PORTFOLIO UPDATE

HNW Australian Equity Concentrated Portfolio

Monthly Report August 2026

HNW NEXUS Planning
HNW Planning Pty Ltd | ABN 42 083 745 055

- Over August, Australian markets saw significant volatility, with the average daily trading range closing at close to 8%. Overall, the reporting season was solid, with healthcare, copper and gold miners offsetting concerns about consumer spending.
- The **HNW Australian Equity Concentrated Portfolio** gained +1.7%, outperforming the benchmark return of 1.5%, a pleasing outcome following a positive reporting season.
- It was pleasing to see that portfolio companies, on a weighted-average basis, increased dividends by 32% in the August reporting season. We view dividends as a more accurate measure than earnings per share for gauging a company's actual financial health. While in the short term the market is a voting machine, rewarding popular companies, in the long term it is a weighing machine that recognises companies that consistently pay dividends to shareholders.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	12m rolling	Incept annual
HNW Equity Concentrated Portfolio	-3.2%	2.1%	-0.6%	1.0%	1.1%	3.8%	-1.0%	2.5%	0.5%	0.9%	2.1%	1.7%	11.3%	8.0%
ASX 200TR	-0.8%	0.4%	-2.7%	1.3%	1.8%	4.1%	-7.1%	2.2%	1.1%	0.7%	2.3%	1.5%	4.4%	9.6%
Active return	-2.5%	1.7%	2.0%	-0.3%	-0.7%	-0.3%	6.2%	0.3%	-0.7%	0.2%	-0.1%	0.2%	6.9%	-1.7%

Portfolio Objective

Investments within the Australian Equity portfolio are selected based on the highest conviction. This may result in some GICs being over- or underrepresented relative to the index.

Appropriate Investors

Accumulation for entities wanting higher conviction or that have more limited resources.

Portfolio Details

Benchmark	Not Aware
Number of Stocks	10-15
Asset Allocation	100% Equity
Inception Date	30th November 2022
Security Target	within 5% of S&P ASX 200 weights

Performance Update

The key news over the month was the heightened volatility around earnings season, with both small positive and negative misses seeing large share price movements on results day.

The dominant themes of the August reporting season were concerns about consumer confidence and the dramatic slowdown in bank loan applications resulting from major tax changes announced in the May budget. Conversely, the beaten-up healthcare sector was stronger, along with gold and copper miners.

Top Dividend Gross Yield end August 2026

Company	Yield
Commonwealth Bank	4.1%
Woodside	7.3%
ANZ Bank	6.9%
Ampol	6.2%
Transurban	5.0%

Estimated portfolio metrics for FY27

	ASX 200	HNW Con
PE (x) fwd.	17.5	14.8
Dividend yield (net)	3.4%	4.9%
Est Franking	67%	82%
Grossed Up Yield	**4.3%**	**6.4%**
Number of stocks	200	17
Avg mcap $B	11	69
Beta (3mth rolling)	1.0	0.93

Source: Bloomberg & UBS

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Portfolio Performance

In August, the **HNW Australian Equity Concentrated Portfolio** gained 1.7%, outperforming the benchmark return of 1.5%, in a volatile month.

Over the month, positions in CSL (+39%), Newmont (+31%), Whitehaven (+22%), Mineral Resources (+11%), and Ampol (+8%) added value.

On the negative side of the ledger, Sonic Healthcare (-11%), The Lottery Corporation (-10%), and QBE Insurance (-9%) weighed on performance. All three companies provided solid results and increased dividends. Additionally, not owning BHP (+9%) hurt relative performance, as the market continues to reward copper companies.

Dividends signal the health of a company:

When a company reports results, one of the first things we look at is the dividend paid, as it is the best indication of a company's actual health. A company's board is unlikely to raise dividends if business conditions are worsening. Also, earnings per share can be restated later due to "accounting opinions" or financial shenanigans from the CFO. However, once dividends are paid into bank accounts, they can never be taken back.

In August, the Portfolio increased dividends by 32%, with help from Ampol and Suncorp, which increased dividends by 363% and 27%, respectively. Excluding Ampol, dividends across the Portfolio were up 6%.

Portfolio Trading

No trading was done over the month

Performance Calculation Methodology

The following conventions have been adopted for calculating performance:

- Transaction expenses of 10bp are applied to Portfolio buy and sells. Transaction expenses are capitalised into the cost base. Rebalancing transactions incur transaction expenses.
- Cash-flow from dividends is credited on the ex-date rather than the pay date. Franking is not considered, which is consistent with the benchmark's calculation methodology. Cash-flow from dividends is assumed to be reinvested in issuer stock at the closing price on the ex-date.
- The Portfolio can participate in entitlement-based capital raisings; however, it cannot participate in institutional raisings.
- The Portfolio must fund the required amount by the sale of the equivalent amount of equity. In the event of a subsequent scale-back the Portfolio will also record the pro-rata amount of script issued.
- Performance does not include consideration of taxation including capital gains tax.
- Performance numbers are presented on an unaudited basis