

Ausbil Australian Concentrated Equity Fund

Monthly performance update

July 2025

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'Ausbil is seeing opportunities in equities that are relatively shielded or even beneficiaries of the new US tariff policy'

Performance Review

Fund performance for July 2025 was +3.69% (net of fees), versus the benchmark return of +2.43%, as measured by the S&P/ASX 300 Accumulation Index.

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

At a stock level, the overweight positions in Life360, Block, Mineral Resources, Lynas Rare Earths, CSL, Pilbara Minerals, WiseTech Global, BHP and Origin Energy contributed to relative performance. The nil position in Northern Star Resources also added value. Conversely, the overweight positions in National Australia Bank, Evolution Mining, Macquarie Group, Sandfire Resources, Treasury Wine Estates and Suncorp detracted from relative performance. The nil positions in Woodside Energy Group, Fortescue, ANZ Group and Pro Medicus also detracted value.

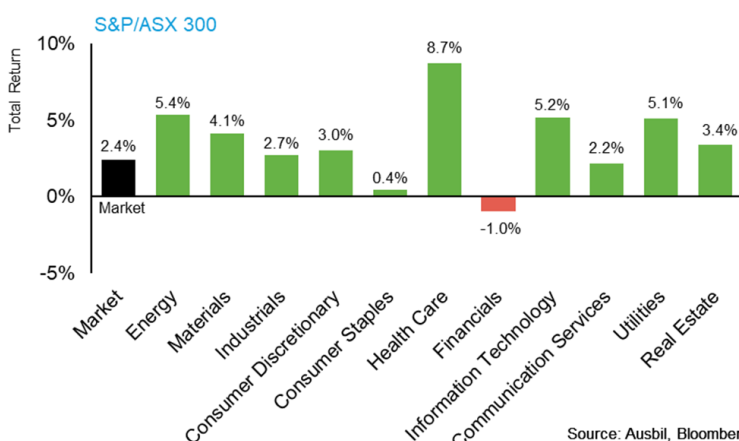
Market Review

With promising progress on trade deals, and despite central banks holding rates steady in July, the S&P/ASX 300 Accumulation Index delivered +2.4%, bringing the trailing market 1-year return to +11.9%.

All major world markets moved higher this month, with the exception of India. Emerging Markets (MSCI EM) outperformed Developed Markets (MSCI World), with the UK and Singapore delivering the best results in developed markets.

All sectors enjoyed positive returns this month, other than Financials which was impacted by banks coming off their valuation highs, as shown in the chart. Health Care, Energy, Information Technology and Utilities were the standouts.

Sector returns – July 2025



Fund Characteristics

Returns¹ as at 31 July 2025

Period	Fund Return ¹ %	Bench- mark ² %	Out/Under- performance %
1 month	3.69	2.43	1.26
3 months	9.69	8.25	1.44
6 months	2.45	4.29	-1.84
1 year	9.04	11.88	-2.84
2 years pa	10.20	12.57	-2.37
3 years pa	11.13	12.08	-0.95
4 years pa	8.05	8.29	-0.25
5 years pa	13.38	12.17	1.20
7 years pa	9.69	8.89	0.79
Since inception pa Date: 30 Nov 2017	10.16	9.13	1.03

Top 10 Stock Holdings

Name	Fund %	Index ² %	Tilt %
BHP	10.14	7.34	2.80
Commonwealth Bank	9.27	10.97	-1.70
National Australia Bank	8.47	4.39	4.08
CSL	6.55	4.83	1.72
Goodman Group	4.57	2.63	1.94
Macquarie Group	4.57	2.84	1.73
Wesfarmers	3.65	3.59	0.07
Xero	3.56	1.10	2.46
Telstra	3.29	2.09	1.20
WiseTech Global	3.00	0.82	2.18

Sector Tilts

Sector	Fund %	Index ² %	Tilt %
Energy	2.26	4.12	-1.86
Materials	25.52	18.09	7.44
Industrials	1.64	6.53	-4.89
Consumer Discretionary	6.50	7.84	-1.34
Consumer Staples	3.20	3.53	-0.33
Health Care	9.09	9.74	-0.65
Financials	27.37	34.07	-6.70
Information Technology	9.54	5.06	4.48
Communication Services	5.10	2.73	2.37
Utilities	2.75	1.36	1.39
Real Estate	5.92	6.92	-1.00
Cash	1.09	0.00	1.09
Total	100.00	100.00	0.00

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

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



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Outlook

Markets responded positively across July as Trump revealed a number of trade deals, including the critical EU deal, as discussions moved forward with China. While media has spruiked recession fears this July, 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 will help offset some growth drag from tariffs.

Australia managed to escape the high tariffs and had to settle for a reciprocal 10% because of the perceived unfairness of the GST on US exporters here. With China in advanced stages of trade negotiations we remain positive on our outlook, and we do not see a recession. While both the Federal Reserve and the RBA held rates steady this month, despite the market expecting cuts in both cases, we still expect more rate cuts from both central banks this year. We remain positioned accordingly and are judiciously ignoring the noise for the data.

Ausbil is seeing opportunities in equities that are relatively shielded or even beneficiaries of the new US tariff policy. While tariffs have caused a potential major shake-up in global trade, Ausbil expects Australian growth to be relatively unchanged and expect Australian companies to generate earnings growth in excess of consensus expectation which are currently at +5.1% in FY26 (S&P/ASX 200). 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 (as the US withdrawal of support for Ukraine and others has sparked an upward shift in defence spending); 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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