

Ausbil Long Short Focus Fund

Monthly performance update

November 2024

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Performance Review

Fund performance for November 2024 was +1.69% (net of fees), versus the benchmark return of +0.34%, as measured by the Reserve Bank of Australia Cash Rate.

At a sector level, positive contributors were positions in Financials, Information Technology, Consumer Discretionary, Utilities, Communication Services, Healthcare and Industrials. The detractors were index derivatives employed for risk management purposes, Energy, Consumer Staples, Real Estate, and Materials.

At a stock level, key contributors for the month were positions in Block, Life360, Webjet, Origin Energy and Zip. The key detractors for the month were positions in Paladin Energy, QBE Insurance, Coles, Sigma Healthcare, and Commonwealth Bank.

As at 30 November 2024, the Fund was positioned 49% long and 48% short, for net short exposure of 1% and a gross exposure of 96%.

Outlook

Headline inflation has peaked across Australia and other developed countries. We are in the monetary policy normalisation phase with the US leading the global rate cut cycle. We continue to see the propensity for central banks that tightened more aggressively to cut rates as inflation is returning to targets. Australia, however, did not tighten to the same extent and we continue to have the view that Australia will take longer to deliver its first rate cut relative to other developed markets.

Overall, in Australia monetary policy has dampened demand as observed by the mixed trading through the October AGM season and recent trading updates. We expect earnings and share price volatility given higher operating costs and margin pressures, and the uncertainty around when the first rate cut in Australia will be delivered which is compounded by the upcoming Federal election. We continue to see opportunities and are positioned for earnings growth in select names despite the lagging impact of monetary tightening and as we position for the rate cutting cycle to take its full effect in CY25.

Strategy

Overall, the Fund is positioned to continue to benefit from episodic volatility given the index derivatives employed for risk management purposes and our overall positioning. We expect volatility to be a more prevalent feature in the markets as economies continue the process the US election, the policies of Trump's second term with a focus on deregulation and reform, all in addition to the monetary policy normalisation globally into CY25. We favour companies that have clear pricing power and exhibit more structural rather than cyclical growth drivers irrespective of the business cycle. We maintain long positions in quality structural growth companies. We have appropriately hedged our positions to preserve capital amidst heightened volatility.

Returns as at 30 November 2024

Period	Fund %	Bench-mark ¹ %	Out/Under Performance %
	Net		Net
1 month	1.69	0.34	1.35
3 months	3.61	1.06	2.55
6 months	6.52	2.14	4.38
1 year	10.98	4.34	6.64
2 years pa	5.87	4.05	1.82
3 years pa	3.40	3.04	0.36
4 years pa	7.20	2.29	4.91
Since inception pa Date: 29 September 2020	8.44	2.20	6.24

1. The benchmark is the Reserve Bank of Australia Cash Rate.

Fund Market Exposure²

Exposure (month end)	%
Long	48.59
Short	-47.59
Net	1.00
Gross	96.18

2. The exposures shown are adjusted for any derivatives, for example, exchange traded derivatives, held by the Fund.

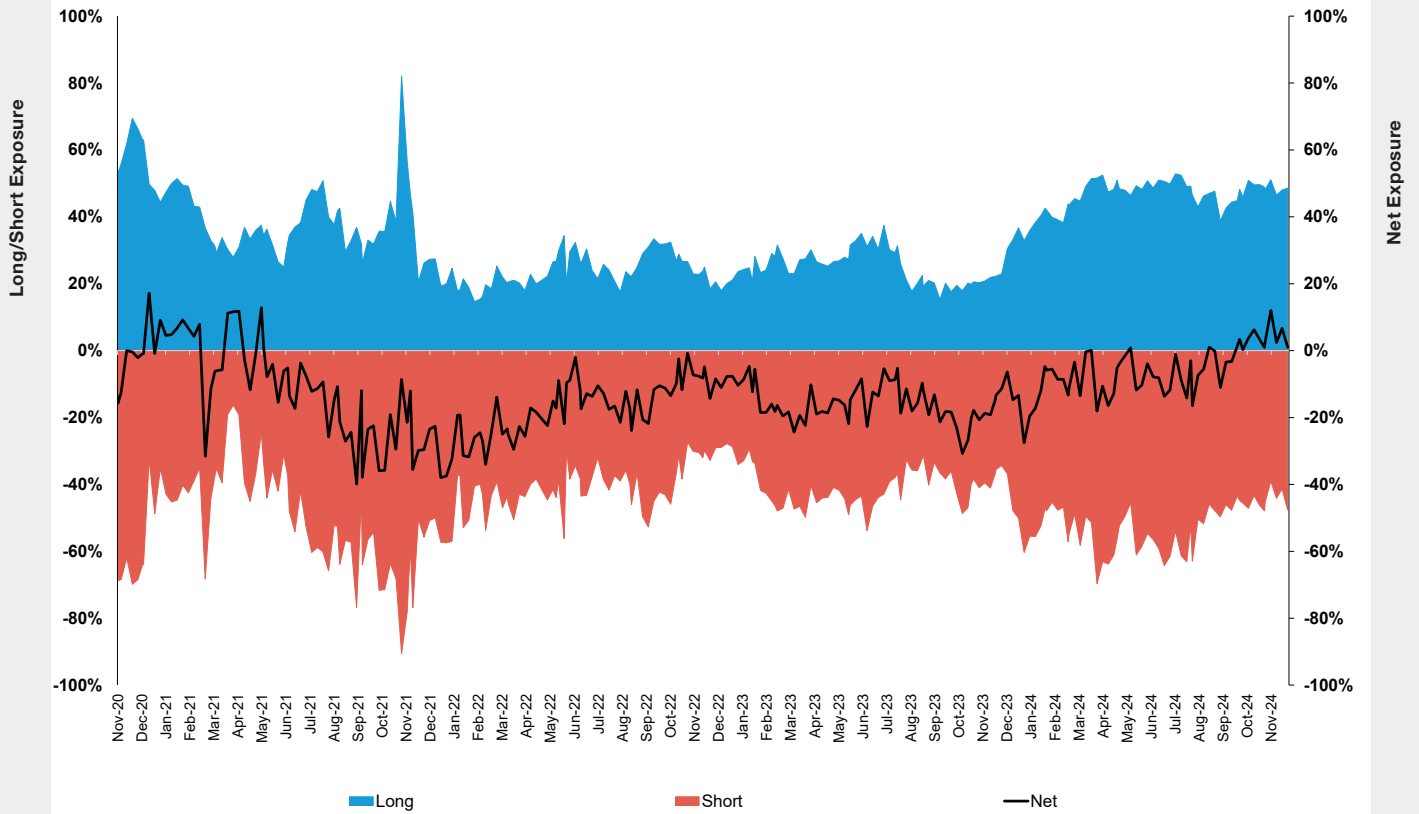


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Monthly Returns (net)

Year	Jan %	Feb %	Mar %	Apr %	May %	Jun %	Jul %	Aug %	Sept %	Oct %	Nov %	Dec %	CYTD %
2020									1.37	1.22	3.49	-0.38	5.78
2021	4.97	5.47	-0.54	0.92	0.60	-0.04	1.71	1.06	1.51	0.77	2.05	0.16	20.10
2022	1.80	-0.90	-1.32	0.78	1.26	2.29	-2.15	-0.35	0.54	-2.88	-0.48	0.81	-0.73
2023	-0.88	1.13	-1.12	-1.11	1.06	-0.82	-0.96	0.02	2.91	1.01	-0.97	-1.75	-1.58
2024	0.71	1.10	1.61	1.39	1.09	1.88	-1.77	2.72	0.88	1.00	1.69		12.96

Ausbil Long and Short exposure (LHS) vs Net exposure (RHS)



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