

# Ausbil MicroCap Fund

## Quarterly performance update

December 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

### Returns<sup>1</sup> as at 31 December 2025

Period	1 month	3 months	6 months	1 year	2 years pa	3 years pa	5 years pa	7 years pa	10 years pa	15 years pa	Since Inception pa <sup>2</sup>
Fund return %	-1.04	0.05	22.71	33.54	37.03	24.06	16.35	19.15	15.18	17.52	21.10
Benchmark <sup>3</sup> %	10.17	8.34	40.47	39.34	26.97	17.12	12.34	16.87	13.32	5.13	6.92
Out/under performance %	-11.21	-8.29	-17.75	-5.81	10.05	6.94	4.00	2.28	1.86	12.39	14.18
Reference Index <sup>4</sup> %	1.42	1.80	17.39	24.96	16.36	13.44	6.85	9.15	8.64	4.79	5.82
Out/under performance %	-2.46	-1.75	5.32	8.58	20.66	10.61	9.49	10.00	6.54	12.73	15.27

‘Even after a strong three years for equity markets, there are many reasons to maintain a positive outlook in 2026’

### Performance Review

Fund performance for the quarter ending December 2025 was +0.05% (net of fees) versus the benchmark return of +8.34%, as measured by the S&P/ASX Emerging Companies Accumulation Index, and the reference index return of +1.80% as measured by the S&P/ASX Small Ordinaries Accumulation Index.

### Fund Review

Equity markets recorded a strong year in 2025, though it wasn't achieved without a healthy dose of volatility. For the year, small caps returned +24.96%, outperforming both large-cap<sup>6</sup> (+7.61%) and mid-cap<sup>7</sup> (+18.35%) returns, a strong result underpinned by rate cuts and a broadening of the equity rally. Within small caps, it was small resources<sup>8</sup> (+73.00%) that shone bright, largely thanks to gold, while small industrials<sup>9</sup> delivered a more modest +8.79%. Emerging companies finished the year +39.34%, which reflects the heavy exposure to exploration and developing resources companies. In that context, we are pleased with the Fund's return of +33.54% net of fees for 2025, despite the pull back in industrial names and the resurgence in resources, particularly towards the second half of 2025. Since inception (Feb 2010), the Fund has returned +21.10% pa (net of fees), outperforming the Emerging Companies Benchmark return of +6.92% and Small Ordinaries return of +5.82%.

The Fund had been tracking to a solid outperformance relative to the benchmark heading into the final quarter of the year, driven by strong returns from **Generation Development**, **Codan**, **Aussie Broadband**, **Catapult Sports** and **Ora Banda Mining**. However, a pull-back in winners such as **Catapult**, and a rapid market rotation into resources saw the Fund give back most of that relative performance.

The December quarter saw an aggressive rotation out of previous winners into cyclical driven by rising commodity prices and the rising risk of earlier than anticipated rate hikes in Australia impacting longer-duration names and domestic consumer discretionary companies. The Small Industrials returned -4.02% relative to the Small Resources returns of +15.62% in the quarter. The Fund has used the opportunity to add selective exposure into producing resource names, in addition to mining services and contractors (picks and shovels), benefiting from an improved capex environment, while also adding selectively to high-conviction positions on pullback.

Contribution over the quarter came from **Mayfield Group** (MYG) and **SRG Global** (SRG). Detractors for the quarter included **Catapult** (CAT) and **Temple & Webster** (TPW).

### Key Contributors

**Mayfield Group** (MYG) is a recent addition to the Fund, and it is pleasing to see the company deliver a solid quarterly performance. MYG provides an integrated set of electrical services including design, local manufacturing and installation where it is benefiting from an acceleration in investment across the data centre and renewable energy sectors.

**SRG Global** (SRG) returned +54.6% for the quarter. The operating environment for contractors and service providers has shifted favourably over the course of 2025 with major miners committing to large iron ore, copper and infrastructure projects. SRG has won several projects across water, energy and resources, underpinning the project pipeline into 2026.

### Key Detractors

**Catapult** (CAT) was swept up in the broader technology sell-off, falling -39.7% over the quarter. Indigestion of a capital raising following the acquisition of Impect in October likely added to the selling pressure. The investment case for CAT remains as compelling – CAT is an enterprise software business, servicing customers with exceptionally deep pockets. It has best-in-class churn rates and enviable lifetime customer duration which is a reflection of the stickiness of product offering.

**Temple & Webster** (TPW) fell -40.5% following an underwhelming trading update at its AGM where the company reported +18% revenue growth FYTD.

### Outlook

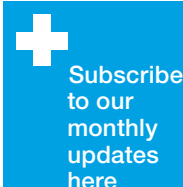
Even after a strong three years for equity markets, there are many reasons to maintain a positive outlook in 2026: corporate earnings remain robust; AI is underpinning business investment and productivity gains; monetary and fiscal stimulus are expected in the US; and tariff noise is receding into the background. However, against this backdrop, caution is warranted given bullish positioning, AI capex concerns, geopolitical uncertainty, pockets of consumer weakness and a more hawkish central bank stance in Australia.

### Top 5 Stocks<sup>5</sup>

1. Dicker Data
2. Generation Development Group
3. Superloop
4. Tuas
5. Wagners

6. S&P/ASX 50 Accumulation Index  
7. S&P/ASX ASX Midcap 50 Accumulation Index  
8. ASX Small Resources Accumulation Index  
9. ASX Small Industrials Accumulation Index

1. Fund returns are net of fees and before taxes.  
2. Date: February 2010.  
3. S&P/ASX Emerging Companies Accumulation Index.  
4. S&P/ASX Small Ordinaries Accumulation Index.  
5. Top 5 stocks sorted alphabetically.





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 31 December 2025 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](http://www.ausbil.com.au) and the target market determination which is available at [www.ausbil.com.au/invest-with-us/design-and-distribution-obligations](http://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