PORTFOLIO UPDATE

HNW Australian Equity Concentrated Portfolio

Monthly Report October 2026

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

- Global equity markets in October were dominated by three main themes: rising bond yields, a sharp rise in oil prices, and a global sell-off in artificial intelligence and tech stocks. Government bond yields hit their highest levels in 15-20 years because of rising government deficits and competition for capital from a new source: AI hyperscalers and tech companies.
- The **HNW Australian Equity Concentrated Portfolio** had a strong month, up 2.73%, ahead of the index return of 1.38%. The key themes driving markets over the month played well to the current portfolio positioning in the Concentrated Portfolio, with a large weight to energy, insurance and no tech exposure.
- 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 Portfolio companies reporting profit results.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	12m rolling	Incept annual
HNW Equity Concentrated Portfolio	-0.6%	1.0%	1.1%	3.8%	-1.0%	2.5%	0.5%	0.9%	2.1%	1.7%	-1.4%	2.7%	14.1%	8.0%
ASX 200TR	-2.7%	1.3%	1.8%	4.1%	-7.1%	2.2%	1.1%	0.7%	2.3%	1.5%	-2.4%	1.4%	3.7%	8.9%
Active return	2.0%	-0.3%	-0.7%	-0.3%	6.2%	0.3%	-0.7%	0.2%	-0.1%	0.2%	1.0%	1.4%	10.4%	-0.9%

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 this month was the rise in global bond yields, driven by higher oil prices, inflation and large debt issuance to fund AI hyperscalers. Governments globally that need to refinance ever-increasing amounts of debt now have a competitor for capital that did not exist a few years ago. In 2026, tech and AI companies are expected to raise between US$300 and $570 billion in debt, rising to US$1 trillion in 2027.

Oil posted strong gains in October 2026, up +16% to US$113/bl, marking its fourth consecutive monthly increase driven by supply concerns and increasing tensions with Iran.

Top Dividend Gross Yield end September 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 October, the **HNW Australian Equity Concentrated Portfolio** gained 2.7%, significantly ahead of the benchmark's return.

Positions in QBE Insurance (+12%), Lotteries Corp (+11%), CSL (+9%), ANZ Bank (+7%), Amcor (+9%), Woodside (+5%) and Transurban (+5%) added value. Additionally, our caution towards iron ore was rewarded, with the share prices of the large miners finally following the downward moves in the iron ore price.

On the negative side of the ledger, Mineral Resources (-16%) fell on news that Europe will cap Chinese EV imports (using lithium) at 350,00 cars per annum to protect German and French carmakers. Ultimately, caps or tariffs on imported cars will not work if China can produce a superior EV at a lower price point than its European rivals.

Ampol (-13%) was weaker despite reporting quarterly results that doubled refining margins; this was below market expectations, with crack spreads lower due to planned maintenance at its Lytton refinery.

Portfolio Trading

No trading was done during 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

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