets ended the quarter strongly, with Japan up on its reflationary outlook, and Nasdaq up on strength in technology and the IPO of SpaceX. The only exception that experienced a fall this quarter was Hong Kong.

In terms of sectors, Energy, Utilities and Health Care were the main negative performers on the market, with Consumer Discretionary, Information Technology and Real Estate leading those that added significantly to the returns for the quarter, as shown in the chart.

Sector returns – June Quarter 2026



Source: Ausbil, Bloomberg

Fund Characteristics

Returns[1] as at 30 June 2026

Period	Fund Return %	Benchmark[2] %	Out/Under Performance %
1 month	0.68	0.60	0.08
3 months	14.02	4.14	9.88
6 months	3.68	2.02	1.65
1 year	8.33	6.16	2.17
2 years pa	9.44	9.88	-0.44
3 years pa	11.30	10.56	0.75
5 years pa	9.91	7.58	2.33
7 years pa	11.29	7.97	3.32
10 years pa	14.28	9.41	4.87
15 years pa	12.71	8.67	4.05
Since inception pa Date: May 2007	5.60	6.02	-0.42

Top 10 Stock Holdings

Name	Fund %	Benchmark[2] %	Tilt %
BHP Group	28.83	11.00	17.83
Commonwealth Bank	17.76	10.04	7.72
National Australia Bank	11.73	4.23	7.50
ANZ Group	11.05	3.88	7.17
Macquarie Group	9.73	3.23	6.49
Goodman Group	9.18	2.32	6.86
Rio Tinto	8.81	2.34	6.48
James Hardie	8.23	0.46	7.77
CSL	7.47	2.03	5.44
Wesfarmers	7.30	3.74	3.56

Sector Tilts

Sector	Fund %	Benchmark[2] %	Tilt %
Energy	0.00	4.19	-4.19
Materials	79.29	25.28	54.01
Industrials	11.61	6.86	4.74
Consumer Discretionary	15.14	7.33	7.80
Consumer Staples	6.82	3.92	2.90
Health Care	8.35	5.62	2.74
Financials	56.26	33.48	22.78
Information Technology	16.20	3.24	12.96
Communication Services	7.17	2.60	4.58
Utilities	3.66	1.36	2.30
Real Estate	9.18	6.13	3.05
Cash	-113.69	0.00	-113.69
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 S&P/ASX 300 Accumulation Index.

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Outlook

The oil supply shock that commenced at the end of February 2026, as the Strait of Hormuz closed in response to Iranian conflict, reached a resolution of sorts in June. In mid-June, the US and Iran agreed a 60-day ceasefire with an agreement to terminate hostilities and reopen the Strait of Hormuz immediately. Across June, the oil price declined as the details of a deal became a reality, buoying markets, and underscoring the potential for global and US economic growth to remain strong. At the height of the crisis, Brent crude oil scaled to around US$120/bbl, but had returned to pre conflict levels, ~US$70/bbl by the end of June.

Ausbil's economic growth outlook for Australia in 2026 is currently +2.3%. With cessation of the oil supply crisis, we see potential upside to our economic growth forecasts for the US and globally, while a steadier growth profile for Australia. On interest rates, Ausbil's projection for three Australian rate rises this tightening cycle at 25bps each was realised with the third-rate hike in May, and the RBA electing to hold in June confirms our view that rates are likely to remain on stable in CY26. Despite recent tightening by the RBA, rates are at equilibrium levels which we believe is not a material risk to earnings growth in FY26 or FY27. However, tax changes on CGT and negative gearing at the Federal Budget are expected to add a dampener on consumer demand, particularly in Australia's key real estate sector.

As the world moves past the oil supply shock, Ausbil's outlook for economic growth for the US and Australia remains supportive of equities and positive earnings growth. Underpinning our outlook for earnings growth are major secular growth themes, including the ongoing strength of metals and critical minerals, Australia's leading technology companies monetising AI, and domestic productivity and inflation challenges favouring global earnings streams over local.

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