

Ausbil Global SmallCap Fund

Quarterly performance update

March 2022

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
Fax 61 2 9259 0222

'We continue to see more attractive valuations in smaller companies and quality businesses exposed to more cyclical end-demand'

Performance Review

Fund performance for the quarter ending March 2022 was -21.49% (net of fees) versus the benchmark return of -9.48%, as measured by the MSCI World Small Cap Net Total Return Index.

MSCI World Small caps fell 9.48% in AUD terms over the quarter, as rising inflation concerns, higher bond yields and Russia's ongoing invasion weighed on equities. Across the quarter, the Energy sector led the market up 31%. The Utilities, Materials, Financials, Real estate and Consumer Staples sectors also outperformed the market. The Consumer Discretionary, Health Care, Information Technology, Industrials and Consumer Services sectors lagged the market. The US led the overall market. By contrast, the UK, parts of the European Union and the Japanese markets delivered poor returns in AUD terms over the month.

The fund underperformed the benchmark by 12.02% over the quarter. Both asset allocation and stock selection were negative contributors for the month, with holdings in the Health Care and Consumer Discretionary sectors particularly disappointing. The Fund's performance suffered relative to the benchmark owing to the relative bias towards high quality companies and companies with positive earnings revisions, with the market rewarding the opposite characteristics over the period.

Outlook

Uncertainties have risen in the first quarter of 2022 with Russian invasion, spiking global food and energy prices, and the start of the Fed's monetary tightening cycle. While there are downside risks to global economic growth, the post pandemic recovery remains robust backed by strong consumers, tight labour market, supportive fiscal and monetary policies and continued manufacturing and services expansion. Bond yields have risen higher and 6-month CPI prints remains elevated. Valuation headwinds look set to continue for global mid and large caps. We continue to see more attractive valuations in smaller companies and quality businesses exposed to more cyclical end demand.

Further market volatility over the short term seems likely over concerns on increased risk on central bank policy error, ongoing geopolitical situation and further disruptions to global supply chains. We remain watchful of equity valuations where positioning remains stretched, particularly in the defensive growth and global mid and large caps segment. The Fund continues to find significant levels of unrecognised growth in our market of under researched small caps.

Region Allocation

Country	Fund %	Index ² %	Tilt %
North America	59.32	63.95	-4.64
Emerging Markets	0.00	0.00	0.00
Japan	4.57	9.71	-5.14
United Kingdom	5.11	6.10	-0.99
Europe (Ex United Kingdom)	30.52	14.56	15.95
Asia Pacific (Ex Japan)	0.00	5.67	-5.67
Other	0.00	0.00	0.00
Cash	0.48	0.00	0.48
Total	100.00	100.00	0.00

Performance

Returns¹ as at 31 March 2022

Period	Fund Return % Net	Benchmark ² %	Out/Under Performance % Net
1 month	-4.84	-2.48	-2.36
3 months	-21.49	-9.48	-12.02
6 months	-17.99	-8.06	-9.93
FYTD	-13.21	-5.81	-7.41
CYTD	-21.49	-9.48	-12.02
1 year	-7.53	0.32	-7.84
2 years pa	18.78	20.94	-2.16
3 years pa	7.85	9.63	-1.77
Since inception Date: 31 May 2018	5.98	7.81	-1.84

Top 10 Stock Holdings

Name	Fund %	Index ² %	Tilt %
Repligen	4.61	0.12	4.49
MasTec	4.59	0.07	4.53
Atkore	4.42	0.06	4.36
Evercore	4.08	0.05	4.02
InMode	3.96	0.00	3.96
Qt Group	3.63	0.03	3.60
Moelis & Co.	3.44	0.04	3.41
Hannon Armstrong	2.96	0.05	2.91
Applied Industrial Technologies,	2.67	0.05	2.62
EMCOR Group	2.52	0.08	2.45

Style Tilts

	Return on invested capital	Debt to equity	Dividend yield	Price to free cash flow
Portfolio	21.1	60.1	1.2	15.2
Benchmark ²	7.0	98.7	1.5	22.3

Sector Allocations

Sector	Fund %	Index ² %	Tilt %
Energy	0.00	5.05	-5.05
Materials	4.06	7.94	-3.88
Industrials	32.87	18.68	14.19
Consumer Discretionary	8.11	12.15	-4.05
Consumer Staples	1.47	4.39	-2.92
Health Care	18.73	9.80	8.92
Financials	16.29	13.64	2.65
Information Technology	10.11	11.91	-1.80
Communication Services	1.91	3.12	-1.20
Utilities	0.00	2.92	-2.92
Real Estate	5.99	10.41	-4.42
Cash	0.48	0.00	0.48
Total	100.00	100.00	0.00

1. Fund returns are net of fees.

2. The benchmark is MSCI World Small Cap Net Total Return (TR) Index in AUD.



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

Unless otherwise specified, any information contained in this publication is current as at the date of this report and is prepared by Ausbil Investment Management Limited (ABN 26 076 316 473 AFSL 229722) (Ausbil). Ausbil is the issuer of the Ausbil Global SmallCap Fund (ARSN 923 619 625) (Fund). This report contains general information only and the information provided is factual only and does not constitute financial product advice. It does not take account of your individual objectives, financial situation or needs. Before acting on it, you should seek independent financial and tax advice about its appropriateness to your objectives, financial situation and needs. Securities and sectors mentioned in this monthly report are presented to illustrate companies and sectors in which the Fund has invested and should not be considered a recommendation to purchase, sell or hold any particular security. Holdings are subject to change daily. The value of an investment and the income from it can fall as well as rise and you may not get back the amount originally invested. Past performance is not a reliable indicator of future performance. Unless otherwise stated, performance figures are calculated net of fees and assume distributions are reinvested. Due to rounding the figures in the holdings, breakdowns may not add up to 100%. No guarantee or warranty is made as to the accuracy, adequacy or reliability of any statements, estimates, opinions or other information contained herein (any of which may change without notice) and should not be relied upon as a representation express or implied as to any future or current matter. You should consider the Product Disclosure Statement which is available at www.ausbil.com.au and the target market determination which is available at <https://www.ausbil.com.au/invest-with-us/design-and-distribution-obligations/fund-tmds> before acquiring or investing in the fund. Source: MSCI. The MSCI information may only be used for your internal use, may not be reproduced or disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. Further information is available at www.msci.com.