

Ausbil Australian Emerging Leaders 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 +4.26% (net of fees) versus the benchmark return of +3.87%. The benchmark is a composite, 70% of the S&P/ASX MidCap 50 Accumulation Index and 30% of the S&P/ASX Small Ordinaries Accumulation Index.

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

At a stock level, the overweight positions in Mineral Resources, Life360, Iluka Resources, Hub24, Block, Pinnacle Investment Management Group, Generation Development Group and Lynas Rare Earths contributed to relative performance. The nil positions in Bendigo & Adelaide Bank and TechnologyOne also contributed value. Conversely, the overweight positions in Boss Energy, Telix Pharmaceutical, Greatland Resources, Reece Australia, SGH and Sandfire Resources detracted from relative performance. The nil positions in AMP, Whitehaven Coal, Pilbara Minerals and DroneShield also detracted from performance.

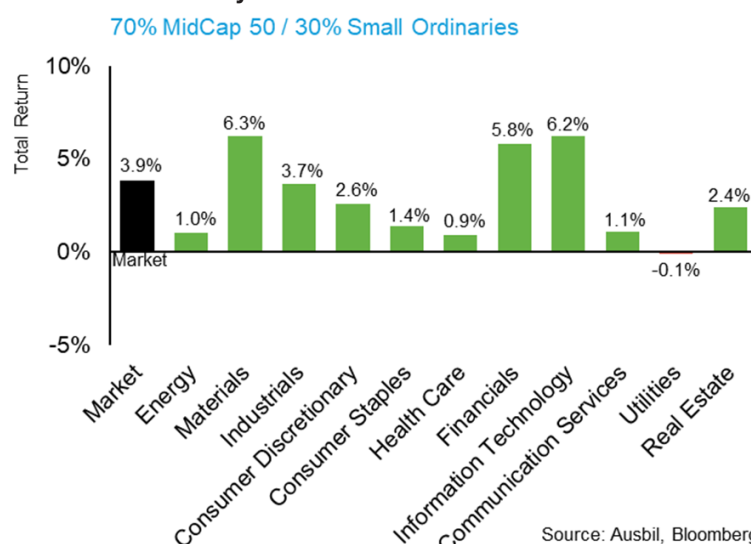
Market Review

With promising progress on trade deals, and despite central banks holding rates steady in July, the Composite Benchmark (70% S&P/ASX MidCap 50 and 30% S&P/ASX Small Ordinaries accumulation indices) delivered +3.9%, bringing the trailing market 1-year return to +15.1%.

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 Utilities, as shown in the chart. Materials, Information Technology and Financials 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	4.26	3.87	0.40
3 months	14.49	10.87	3.62
6 months	7.81	5.55	2.26
1 year	21.31	15.13	6.18
2 years pa	13.53	11.10	2.43
3 years pa	12.10	10.44	1.66
5 years pa	14.02	11.53	2.49
7 years pa	8.66	8.58	0.09
10 years pa	9.95	10.44	-0.48
15 years pa	9.59	9.13	0.46
20 years pa	8.69	7.54	1.15
Since inception pa Date: April 2002	10.83	9.24	1.59

Top 10 Stock Holdings

Name	Fund %	Index ² %	Tilt %
Life360	5.19	2.02	3.18
REA Group	4.89	2.70	2.18
HUB24	4.79	1.89	2.89
Charter Hall Group	4.77	2.09	2.68
Block	4.51	1.44	3.08
SGH	4.49	2.24	2.25
The a2 Milk Company	3.89	1.28	2.60
Pinnacle Investment Management	3.68	0.90	2.78
ALS	3.57	1.94	1.64
Fisher & Paykel Corporation	3.57	1.41	2.16

Sector Tilts

Sector	Fund %	Index ² %	Tilt %
Energy	1.75	5.87	-4.12
Materials	12.00	17.72	-5.73
Industrials	19.69	15.46	4.23
Consumer Discretionary	3.46	8.50	-5.04
Consumer Staples	3.89	4.33	-0.44
Health Care	6.31	6.94	-0.63
Financials	22.94	16.37	6.57
Information Technology	17.51	11.45	6.07
Communication Services	2.79	1.82	0.98
Utilities	0.00	1.29	-1.29
Real Estate	6.62	10.26	-3.64
Cash	3.04	0.00	3.04
Total	100.00	100.00	0.00

1. Fund returns are net of fees and gross of taxes.

2. The composite benchmark is 70% S&P/ASX Midcap 50 Accumulation Index and 30% S&P/ASX Small Ordinaries 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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