

PORTFOLIO UPDATE

HNW Australian Equity Income Concentrated Portfolio

Monthly Report September 2025

- After an unusual five consecutive months of solid gains since Trump's "Liberation Day", in September the ASX200 posted its first negative month since March. Returns on the ASX in September were skewed by the gold and base metal mining sectors, with all other sectors averaging a 3% decline over the month. September has historically been a weaker month for markets, as investors receive dividends from the August reporting season, with reinvestment beginning in October.
- The **HNW Australian Equity Income Concentrated Portfolio** fell 2.8%, a disappointing outcome driven by macroeconomic fears and the absence of gold stocks in the Portfolio, rather than concerns about individual company profits in 2026. Structurally, the HNW Income Portfolio is unlikely to own any gold stocks, as the yields of the gold companies are all significantly below the Portfolio's minimum yield threshold.
- September was a very active month for dividends, with six companies paying dividends during the month.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	12m rolling	Incept annual
HNW Equity Income Concentrated Portfolio	-3.0%	2.7%	-2.7%	4.2%	-3.2%	-0.9%	1.1%	3.9%	0.4%	3.8%	3.8%	-2.8%	7.0%	4.7%

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 used with 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

The key news over the month was the gold price continuing to rise due to concerns about governments debasing currencies and escalating geopolitical tensions. Across the ASX 200, gold miners gained +24% and added nearly a full percentage point to index returns following a 12% increase in the metal to US\$3,825 per ounce. On the other hand, oil prices decreased by 1.6% to US\$67 per barrel following the announcement of increased production by OPEC countries and Trump's Gaza peace plan.

Oil stocks were weaker after Abu Dhabi National Oil Co. walked away from its \$36 billion takeover offer for Santos (-14%). This would have been the largest all-cash takeover in Australian history.

Top Positions September 2025 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.	19.5	14.8
Dividend yield (net)	3.3%	5.2%
Est Franking	67%	81%
Grossed Up Yield	4.0%	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 September, the **HNW Australian Equities Income Concentrated Portfolio** fell by 2.8%, underperforming the benchmark return of -0.7% due to global macro fears and not owning any red-hot gold stocks, rather than stock-specific news.

Over the month, positions in Dexus Industrial (+3%), Dalrymple Bay Infrastructure (+7%), Ampol (+2%), Dyno Nobel (+2%), and Westpac (+1%) added value.

On the negative side of the ledger, Woodside Energy (-13%), Sonic Healthcare (-9%), and Transurban (-5%) detracted value on no new news.

Portfolio Trading

Over the month, we added a new position, Dalrymple Bay Infrastructure (+7%), a coal export terminal in Queensland, with take-or-pay contracts, which trades on an attractive 6% dividend yield. Dalrymple Bay Infrastructure has been on our radar for several months, and the exit of Brookfield provided an attractive entry point. This was funded by reducing the weight to the Lotteries Corporation

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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