

# PORTFOLIO UPDATE

## HNW Australian Equity Income Concentrated Portfolio

Monthly Report April 2025

- April proved to be the most volatile month for many years, with the ASX collapsing by -6.5% on the 7th of April on tariff concerns, before recovering over the back end of the month predominantly due to offshore inflows into the ASX attracted Australia's "safe haven" status and isolation from the vagaries of US trade policy. Indeed, the ASX was the top-performing developed market in April. The high degree of volatility saw the Portfolio's relative performance against the index swing around daily.
- The **HNW Australian Equity Income Concentrated Portfolio** gained by 1.11%. April, as always, was a light month for dividends, though this will change in May and June.

	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	12m rolling	Incept annual
HNW Equity Income Concentrated Portfolio	-0.2%	-2.7%	4.5%	-1.5%	2.2%	-3.0%	2.7%	-2.7%	4.2%	-3.2%	-0.9%	1.1%	0.1%	2.0%

### 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 <sup>th</sup> November 2022
Security Target	within 5% of S&P ASX 200 weights

### Market Update

The key market news in April was that the United States had placed reciprocal tariffs on countries with which it had a trade deficit. Just as quickly as the tariffs were announced, President Trump changed course and released a 90-day pause on his "reciprocal" tariffs. This saw markets begin their rebound to finish in positive territory. Domestically, inflation continues to trend down, with the March quarter coming in at +2.4%. This paves the way for the RBA to cut the cash rate further in 2025.

### Top Positions April 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 FY25

	ASX 200	HNW Con
PE (x) fwd.	18.0	13.1
Dividend yield (net)	3.4%	5.9%
Est Franking	67%	81%
<b>Grossed Up Yield</b>	<b>4.0%</b>	<b>7.5%</b>
Number of stocks	200	15
Avg mcap \$B	12	55
Beta (3mth rolling)	1.0	0.91

Source: Bloomberg & UBS

# PORTFOLIO UPDATE

## HNW Australian Equity Income Concentrated Portfolio

April 2025

### Portfolio Performance

In April, the **HNW Australian Equity Portfolio** gained by +1.11%.

Over the month, positions in Region (+12%), Wesfarmers (+9%), Atlas Arteria (+7%) and Transurban (+5%) added value, with the latter two toll roads giving solid quarterly updates. On the negative side of the ledger, Dyno Nobel (-11%), Woodside (-10%) and Amcor (-5%) detracted value.

### Portfolio Trading

Over the month, we added to Region and Charter Hall Retail and established a new position in Sonic Healthcare.

Sonic Healthcare is the largest pathology player in Australia and Europe and the third largest in the US. Sonic gives investors exposure to the rising demand for medical testing, exacerbated by new medical technologies, an aging population, and doctors' desire to cover themselves against malpractice claims by increasing the number of tests ordered.

### 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

HNW Guided Portfolios are managed by HNW Planning's Investment Committee which receives guidance from several expert asset consultants. Changes to the Guided Portfolios are put forward by HNW Planning [AFSL 225216] as its advice to you. Whilst HNW Planning is supported by external consultants in its advice to clients, HNW Planning, is responsible for the appropriateness of advice to clients, and its implementation and execution. Neither HNW nor its expert asset consultants guarantee returns, investment performance or the money you invest.