

Ausbil Global SmallCap Fund

Quarterly performance update

September 2025

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'Global manufacturing surveys continued to suggest that growth is returning and broadening out both into the wider economy and geographically'

Performance Review

Fund performance for the quarter ending September 2025 was +3.57% (net of fees) versus the benchmark return of +7.31%, as measured by the MSCI World Small Cap Net Total Return Index.

The MSCI World Small Cap delivered a robust return of +7.31% over the quarter in AUD. Germany and Denmark were the main positive contributors to the Fund, while the US and the UK were the main negative country allocations for the Fund.

In terms of sector performance, the Industrials and Communication Services sectors were the main positive contributors for the Fund. Consumer Staples and Health Care were the main negative detractors.

Contributors and Detractors

Notable positive contributors over the period were Powell Industries and Mueller Industries both in the US. Sprouts Farmers Markets and ADMA Biologics also both in the US, were the main negative contributors during the quarter.

Powell Industries is a leading provider of electrical equipment based in Huston, Texas. The company was founded in 1947. Powell has numerous manufacturing plants and distribution centres around the world. The company is one of the US leaders in the provision of switchgear and motor control systems, which are essential for the control and protection of electrical circuits and motors. It also produces power management equipment providing advanced solutions for managing electrical energy, ensuring efficiency and safety in power distribution systems. The company reported robust quarterly results in early August, with management calling out, "the outlook for the Electric Utility market remains very strong and balanced across the customers and geographies served".

Sprouts Farmers Market is a speciality grocery chain focusing on fresh, natural, and organic products. The company has reported impressive same-store sales growth and is benefiting from health-conscious consumer trends. This growth alongside their store roll-out programme has delivered strong earnings growth over the last couple of years. The company delivered a strong earnings result during the quarter, beating market expectations by 9%.

Outlook

Global markets performed well during the quarter, supported by the first interest rate cut of the year from the US Federal Reserve. The potential promise of further cuts into year-end is likely to provide a tailwind for the ongoing broadening of markets and should support the performance of global small caps.

Global manufacturing surveys continued to suggest that growth is returning and broadening out both into the wider economy and geographically. The Fund continues to be overweight Europe as we have been since the start of the year. The manufacturing surveys continue to show an improving trend for the European region. The S&P Global

Performance

Returns¹ as at 30 September 2025

Period	Fund Return % Net	Bench- mark ² %	Out/Under Performance % Net
1 month	-0.56	0.71	-1.27
3 months	3.57	7.31	-3.75
6 months	14.20	13.86	0.34
1 year	13.45	18.88	-5.43
2 years pa	21.55	17.52	4.04
3 years pa	19.62	16.18	3.43
4 years pa	4.90	7.21	-2.31
5 years pa	11.44	12.95	-1.51
7 years pa	7.74	8.80	-1.06
Since inception pa Date: 31 May 2018	8.70	9.28	-0.58

Top 10 Stock Holdings

Name	Fund %	Index ² %	Tilt %
Mueller Industries	4.95	0.11	4.83
NKT	4.48	0.06	4.43
thyssenkrupp	4.18	0.07	4.11
Applied Industrial Technologies	4.10	0.11	3.99
TopBuild	3.03	0.12	2.91
Atkore	2.97	0.02	2.94
Andritz	2.54	0.05	2.49
EastGroup Properties	2.45	0.09	2.36
NTT DC REIT	2.31	0.00	2.31
SSAB AB	2.25	0.04	2.21

Investment Characteristics

	Return on invested capital	Debt to equity	Dividend yield	Price to free cash flow
Fund	14.9	50.4	1.9	22.39
Benchmark ²	6.6	92.5	1.8	21.73

Sector Allocations

Sector	Fund %	Index ² %	Tilt %
Energy	0.00	4.23	-4.23
Materials	14.59	7.71	6.87
Industrials	32.60	20.59	12.01
Consumer Discretionary	8.58	12.12	-3.53
Consumer Staples	3.61	4.30	-0.69
Health Care	6.78	9.31	-2.53
Financials	11.32	15.11	-3.79
Information Technology	9.23	12.25	-3.02
Communication Services	0.00	3.72	-3.72
Utilities	0.00	2.86	-2.86
Real Estate	11.97	7.80	4.18
Cash	1.32	0.00	1.32
Total	100.00	100.00	0.00

1. Fund returns are net of fees.

2. The benchmark is MSCI World Small Cap Net Total Return (TR) Index in AUD.

Manufacturing PMI series rose above the neutral level of 50 during the quarter with a reading of 50.8 this month, nearly unchanged compared to August's reading of 50.9. Continuing this year's trend, Europe and specifically Germany continued with their ongoing recovery. While the German PMI Survey reading is still below the neutral reading of 50, we have seen a strong improvement over recent months with the current reading of 49.5 only slightly lower than last month's reading of 49.8 and significantly higher than the 42.5 delivered at the end of last year.

Looking ahead, much still depends on the evolution of trade policy, how tariff costs are passed on to the end consumer and the resilience of corporate earnings in the face of ongoing uncertainty. However, several trade deals have been finalised this quarter, which have provided some stability for markets. The European Union has also proposed the idea of tariffs and quotas to protect its steel industry, which should further support the earnings of several of the Fund's holdings. In global small caps, we continue to see opportunities for companies that are niche leaders within their industry that we believe can deliver unrecognised earnings growth.

Region Allocation

Region	Fund %	Index ² %	Tilt %
North America	51.05	64.84	-13.79
Japan	5.99	12.80	-6.82
United Kingdom	5.29	4.60	0.68
Europe (Ex United Kingdom)	31.50	11.10	20.40
Asia Pacific (Ex Japan)	4.86	5.32	-0.46
Middle East	0.00	1.33	-1.33
Cash	1.32	0.00	1.32
Total	100.00	100.00	0.00



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