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Ausbil Australian Geared 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 +5.81% (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 Materials, Information Technology and Utilities sectors contributed to relative performance. The underweight positions in the Consumer Staples and Financials sectors also added value. Conversely, the overweight position in the Communication Services sector detracted from relative performance. The underweight positions in the Energy, Industrials, Consumer Discretionary, Health Care and Real Estate sectors also detracted value.

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

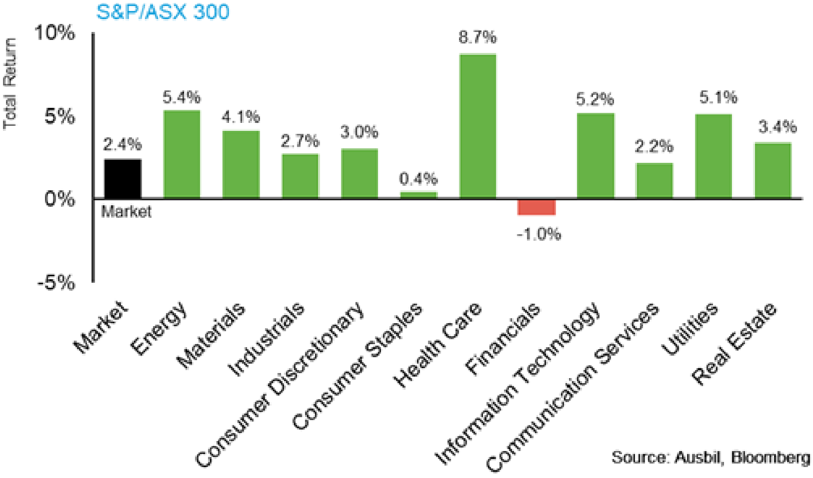
Market Review

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



Source: Ausbil, Bloomberg

Fund Characteristics

Returns[1] as at 31 July 2025

Period	Fund Return %	Bench-mark[2] %	Out/Under-performance %
1 month	5.81	2.43	3.38
3 months	18.11	8.25	9.87
6 months	-0.16	4.29	-4.45
1 year	9.85	11.88	-2.03
2 years pa	12.79	12.57	0.21
3 years pa	15.97	12.08	3.89
5 years pa	23.18	12.17	11.01
7 years pa	11.90	8.89	3.00
10 years pa	12.37	8.65	3.72
15 years pa	12.69	8.90	3.78
Since inception pa Date: May 2007	5.75	6.12	-0.37

Top 10 Stock Holdings

Name	Fund %	Index[2] %	Tilt %
BHP	20.16	7.34	12.82
Commonwealth Bank	19.10	10.97	8.13
CSL	13.25	4.83	8.42
National Australia Bank	11.81	4.39	7.42
Macquarie Group	9.66	2.84	6.82
Goodman Group	9.10	2.63	6.47
ANZ Bank	8.30	3.36	4.94
Wesfarmers	7.74	3.59	4.16
Xero	7.55	1.10	6.46
Telstra	7.01	2.09	4.91

Sector Tilts

Sector	Fund %	Index[2] %	Tilt %
Energy	4.61	4.12	0.49
Materials	52.10	18.09	34.02
Industrials	2.73	6.53	-3.80
Consumer Discretionary	15.31	7.84	7.47
Consumer Staples	6.80	3.53	3.27
Health Care	18.64	9.74	8.90
Financials	59.98	34.07	25.91
Information Technology	24.51	5.06	19.45
Communication Services	8.63	2.73	5.90
Utilities	5.81	1.36	4.45
Real Estate	11.85	6.92	4.93
Cash	-110.97	0.00	-110.97
Total	**100.00**	**100.00**	**0.00**

1. Fund returns are net of fees but before taxes.
2. The benchmark 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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