

PORTFOLIO UPDATE

HNW Australian Equity Income Concentrated Portfolio

Monthly Report September 2026

- The **HNW Australian Equity Income Focus Portfolio** increased by 0.6%, a pleasing outcome that demonstrated the portfolio's defensive characteristics. Performance was driven by the Portfolio's exposure to energy, healthcare and insurance.
- September was a very active month for income in the Portfolio with nine companies declaring dividends, which will flow into our investors' accounts over the next few weeks. In October, eight companies are expected to provide trading updates and production results at their AGMs, giving investors a look at how the businesses have performed since their August results.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	12m rolling	Incept annual
HNW Equity Income Concentrated Portfolio	1.8%	0.4%	0.9%	0.4%	3.7%	-1.4%	1.3%	0.4%	1.9%	2.4%	-3.0%	0.6%	9.7%	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 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

The key news this month was the rise in global bond yields, driven by higher oil prices and persistent inflation pressures. Globally, central banks, including the US, ECB and Japan, raised interest rates to combat rising inflation fears. Domestically, the RBA also raised interest rates for the fourth time this year to 4.6%, with expectations of one more hike before the end of the year.

Lower commodity prices drove down the ASX, with iron ore finishing below US\$95/t, copper falling by 4% and gold falling due to high bond yields. These commodity moves saw the wider materials sector down -6% for the month.

Top Positions August 2026 Yield (incl-franking)

Position	Yield
Woodside	8.0%
ANZ Bank	6.8%
Transurban	5.0%
Westpac	6.2%
Ampol	8.0%

Estimated portfolio metrics for FY27

	ASX 200	HNW Con
PE (x) fwd.	17.5	15.0
Dividend yield (net)	3.4%	5.2%
Est Franking	67%	81%
Grossed Up Yield	4.3%	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** increased by 0.6%.

Higher Interest Rates for Longer

In September, we saw uniform selling in equities due to risks around rising interest rates and uncertainty about how higher rates will affect different companies.

However, some companies actually benefit from higher interest rates. In the Portfolio, we have significant exposures to insurers QBE, Suncorp, and Medibank Private, all of which have an insurance float of billions to tens of billions that they can invest because of the timing of receiving premiums and paying claims. Further, debt-free companies are indifferent to higher interest rates, such as JB Hi-Fi and Dyno Nobel, both of which have a net cash position and earn interest income on their cash.

Portfolio Trading

No trading was done this 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