

Ausbil Australian Emerging Leaders Fund

Monthly performance update

August 2025

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'Markets continued their positive path in August on continued optimism that trade deals would be done with the US'

Performance Review

Fund performance for August 2025 was +6.75% (net of fees) versus the benchmark return of +6.39%. 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 position in the Information Technology sector contributed to relative performance. The underweight positions in the Energy, Health Care and Utilities sectors also added value. Conversely, the overweight positions in the Industrials, Consumer Staples, Financials and Communication Services sectors detracted value. The underweight positions in the Materials, Consumer Discretionary and Real Estate sectors also detracted from relative performance.

At a stock level, the overweight positions in Zip, Mineral Resources, Life360, The a2 Milk Company, Iluka Resources, Charter Hall Group and Lynas Rare Earths contributed to relative performance. The underweight position in TechnologyOne, and the nil positions in Ramsay Health Care and AGL Energy also contributed value. Conversely, the overweight positions in Reece Australia, Telix Pharmaceutical, WiseTech Global, Guzman y Gomez, Pinnacle Investment Management Group, Fisher & Paykel, Block, SGH, Qube and Reliance Worldwide detracted from relative performance.

Market Review

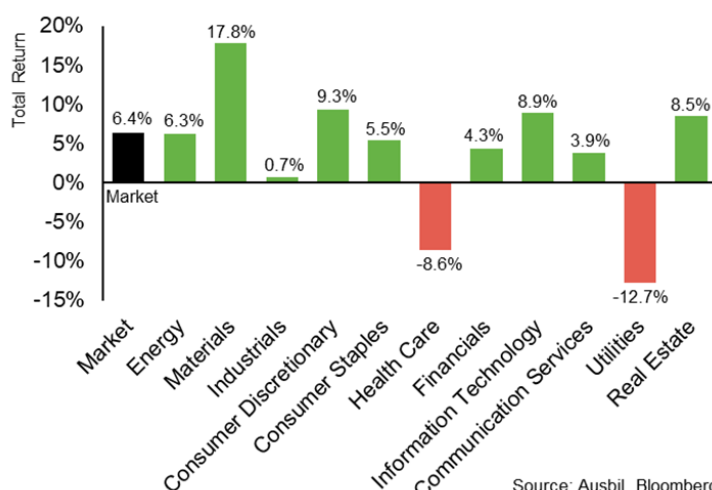
Across August FY25 reporting season, markets responded positively, with the Composite Benchmark (70% S&P/ASX MidCap 50 and 30% S&P/ASX Small Ordinaries accumulation indices) delivering +6.4%, bringing the trailing market 1-year return to +21.6%.

All major world markets moved higher this month, with the exception of India. Developed Markets (MSCI World) outperformed Emerging Markets (MSCI EM), with China and Canada delivered the best results this month, with Australia, Japan and MSCI World also achieving strongly.

All sectors enjoyed positive returns this month, other than Health Care and Utilities, as shown in the chart. Materials, Consumer Discretionary, Information Technology and Real Estate were the positive standouts.

Sector returns – August 2025

70% MidCap 50 / 30% Small Ordinaries



Fund Characteristics

Returns¹ as at 31 August 2025

| Period | Fund Return ¹ % | Bench- mark ² % | Out/Under performance % |
|----------------------------------------|-------------------------------|----------------------------------|-------------------------------|
| 1 month | 6.75 | 6.39 | 0.36 |
| 3 months | 14.79 | 11.39 | 3.40 |
| 6 months | 20.16 | 17.08 | 3.08 |
| 1 year | 25.42 | 21.56 | 3.86 |
| 2 years pa | 17.27 | 15.35 | 1.93 |
| 3 years pa | 12.89 | 11.61 | 1.29 |
| 5 years pa | 14.07 | 11.49 | 2.57 |
| 7 years pa | 9.39 | 9.11 | 0.29 |
| 10 years pa | 11.27 | 11.66 | -0.39 |
| 15 years pa | 10.13 | 9.54 | 0.60 |
| 20 years pa | 8.87 | 7.65 | 1.22 |
| Since inception pa Date: April 2002 | 11.10 | 9.49 | 1.60 |

Top 10 Stock Holdings

| Name | Fund % | Index ² % | Tilt % |
|---------------------------|-----------|-------------------------|-----------|
| Life360 | 5.99 | 2.22 | 3.77 |
| Charter Hall Group | 5.10 | 2.31 | 2.79 |
| REA Group | 4.81 | 2.69 | 2.12 |
| The a2 Milk Company | 4.34 | 1.45 | 2.89 |
| HUB24 | 4.31 | 1.84 | 2.47 |
| SGH | 4.31 | 2.10 | 2.21 |
| Lynas Rare Earths | 4.03 | 2.51 | 1.52 |
| Zip | 3.80 | 0.54 | 3.26 |
| Mineral Resources | 3.80 | 1.36 | 2.44 |
| Washington H Soul Company | 3.48 | 2.28 | 1.20 |

Sector Tilts

| Sector | Fund % | Index ² % | Tilt % |
|------------------------|---------------|-------------------------|-------------|
| Energy | 1.82 | 5.92 | -4.09 |
| Materials | 15.74 | 19.23 | -3.49 |
| Industrials | 18.77 | 14.95 | 3.82 |
| Consumer Discretionary | 2.70 | 8.72 | -6.03 |
| Consumer Staples | 4.34 | 4.33 | 0.01 |
| Health Care | 4.66 | 5.99 | -1.33 |
| Financials | 21.29 | 16.11 | 5.18 |
| Information Technology | 18.60 | 11.57 | 7.02 |
| Communication Services | 2.62 | 1.77 | 0.84 |
| Utilities | 0.00 | 1.04 | -1.04 |
| Real Estate | 7.03 | 10.37 | -3.34 |
| Cash | 2.45 | 0.00 | 2.45 |
| 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

August reporting season was mixed, though incrementally more positive on beats (33) versus last two half reporting periods. With 33 beats and 22 misses, FY25 delivered net 11 beats (Macquarie Equities). There were some positive rerates in technology (XYZ and ZIP), but some surprises to the downside in otherwise high-quality names with strong earnings growth outlooks (CSL and JHX). Consensus outlook for earnings shifted down for FY26 by 1% at the end of reporting season for the S&P/ASX 200, with consensus EPSg at +4.1% (FactSet). Ausbil is more constructive on earnings growth for FY26, but this is because we are generally more positive on our growth outlook.

Markets continued their positive path in August on continued optimism that trade deals would be done with the US. 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.

Ausbil is seeing opportunities in equities that are relatively shielded or even beneficiaries of the new US tariff policy. Underpinning our outlook for equities is a number of structural drivers that are offering opportunities. 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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