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Ausbil Australian Active Equity Fund

Monthly performance update

November 2024

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‘Australia’s economic outlook is improving following the US election with widespread optimism in markets on global growth’

Performance Review

Fund performance for November 2024 was +3.47% (net of fees), versus the benchmark return of +3.68%, as measured by the S&P/ASX 300 Accumulation Index.

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

At a stock level, the overweight positions in Block, Xero, Origin Energy, James Hardie, Aristocrat Leisure, Suncorp, BlueScope Steel, Web Travel Group and REA Group contributed to relative performance. Conversely, the overweight positions in Lynas Rare Earths, Pilbara Minerals, BHP, Evolution Mining, Boss Energy, IGO and Santos detracted from relative performance. The nil positions in QBE Insurance, Westpac Bank and Pro Medicus also detracted value.

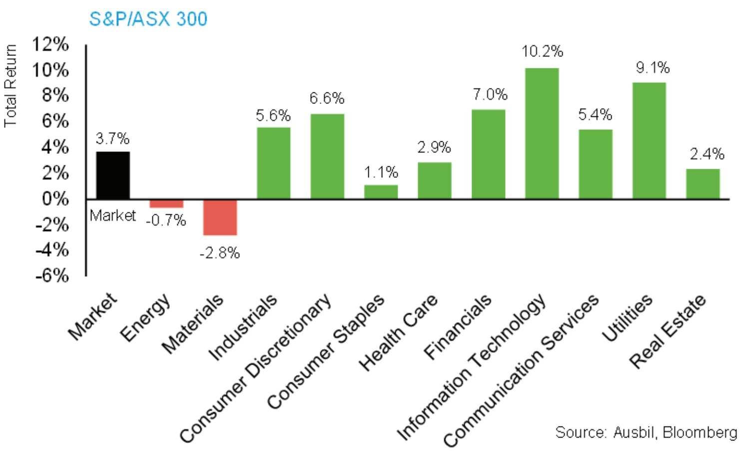
Market Review

Markets enjoyed a Trump pro-business victory boost in November, with the S&P/ASX 300 Accumulation Index delivering a return of +3.7%, bringing the trailing market 1-year return to +23.2%.

Globally, North American markets rallied following the US election and this flowed through to Australia. Emerging markets were the big underperformers, as the initial reaction to the US election outcome was that Trump policies could be inflationary, resulting in fewer Fed rate cuts and a stronger USD which has historically been a headwind for emerging markets.

Across sectors, the only laggards were Energy and Materials. Across the board, sectors reflected post-US election optimism, as shown in the Chart.

Sector returns – November 2024



Source: Ausbil, Bloomberg

Fund Characteristics

Returns[1] as at 30 November 2024

Period	Fund Return[1] %	Bench-mark[2] %	Out/Under performance %
1 month	3.47	3.68	-0.21
3 months	5.63	5.48	0.15
6 months	9.85	11.34	-1.49
1 year	20.92	23.22	-2.29
2 years pa	9.93	11.63	-1.70
3 years pa	8.72	9.12	-0.40
5 years pa	9.77	8.20	1.57
7 years pa	10.32	9.19	1.14
10 years pa	9.90	9.08	0.83
15 years pa	8.84	8.32	0.52
20 years pa	9.43	8.28	1.14
25 years pa	10.01	8.47	1.54
Since inception pa Date: July 1997	10.29	8.50	1.79

Top 10 Stock Holdings

Name	Fund %	Index[2] %	Tilt %
BHP	9.85	7.98	1.86
Commonwealth Bank	9.08	10.30	-1.22
National Australia Bank	6.71	4.68	2.03
CSL	6.47	5.29	1.18
Macquarie Group	4.93	3.18	1.74
Goodman Group	4.52	2.57	1.95
Xero	3.71	0.97	2.75
ANZ Bank	3.69	3.63	0.06
Block	3.15	0.23	2.92
Aristocrat Leisure	2.99	1.66	1.33

Sector Tilts

Sector	Fund %	Index[2] %	Tilt %
Energy	3.94	4.08	-0.14
Materials	25.77	19.18	6.59
Industrials	1.27	6.18	-4.91
Consumer Discretionary	5.67	7.59	-1.92
Consumer Staples	2.57	3.58	-1.01
Health Care	8.45	9.71	-1.26
Financials	30.09	34.00	-3.91
Information Technology	10.86	5.03	5.83
Communication Services	2.48	2.32	0.16
Utilities	2.97	1.35	1.62
Real Estate	5.56	6.99	-1.42
Cash	0.37	0.00	0.37
Total	**100.00**	**100.00**	**0.00**

1.Fund returns are net of fees but before taxes.
2.The benchmark is S&P/ASX 300 Accumulation Index.

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Outlook

Australia's economic outlook is improving following the US election with widespread optimism in markets on global growth with a resurgent US economy unshackled by expectations of increasing deregulation. GDP growth is expected to rise in 2025. Inflation continues to fall, and the world is in a monetary easing cycle which the RBA is yet to join, though they are widely expected to join in 2025 with some modest easing. The economy remains close to full employment. Overall, we see this as a good environment for equities. The new Trump administration is taking shape for the handover of power in the new year. So far, markets have responded well to the election promises, but the impact of tariffs will be closely watched. In this environment, we believe earnings growth will recover more than the market expects in 2025.

Given the current economic backdrop, we see some return of select cyclical exposures in addition to key thematics like decarbonisation and technological change. Exposures in this regard focus on profitable models to capture cyclical growth and compound increased spending that comes with economic growth, and improvement in housing and discretionary spending.

Decarbonisation and the energy transition are driving value across resources, energy, utilities and the mining services sector with respect to critical commodities. We like copper, uranium and rare earths for the central role they will play in renewable energy, storage and grid capacity expansion.

Structural earnings growth in technology and the rise of artificial intelligence (AI) is benefitting the enablers that increasingly operate in the digital environment, including communications companies. This includes data centres, energy and energy storage that backs-up data processing, telecommunications and internet companies that support the web of connectivity and data. It also includes companies that are able to leverage the networking and processing power offered by enablers to capture more business, and more customers at lower and lower costs.

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