

Ausbil Australian SmallCap Fund

Monthly performance update

October 2025

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'We are pleased to announce that the Fund was recognised as the winner in the 2025 Australian Equities – Small Cap category at the recent Zenith Fund awards'

Performance Review

Fund performance for October 2025 was +0.98% (net of fees) versus the benchmark return of +1.89%, as measured by the S&P/ASX Small Ordinaries Accumulation Index.

Fund Review

The Ausbil Australian SmallCap Fund **will close to new investors effective 5 December 2025. After this date, only current investors can make additional investments.** As we are approaching approximately \$650 million in funds under management in the Fund and more than \$1 billion in the Ausbil small and micro-cap strategies combined, we believe that it is in the best interests of unitholders to restrict new applications. This follows the successful Ausbil MicroCap soft closure in November 2021 which has continued to deliver consistent investment returns for investors. We would like to take this opportunity to thank investors for their continued support and believe closing for new investors will help ensure that the Fund continues to meet its investment objective of current investors.

We are so pleased, that despite achieving substantial funds under management to date, the Fund remains the number 1 performing Fund since inception (30th April 2020) in the Mercer and Morningstar small cap peer group, delivering an annualised return of 27.69% pa (net of fees), outperforming the ASX Small Ordinaries Accumulation Index return of 11.48% pa. Importantly, we acknowledge that you are only ever as good as your last result, so we remain hungry and focused on delivering for unitholders going forward. **We are also pleased to announce that the Fund was recognised as the winner in the 2025 Australian Equities – Small Cap category at the recent Zenith Fund awards.**

Turning to October, for the 4th consecutive month, the great Small Cap rotation continued with the ASX Small Ordinaries returning +1.9% relative to the ASX 50 Leaders and ASX 100 returns of +0.2% and +0.1% respectively. This brings the FY26 ASX Small Ordinaries returns to +17.9%, compared to ASX 50 Leaders and ASX 100 returns of +4.0% and +2.9% respectively. Despite the Small Resources index returning 29.5% FYTD, we are pleased to have outperformed the Small Ordinaries FYTD.

Contribution over the month came from **Codan** (CDA) and **HUB24** (HUB). Detractors for the month included **ZIP Co** (ZIP) and **Superloop** (SLC).

Key Contributors

Codan (CDA) returned +22.8% in October, extending its stellar +129.5% total return CYTD. Whilst others may have wavered in their conviction throughout 2025, the real money is made by sizing, picking and sticking with your winners. That is, correct stock selection, position size, holding through volatility and adding to a position on weakness (which we did) where high conviction remains and the investment thesis remains intact. Codan's positive momentum following the August result carried through the October AGM, with CDA maintaining full-year guidance.

HUB24 (HUB) returned +13.3% for the month. The September quarter flow result was impressive, marking a record net inflow quarter result on a business-as-usual basis (excluding large institutional migrations). HUB continues to build platform leadership through an acceleration in flows, technology enhancements and a strong service culture.

Key Detractors

ZIP Co (ZIP) fell -12.4% over the month. ZIP delivered a beat and upgrade at its 1Q result with an acceleration of US total transaction volume, strong revenue margins and an upgrade to the ongoing share buyback program. However, the market soured at the tick-up in net bad-debt expenses, sending the shares lower for the month. We remain comfortable with the modest increase in net bad-debts given the magnitude of volume and customer growth with the result within the lower -end of management's guidance range.

Superloop (SLC) fell -8.2% for the month with shares remaining soggy relative to challenger telecommunication competitor and Fund holding **Aussie Broadband** (ABB). We anticipate SLC to issue a maiden FY26 guidance at its upcoming AGM, which we believe could act as a positive catalyst. Like **Codan**, which experienced periods of share price softness during 2025 which ultimately proved to be noise, we remain high conviction on SLC with the investment thesis intact and have been adding to the position.

Outlook

Gold, artificial intelligence and critical minerals were key catalysts in what proved to be a volatile month. Sector gyrations gave way to true fundamental stock picking, however we are confident this is only temporary. Small and micro caps outperformed large caps, a trend we expect to continue as large and mid-cap 'tourists' look further down the market-capitalisation spectrum in search of a better opportunity set. Recent large-cap missteps may only accelerate this rotation, supporting a continued re-rating at the smaller end of the market. The AGM season was broadly positive, and, as we move into the final quarter of 2025, attention will soon turn to what 2026 may hold.

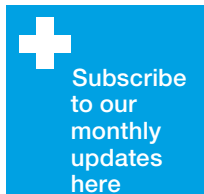
Returns¹ as at 31 October 2025

Period	Fund Return ¹ %	Benchmark ² %	Out/Under performance %
1 month	0.98	1.89	-0.92
3 months	15.69	14.27	1.42
6 months	35.55	25.32	10.23
1 year	39.66	22.82	16.85
2 years pa	42.84	24.72	18.12
3 years pa	25.93	13.86	12.07
4 years pa	15.57	4.79	10.78
5 years pa	23.43	9.58	13.86
Since inception pa Date: 30 April 2020	27.69	11.48	16.21

Top 5 Stocks³

1. Codan
2. Generation Development Group
3. Genesis Minerals
4. Life360
5. Tuas

1. Fund returns are net of fees.
2. S&P/ASX Small Ordinaries Accumulation Index.
3. Top 5 stocks sorted alphabetically.





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