

# Ausbil Australian Geared Equity Fund

Quarterly performance update

September 2025

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'Our macro view on the evolution of trade outcomes has largely been playing out since the April announcements'

## Performance Review

Fund performance for the quarter ending September 2025 was +10.89% (net of fees), versus the benchmark return of +4.99%, as measured by the S&P/ASX 300 Accumulation Index.

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

At a stock level, the overweight positions in Lynas Rare Earths, Life360, Mineral Resources, Evolution Mining, Pilbara Minerals, Sandfire Resources, BHP and Origin Energy contributed to relative performance. The underweight position in Commonwealth Bank and not holding Woolworths also added value. Conversely, the overweight positions in James Hardie, Boss Energy, Xero, WiseTech Global, CSL, Domino's Pizza and Santos detracted from relative performance. The nil positions in Westpac Bank, Northern Star Resources and Fortescue also detracted value.

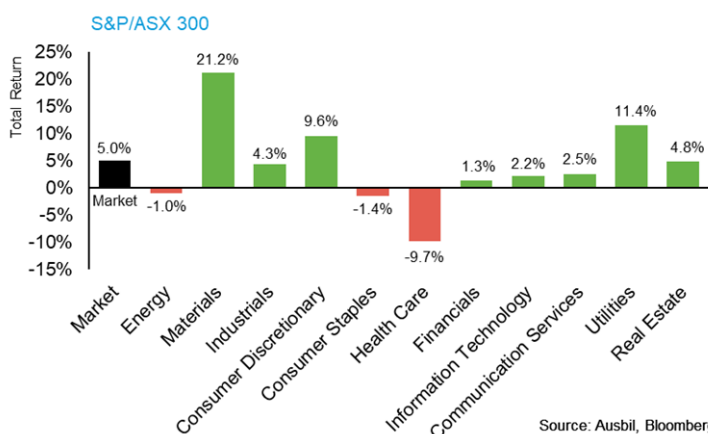
## Market Review

This quarter, markets were resilient, with the S&P/ASX 300 Accumulation Index delivering +5.0%, bringing the trailing market 1-year return to +10.8%. The August reporting season was incrementally more positive than last year, and there were rate cuts by both the RBA and the Federal Reserve that helped support the market, which has been cautiously optimistic about the evolution in new global trade relations with the US.

Across the quarter, all major world markets moved higher, with the exception of India. Developed Markets (MSCI World) underperformed Emerging Markets (MSCI EM), with China, Canada and Hong Kong outperforming, while Europe and Australia underperformed against the MSCI World.

Across the quarter, the market overall performed well driven by Materials and Utilities, while Health Care significantly underperformed which was hit following a weak August reporting season and a material share price weakness in CSL. Materials, Utilities and Consumer Discretionary were the positive standouts, as shown in the chart.

## Sector returns – September Quarter 2025



## Fund Characteristics

Returns<sup>1</sup> as at 30 September 2025

Period	Fund Return %	Bench-mark <sup>2</sup> %	Out/Under-performance %
1 month	-1.49	-0.65	-0.84
3 months	10.89	4.99	5.90
6 months	32.30	14.94	17.36
1 year	7.66	10.76	-3.09
2 years pa	20.68	16.09	4.59
3 years pa	20.00	15.03	4.98
5 years pa	24.24	12.88	11.37
7 years pa	12.55	9.25	3.30
10 years pa	15.91	10.11	5.80
15 years pa	12.76	8.82	3.94
Since inception pa Date: May 2007	5.97	6.21	-0.24

## Top 10 Stock Holdings

Name	Fund %	Index <sup>2</sup> %	Tilt %
BHP	21.14	7.80	13.34
Commonwealth Bank	18.09	10.09	8.00
National Australia Bank	12.64	4.89	7.76
CSL	9.82	3.47	6.36
ANZ Bank	9.65	3.58	6.07
Macquarie Group	9.24	2.81	6.43
Goodman Group	8.62	2.41	6.21
Wesfarmers	7.77	3.77	4.00
Telstra	6.68	1.98	4.70
Life360	6.53	0.45	6.08

## Sector Tilts

Sector	Fund %	Index <sup>2</sup> %	Tilt %
Energy	4.06	3.75	0.31
Materials	58.09	20.32	37.77
Industrials	3.77	6.74	-2.98
Consumer Discretionary	14.53	8.11	6.42
Consumer Staples	6.69	3.44	3.26
Health Care	14.37	7.88	6.49
Financials	59.57	33.90	25.67
Information Technology	23.34	5.00	18.34
Communication Services	8.23	2.62	5.62
Utilities	6.08	1.39	4.70
Real Estate	11.46	6.86	4.60
Cash	-110.19	0.00	-110.19
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>

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

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



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## Outlook

Global markets have been positive since new bilateral trade deals began replacing old tariff arrangements and paving the way for a return to relative normalcy in global trade. Europe and Australia penned trade deals in the quarter. The market is waiting on a deal with China, which is really the peak economic risk looking into the next quarter. A chilling assassination in the US, of Trump ally Charles Kirk, has contributed to an overall atmosphere of uncertainty, and coupled with the wars in Ukraine and the Middle East, geopolitics remain an ongoing noise in markets. Ausbil remains focused on clear economic signals to guide our asset allocation.

The August reporting season was mixed, though incrementally more positive versus last two half reporting periods. With 33 beats and 22 misses, FY25 delivered net 11 beats (Macquarie Equities). Consensus outlook for earnings shifted down for FY26 by 1% at the end of reporting season for the S&P/ASX 300, with consensus EPSg at +4.1% (FactSet at 31 August 2025). As at the end of September, consensus had further revised their

EPSg outlook up to +5.8% for FY26 (FactSet at 30 September 2025). Ausbil is more constructive on earnings growth for FY26 than consensus, with an EPSg outlook of +8.1% compared to consensus at +5.8%, but this is because we are generally more positive than consensus on our economic outlook, as our macro view on the evolution of trade outcomes has largely been playing out since the April announcements.

Looking ahead, Ausbil is seeing opportunities in equities that are relatively shielded or even beneficiaries of the new US tariff policy. 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 (including across Europe); 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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