Contactus@
ausbil.com.au

ausbil

Ausbil Active Sustainable Equity Fund

Monthly performance update

August 2025

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

'August reporting season was an opportunity to engage with management in portfolio companies on a wide range of ESG topics'

Performance Review

Fund performance for August 2025 was +2.18% (net of fees), versus the benchmark return of +3.10%, as measured by the S&P/ASX 200 Accumulation Index.

At a sector level, the overweight positions in the Industrials and Real Estate sectors 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, Materials and Utilities sectors also detracted value.

At a stock level, the overweight positions in Life360, Charter Hall Group, Evolution Mining, Sandfire Resources, Pilbara Minerals, Generation Development Group and Judo Capital added to relative performance. The underweight position in Commonwealth Bank and the nil positions in WiseTech Global and QBE Insurance also added value. Conversely, the overweight positions in CSL, James Hardie, Cochlear, Pro Medicus and Xero detracted from relative performance. The underweight positions in Westpac Bank and Suncorp, and the nil positions in BHP, Northern Star Resources and Coles Group also detracted value.

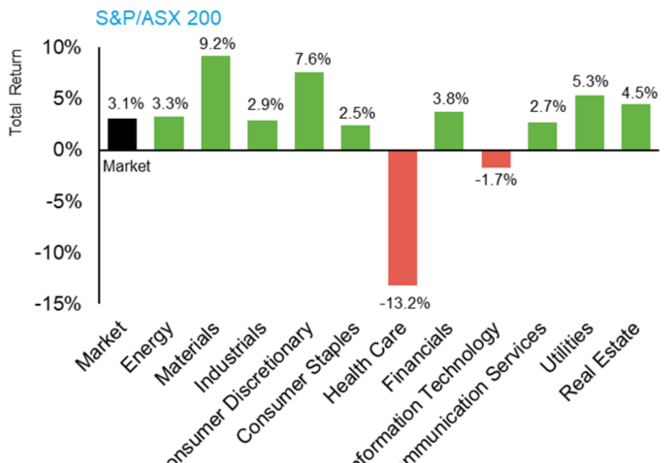
Market Review

Across August FY25 reporting season, markets responded positively, with the S&P/ASX 200 Accumulation Index delivering +3.1%, bringing the trailing market 1-year return to +14.7%.

All major world markets moved higher this month, with the exception of India. Developed Markets (MSCI World) outperformed Emerging Markets (MSCI EM), with China and Canada delivering the best results this month, with Australia, Japan and MSCI World also achieving stronge returns.

All sectors enjoyed positive returns this month, other than Health Care which was hit by a significant sell down in CSL and some other weak Health Care results, and Information Technology which had run hot for some time, as shown in the chart. Materials, Consumer Discretionary and Utilities were the positive standouts.

Sector returns – August 2025



Source: Ausbil, Bloomberg

Fund Characteristics

Returns[1] as at 31 August 2025

Period	Fund Return[1] %	Bench-mark[2] %	Out/Under-performance %
1 month	2.18	3.10	-0.92
3 months	7.27	7.03	0.25
6 months	13.08	11.65	1.44
1 year	18.52	14.74	3.78
2 years pa	19.52	14.82	4.69
3 years pa	13.96	13.04	0.92
4 years pa	8.18	8.68	-0.49
5 years pa	12.72	12.32	0.40
7 years pa	11.09	9.19	1.90
Since inception pa Date: 31 Jan 2018	11.35	9.52	1.82

Top 10 Stock Holdings

Name	Fund %	Index[2] %	Tilt %
Commonwealth Bank	8.54	10.53	-1.98
CSL	6.72	3.81	2.91
ANZ Bank	5.69	3.69	1.99
Wesfarmers	5.33	3.85	1.48
Macquarie Group	4.18	2.95	1.23
Goodman Group	4.09	2.58	1.52
Rio Tinto	4.02	1.58	2.44
Life360	3.65	0.39	3.25
Telstra	3.51	2.06	1.45
Charter Hall Group	3.15	0.41	2.74

Sector Tilts

Sector	Fund %	Index[2] %	Tilt %
Energy	0.00	4.13	-4.13
Materials	14.66	18.99	-4.33
Industrials	6.87	6.42	0.45
Consumer Discretionary	7.05	8.15	-1.10
Consumer Staples	1.29	3.57	-2.28
Health Care	10.69	8.18	2.51
Financials	33.66	34.85	-1.19
Information Technology	14.55	4.80	9.75
Communication Services	3.51	2.50	1.01
Utilities	0.00	1.43	-1.43
Real Estate	7.25	6.98	0.27
Cash	0.48	0.00	0.48
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.

Subscribe to our monthly updates here

Outlook

August reporting season was mixed, though incrementally more positive on beats (33) versus last two half reporting periods. With 33 beats and 22 misses, FY25 delivered net 11 beats (Macquarie Equities). There were some positive rerates in technology (XYZ and ZIP), but some surprises to the downside in otherwise high-quality names with strong earnings growth outlooks (CSL and JHX). Consensus outlook for earnings shifted down for FY26 by 1% at the end of reporting season for the S&P/ASX 200, with consensus EPSg at +4.1% (FactSet). Ausbil is more constructive on earnings growth for FY26, but this is because we are generally more positive on our growth outlook.

Markets continued their positive path in August on continued optimism that trade deals would be done with the US. Our macro outlook remains unchanged from last month, with US economic growth expected to improve into 2026, and with the boost of more positive trade deals, including Europe. Tax cuts, deregulation, lower oil prices, lower core inflation and lower interest rates may help offset some growth drag from tariffs.

Ausbil is seeing opportunities in equities that are relatively shielded or even beneficiaries of the new US tariff policy. Underpinning our outlook for equities is a number of structural drivers that are offering opportunities. Drivers considered include higher defence spending in certain jurisdictions, AI-related infrastructure investment, energy security initiatives and electricity-demand growth over carbon based energy.

ESG Review

In August, Ausbil continued its policy advocacy activities around modern slavery. We made a submission to the Attorney General's Department in relation to the consultation on strengthening the Modern Slavery Act. This follows the government's response in late 2024 with 30 recommendations made by the report from the statutory review of the Modern Slavery Act. Ausbil's submission expressed broad support for a new reporting requirement on grievance mechanisms, with the view that companies should advance their risk identification, which we believe is not always happening in the corporate world. On the new reporting requirement on remediation, we are also broadly supportive with the caveat that the government should consider a phased-in approach. Ausbil also continued its participation in the Responsible Investment Association Australasia (RIAA) Human Rights Working Group sharing with other investors our key insights from a research field trip in Asia focused on AI.

August was also a busy month with meetings as part of the reporting season, providing an opportunity to engage with management in portfolio companies on a wide range of ESG topics to help us better understand how companies are exposed to and managing these issues. Ausbil met with WOW to discuss cultural / staff engagement metrics as well as the company's relationship with suppliers. We also had a meeting with WEB where we provided feedback on the company's remuneration report, particularly in relation to the EPS hurdles in the LTI. Ausbil had a meeting with REA on responsible AI, and we met with 360 to engage on their current use of, and protection of, customer data and anonymity. Ausbil also had a meeting with COH to discuss research showing links between hearing loss and cognitive decline to better understand COH's market opportunities. Ausbil met with SUN and discussed their enhanced climate change scenario analysis, which makes prediction of claims inflation from weather events across various climate change scenarios. We met with RIO's management to engage on the company's relationship with traditional owners at Robe River and progress with implementation of co-management plans with traditional owners at other sites. We also continued our engagements with CBA in relation to the bank's risk prevention for customer losses from frauds and cyberattacks. Ausbil met with TLS's management and discussed customer satisfaction measures vs peers as well as TLS's enterprise agreement and relationship with unions, particularly in relation to implementation of AI and cost-out programs. We met BXB to discuss trends in consumer demands on sustainability globally, including any local differences. We also discussed opportunities in assigning tracking devices on pallets and how BXB can reduce food waste for customers in food and beverages. We also met with GMG to discuss commercial benefits in relation to their sustainability focus, such as carbon emissions reductions.

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

1. Ausbil is a member of the Responsible Investment Association Australasia (**RIAA**). RIAA's RI Certification Symbol signifies that a product or service offers an investment style that takes into account environmental, social, governance or ethical considerations. The Symbol also signifies that Ausbil Active Sustainable Equity Fund adheres to the strict operational and disclosure practices required under the Responsible Investment Certification Program for the category of Product. The Certification Symbol is a Registered Trademark of the Responsible Investment Association Australasia (RIAA). Detailed information about RIAA, the Symbol and Ausbil Active Sustainable Equity Fund's methodology, performance and stock holdings can be found at ww.responsiblereturns.com.au, together with details about other responsible investment products certified by RIAA. The Responsible Investment Certification Program does not constitute financial product advice. Neither the Certification Symbol nor RIAA recommends to any person that any financial product is a suitable investment or that returns are guaranteed. Appropriate professional advice should be sought prior to making an investment decision. RIAA does not hold an Australian Financial Services Licence.