

PORTFOLIO UPDATE

HNW Australian Equity Income Concentrated Portfolio

Monthly Report March 2025

- March saw volatility continue with uncertainty from Trump's erratic trade policies, resulting in a broad-based sell-off on the ASX. The ASX200 was a relative outperformer in the month, falling -3.4%, less than Europe -4% or the USA -5.9%. At the start of April, tariff talk was again seen at a fever pitch in the financial press. While Trump's tariffs dramatically impact valuations, most of the companies held in the Portfolio will see no impact on earnings and dividends from US tariffs.
- The **HNW Australian Equity Income Concentrated Portfolio** fell by only -0.93%, a pleasing outcome in what proved to be a pretty grim month for equity investors.
- Five companies declared dividends in March, which will see cash balances swell in April.

	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	12m rolling	Incept annual
HNW Equity Income Concentrated Portfolio	-4.0%	-0.1%	-2.3%	4.5%	-1.5%	2.2%	-3.0%	2.7%	-2.7%	4.2%	-3.2%	-0.9%	-4.6%	2.6%

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

There is always very little stock-specific news in March, following directly after the February reporting season. The month was dominated by macroeconomic fears of the possible global slowdown driven by tariffs placed on goods entering the United States. Australia has run a trade deficit with the USA since the Korean War in the 1950s, and there are very few listed Australian companies that export to the USA.

Top Positions March 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.	16.7	13.1
Dividend yield (net)	3.6%	5.9%
Est Franking	67%	81%
Grossed Up Yield	4.1%	7.5%
Number of stocks	200	15
Avg mcap \$B	12	55
Beta (3mth rolling)	1.0	0.91

Source: Bloomberg & UBS

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Portfolio Performance

In February, the **HNW Australian Equity Income Concentrated Portfolio** fell by -0.9%. Overall, we were pleased with this result.

Over the month, positions in Charter Hall Retail (+7%), Mineral Resources (+6%), QBE (+5%) and Transurban (+2%) added value. This was offset by falls in Ampol (-11%) and Amcor (+5%).

Portfolio Trading

Over the month, we added to Atlas Arteria, which was trading cum dividend, funded from a sale of the position in Mineral

Resources, which was removed to concerns about near-term distributions.

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