

Ausbil Australian Concentrated Equity Fund

Monthly performance update

November 2024

Ausbil Investment Management Limited
ABN 26 076 316 473
AFSL 229722
Level 27
225 George Street
Sydney NSW 2000
GPO Box 2525
Sydney NSW 2001
Phone 61 2 9259 0200

'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 +3.24% (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 Communication Services, Information Technology and Utilities sectors added value. The underweight positions in the Consumer Staples, Energy, Health Care and Real Estate sectors also added value. Conversely, the overweight position in the Materials sector detracted value. The underweight positions in the Consumer Discretionary, Financials and Industrials sectors also detracted from relative performance.

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

Returns¹ as at 30 November 2024

Period	Fund Return ¹ %	Bench- mark ² %	Out/Under- performance %
1 month	3.24	3.68	-0.44
3 months	5.85	5.48	0.37
6 months	10.20	11.34	-1.14
1 year	21.42	23.22	-1.79
2 years pa	10.42	11.63	-1.21
3 years pa	9.23	9.12	0.11
4 years pa	12.23	10.81	1.43
5 years pa	9.95	8.20	1.74
7 years pa	10.63	9.19	1.45
Since inception pa Date: 30 Nov 2017	10.63	9.18	1.45

Top 10 Stock Holdings

Name	Fund %	Index ² %	Tilt %
BHP	10.96	7.98	2.98
National Australia Bank	9.57	4.68	4.89
Commonwealth Bank	9.01	10.30	-1.28
CSL	6.47	5.29	1.18
Macquarie Group	5.24	3.18	2.06
Goodman Group	4.53	2.57	1.96
Xero	3.71	0.97	2.75
Block	3.08	0.23	2.85
Aristocrat Leisure	2.99	1.66	1.33
Rio Tinto	2.89	1.70	1.19

Sector Tilts

Sector	Fund %	Index ² %	Tilt %
Energy	3.10	4.08	-0.98
Materials	26.55	19.18	7.38
Industrials	1.43	6.18	-4.75
Consumer Discretionary	5.55	7.59	-2.05
Consumer Staples	2.46	3.58	-1.12
Health Care	8.46	9.71	-1.25
Financials	29.45	34.00	-4.55
Information Technology	11.02	5.03	5.99
Communication Services	2.48	2.32	0.16
Utilities	2.88	1.35	1.53
Real Estate	5.54	6.99	-1.44
Cash	1.07	0.00	1.07
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.



Subscribe to our monthly updates here

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 thematic 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.

Ausbil Investment
Management Limited
Level 27
225 George Street
Sydney NSW 2000
Australia
Toll Free 1800 287 245

This material is issued by Ausbil Investment Management Limited (Ausbil) ABN 26 076 316 473, AFSL 229722 as at November 2024 and is subject to change. The material is not intended to provide you with financial product advice. It does not take into consideration the investment objectives, financial situation or needs of any person. For this reason, you should, before acting on this material, obtain professional advice from a licensed financial adviser and read the relevant Product Disclosure Statement which is available at www.ausbil.com.au and the target market determination which is available at www.ausbil.com.au/invest-with-us/designand-distribution-obligations. Past performance is not a reliable indicator of future performance. Any reference to past performance is for illustrative purposes only and should not be relied upon on. Ausbil, its officers, directors and affiliates do not guarantee the performance of, a particular rate of return for, the repayment of capital of, the payment of distribution or income of, or any particular taxation consequences for investing with or in any Ausbil product or strategy. The performance of any strategy or product depends on the performance of the underlying investment which may rise or fall and can result in both capital gains and loss. Any references to particular securities or sectors are for illustrative purposes only. It is not a recommendation in relation to any named securities or sectors. The material may contain forward looking statements which are not based solely on historical facts but are based on our view or expectations about future events and results. Where we use words such as but are not limited to 'anticipate', 'expect', 'project', 'estimate', 'likely', 'intend', 'could', 'target', 'plan', 'believe', 'think', 'might' we are making a forecast or denote a forward-looking statement. These statements are held at the date of the material and are subject to change. Forecast results may differ materially from results or returns ultimately achieved. The views expressed are the personal opinion of the author, subject to change (without notice) and do not necessarily reflect the views of Ausbil. This information should not be relied upon as a recommendation or investment advice and is not intended to predict the performance of any investment or market. The actual results may differ materially from those expressed or implied in the material. Ausbil gives no representation or warranty (express or implied) as to the completeness or reliability of any forward looking statements. Such forward looking statements should not be considered as advice or a recommendation and has such should not be relied upon. To the extent permitted by law, no liability is accepted by Ausbil, its officers or directors or any affiliates of Ausbil for any loss or damage as a result of any reliance on this information. While efforts have been made to ensure the information is correct, no warranty of accuracy or reliability is given, and no responsibility is accepted for errors or omissions. Any opinions expressed are those of Ausbil as of the date noted on the material and are subject to change without notice.