

PORTFOLIO UPDATE

HNW Australian Equity Income Concentrated Portfolio

Monthly Report March 2026

- March was a very volatile month dominated by Trump's ever-changing announcements on Iran, with markets falling on his plans to "blow up desalination plants in Iran if no deal reached" or "obliterate Iranian oil and energy sites if it refuses a deal to end the war". Conversely, we saw sharp albeit temporary rallies over the month when Trump announced that the "US was in serious discussions with the Iranian regime to end military operations" and that "Iran had sent the US a 'present' that was oil and gas-related".
- The **HNW Australian Equity Income Focus Portfolio** fell by -1.4%, a pleasing outcome in a month where the wider ASX200 fell by -7.2%.
- March was another solid month for income for our investors, with seven positions held by the Portfolio paying dividends.

	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	12m rolling	Incept annual
HNW Equity Income Concentrated Portfolio	1.1%	3.9%	0.4%	3.8%	3.8%	-2.8%	1.8%	0.4%	0.9%	0.4%	3.7%	-1.4%	17.1%	5.8%

Portfolio Objective

Investment decisions are determined by the ability of the companies to maintain or grow income to shareholders or that are likely to provide franking credits (including contemplation of possible off-market buybacks).

Appropriate Investors

Pensioners or otherwise low marginal tax rate investors who might have more limited resources or otherwise use other investments as a diversifier.

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

Market Update

Over the month, the news was dominated by macroeconomic events in the Middle East and the US military operation in Iran. These events saw oil prices rise by 51% to US\$118/bl, with natural gas, thermal coal, and refining spreads rising alongside. Over the month, the market saw temporary rallies following announcements by the US President, which later reversed when they proved not to be factually correct.

There was little stock-specific news in March, following the February reporting season. In March, the Reserve Bank increased the cash rate by 0.25% to 4.1%, marking the second rate increase this year.

Top Positions March 2026 Yield (incl-franking)

Position	Yield
Woodside	9.1%
ANZ Bank	8.2%
Transurban	5.0%
Westpac	6.2%
Ampol	6.2%

Estimated portfolio metrics for FY26

	ASX 200	HNW Con
PE (x) fwd.	17.6	15.0
Dividend yield (net)	3.5%	5.2%
Est Franking	67%	81%
Grossed Up Yield	4.4%	6.8%
Number of stocks	200	15
Avg mcap \$B	11	55
Beta (3mth rolling)	1.0	0.91

Source: Bloomberg & UBS

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Portfolio Performance

In March, the **HNW Australian Equities Income Concentrated Portfolio** fell by -1.4%.

Over the month, positions in Woodside (+24%), Ampol (+20%), Whitehaven (+19%), and added value. All these companies will benefit from higher energy prices and higher inflation.

On the negative side of the ledger, Amcor (-17%), Sonic Healthcare (-11%), and ANZ Bank (-10%) detracted value.

What does a higher energy cost mean?

Higher energy costs will impact every sector of the economy, including mining, agriculture, and transport, and will likely lead to stickier, higher inflation. Higher energy costs will likely lead to less consumer discretionary spending and business investment, as both hold off on discretionary spending decisions.

The Portfolio currently includes companies with contracts that shield them from inflation and focuses on owning lowly geared companies that will see minimal impact from rising interest rates.

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 sell. 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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