

# Ausbil Australian Geared Equity Fund

Monthly performance update

October 2025

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'Ausbil remains positive on the earnings outlook for FY26, and is ahead of consensus, largely due to our more constructive view on the economy'

## Performance Review

Fund performance for October 2025 was -0.49% (net of fees), versus the benchmark return of +0.42%, as measured by the S&P/ASX 300 Accumulation Index.

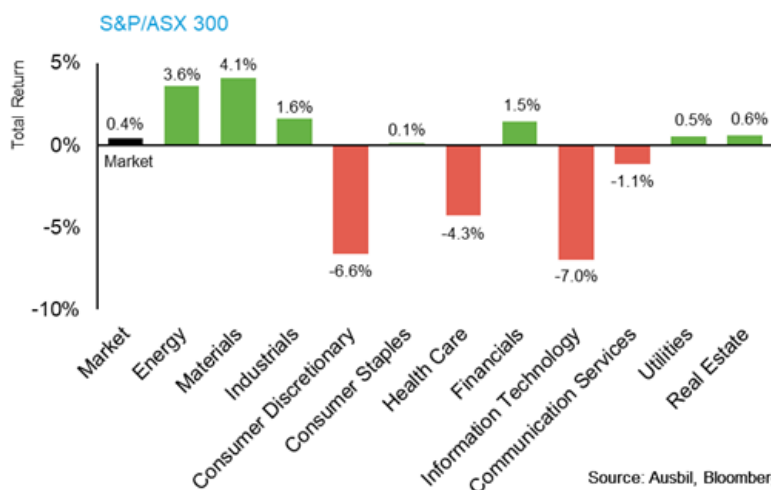
At a sector level, the overweight positions in the Materials and Utilities sectors contributed to relative performance. The underweight positions in the Consumer Discretionary, Consumer Staples and Health Care sectors also added value. Conversely, the overweight positions in the Information Technology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

At a stock level, the overweight positions in Sandfire Resources, Pilbara Minerals, Mineral Resources, Domino's Pizza, James Hardie, The a2 Milk Company, Rio Tinto and ANZ Bank contributed to relative performance. The nil positions in Pro Medicus and Coles Group also added value. Conversely, the overweight positions in WiseTech Global, Treasury Wine Estates, Life360, Xero, Lynas Rare Earths, CSL, Aristocrat Leisure and REA Group detracted from relative performance. The nil positions in Fortescue and Woodside Energy Group also detracted value.

## Market Review

October produced another positive month in markets, with the S&P/ASX 300 Accumulation Index delivering +0.4%, bringing the trailing market 1-year return to +12.7%. While inflation reads have been higher, causing central banks to hold rates steady rather than cutting, strengthening economic growth and evolving positives in Trump's trade shakeup of the world have underpinned markets.

October delivered a mixed bag in terms of sector returns, as shown in the chart. Materials and Energy have been resurgent in the last few months due to increased upward cyclicality from improving economic growth, and positive moves on key commodities necessary to national security. Critical minerals moved up in response to President Trump's announcement of a critical minerals framework signed with Australia in October, covering investment in processing, critical minerals and rare earths.



## Fund Characteristics

Returns<sup>1</sup> as at 31 October 2025

| Period                               | Fund Return % | Bench- mark <sup>2</sup> % | Out/Under- performance % |
|--------------------------------------|---------------|----------------------------|--------------------------|
| 1 month                              | -0.49         | 0.42                       | -0.91                    |
| 3 months                             | 4.28          | 2.92                       | 1.36                     |
| 6 months                             | 23.17         | 11.41                      | 11.76                    |
| 1 year                               | 12.04         | 12.68                      | -0.64                    |
| 2 years pa                           | 25.82         | 18.61                      | 7.20                     |
| 3 years pa                           | 15.33         | 12.98                      | 2.35                     |
| 5 years pa                           | 22.91         | 12.55                      | 10.36                    |
| 7 years pa                           | 14.79         | 10.31                      | 4.49                     |
| 10 years pa                          | 14.82         | 9.68                       | 5.14                     |
| 15 years pa                          | 12.49         | 8.72                       | 3.77                     |
| Since inception pa<br>Date: May 2007 | 5.91          | 6.20                       | -0.29                    |

## Top 10 Stock Holdings

| Name                    | Fund % | Index <sup>2</sup> % | Tilt % |
|-------------------------|--------|----------------------|--------|
| BHP                     | 21.73  | 7.93                 | 13.80  |
| Commonwealth Bank       | 18.72  | 10.33                | 8.39   |
| National Australia Bank | 12.96  | 4.81                 | 8.15   |
| ANZ Bank                | 12.01  | 3.93                 | 8.08   |
| CSL                     | 9.51   | 3.11                 | 6.40   |
| Macquarie Group         | 9.40   | 2.79                 | 6.61   |
| Goodman Group           | 8.73   | 2.41                 | 6.32   |
| Wesfarmers              | 7.27   | 3.43                 | 3.84   |
| Rio Tinto               | 7.00   | 1.77                 | 5.23   |
| Telstra                 | 6.71   | 2.00                 | 4.71   |

## Sector Tilts

| Sector                 | Fund %        | Index <sup>2</sup> % | Tilt %      |
|------------------------|---------------|----------------------|-------------|
| Energy                 | 3.83          | 3.87                 | -0.04       |
| Materials              | 60.54         | 20.98                | 39.56       |
| Industrials            | 4.46          | 6.84                 | -2.38       |
| Consumer Discretionary | 14.17         | 7.54                 | 6.63        |
| Consumer Staples       | 6.80          | 3.42                 | 3.37        |
| Health Care            | 14.21         | 7.51                 | 6.70        |
| Financials             | 62.17         | 34.30                | 27.87       |
| Information Technology | 20.77         | 4.66                 | 16.11       |
| Communication Services | 8.23          | 2.63                 | 5.60        |
| Utilities              | 6.05          | 1.39                 | 4.66        |
| Real Estate            | 11.63         | 6.87                 | 4.77        |
| Cash                   | -112.86       | 0.00                 | -112.86     |
| <b>Total</b>           | <b>100.00</b> | <b>100.00</b>        | <b>0.00</b> |

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

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



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## Outlook

Global markets have been positive since new bilateral trade deals began replacing old tariff arrangements and paving the way for a return to relative normalcy in global trade. This month, China and the US agreed to hold tariff changes for a year to allow for further trade negotiation, while the US signed critical minerals agreements with Australia, Malaysia, Thailand and Japan. These developments provided a positive backdrop to markets in October.

Ausbil remains positive on the earnings outlook for FY26, and is ahead of consensus, largely due to our more constructive view on the economy. The immediate term remains clouded by the current US shutdown, but as we approach Christmas, we expect to see this shutdown resolve as such shutdowns are not in the interests of either side of politics in the US. The higher inflation reads in the US and Australia have slowed easing, with Australia now expected to hold rates where they are into 2026. We see one more cut by the Fed in the US in this current easing cycle. Markets have been buoyant, and the current level of rates is not a hinderance to earnings growth.

Looking ahead, Ausbil is seeing opportunities in equities that are relatively shielded or even beneficiaries of the new US tariff policy. Underpinning our outlook for equities are a number of structural drivers that are offering opportunities, now at significantly cheaper valuations than before the tariffs. These include an increased commitment to military spending globally (including across Europe); 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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