

PORTFOLIO UPDATE

HNW Australian Equity Concentrated Portfolio

Monthly Report October 2025

- Global markets posted solid gains in October, with investor optimism back on track after a slight wobble in October. Domestically, the key news over the month was the quarterly trading updates that many companies provided at their Annual General Meetings, which were generally positive. This was overshadowed by a spike in inflation for the October quarter that took the expected Melbourne Cup Day rate cut off the table.
- The **HNW Australian Equity Concentrated Portfolio** gained by 2.1%, outperforming the benchmark return of 0.36%. A pleasing outcome with mostly positive trading updates offsetting CSL news about newly flu vaccine-shy Americans.
- As expected, no Portfolio companies declared dividends in October, which is a "dead" month coming between the mid-year reporting season and the November banks reporting season. This will change in November, with healthy dividends expected from companies in the Portfolio with October year ends reporting results.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	12m rolling	Incept annual
HNW Equity Concentrated Portfolio	2.7%	-2.6%	5.2%	-3.5%	-3.1%	0.7%	4.3%	1.4%	3.9%	0.9%	-3.2%	2.1%	8.5%	6.2%
ASX 200TR	3.8%	-3.2%	4.6%	-3.8%	-3.4%	3.6%	4.2%	1.4%	2.4%	3.1%	-0.8%	0.4%	12.5%	10.7%
Active return	-1.1%	0.6%	0.7%	0.2%	0.3%	-2.9%	0.1%	0.0%	1.5%	-2.2%	-2.5%	1.7%	-4.0%	-4.5%

Portfolio Objective

Investments within the Australian Equity portfolio is selected based on 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	30 th November 2022
Security Target	within 5% of S&P ASX 200 weights

Performance Update

The key news over the month was the "hot" inflation print in late October that has almost certainly taken a Melbourne Cup Day rate cut off the table. The September quarter CPI number of 3.2% was the highest since June 2024, driven by a 9% increase in electricity prices, which was significantly influenced by the end of state electricity subsidies.

Top Dividend Gross Yield end October 2025

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

Estimated portfolio metrics for FY26

	ASX 200	HNW Con
PE (x) fwd.	19.5	14.6
Dividend yield (net)	3.3%	4.9%
Est Franking	67%	82%
Grossed Up Yield	4.0%	6.4%
Number of stocks	200	23
Avg mcap \$B	11	69
Beta (3mth rolling)	1.0	0.93

Source: Bloomberg & UBS

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HNW Australian Equity Concentrated Portfolio

October 2025

Portfolio Performance

In October, the **HNW Australian Equity Concentrated Portfolio** gained by 2.1%, outperforming the benchmark return of 0.4%.

Over the month, positions in Mineral Resources (+18%), ANZ (+10%), Whitehaven Coal (+9%), Woodside Energy (+8%), and Transurban (+5%) added value.

On the negative side of the ledger, CSL (-10%), The Lotteries Corp (-6%), and QBE Insurance detracted value, with the lotteries getting caught up in the retail sector sell-off. As detailed in the CSL AGM note sent out mid-month, the biotherapy company's share price was weaker due to lower US flu vaccine sales and delays in Chinese purchases of albumin. These are not company-specific issues, as competitors such as Takeda report identical issues.

Quarterly Updates: AGM Season

In October each year, listed Australian companies with a June financial year-end host their annual general meetings (AGMs) and provide their first-quarter trading updates.

The toll road operators owned by the Portfolio, Transurban and Atlas Arteria, posted strong traffic numbers. Transurban recorded a 3% increase in average daily traffic to 2.6 million daily trips, while Atlas Arteria saw a 1% increase in traffic and a healthy 11% increase in revenue, driven by inflation-linked toll price increases.

During the AGM season, we primarily saw mostly positive results across the retail sector, with grocers posting sales growth of 3-5%. Endeavour (owner of Dan Murphy's) reported a 1.4% decrease in sales, and Coles Liquor similarly experienced a decline in sales.

We observed a difference in the performance of energy producers Woodside (+8%) and Santos (-6%), with the former posting revenue increases over the first quarter, driven by outstanding asset reliability and higher production volumes. On the other hand, Santos saw revenues and production down due to higher maintenance across its Portfolio.

Portfolio Trading

No major 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 calculation methodology of the benchmark. 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, 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

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