



Calculated by  
**S&P Dow Jones  
Indices**

# Hamilton12

## Australian Shares Income Fund

APIR: HMN7149AU

### Evidence-Based, Systematic Investment Strategies

The [Hamilton12 Australian Shares Income Fund](#) invests in ASX listed shares and adopts the same validated, evidence-based, systematic investment strategy as the S&P Dow Jones Indices calculated [Hamilton12 Australian Diversified Yield Index](#).

#### WHY INVEST?



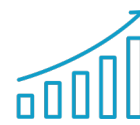
##### High Dividend

High dividend yield from companies paying franked dividends.



##### Optimised

Optimised for Australian superannuation funds, charities, not-for-profits, and tax-exempt investors.



##### Performance

Persistently outperforms the S&P/ASX 200 index for no incremental risk.

#### WHAT ARE THE RISKS?

Although every investment entails a degree of risk, Hamilton12 adeptly reduces risk in its investment portfolio through the utilisation of diverse monitoring procedures, with the goal of minimising overall portfolio risk.

One example of such an approach is the implementation of portfolio formation rules, which ensure that the portfolio maintains diversification across all 11 FTSE Industry Classification Benchmark (ICB) sectors.

For further details on the specific risks of investing in this Fund, please refer to the Information Memorandum.



Empirical evidence demonstrates ordinary shares paying high, franked dividends are no more expensive than stocks paying unfranked or zero dividends.

##### **Investors receive the franking credits for free.**

Additionally, funds that mirror the S&P/ASX 200 provide diversification but miss out on significant tax benefits. Achieving diversification is possible by spreading investments across various industries and companies of different sizes.

*Dr Jason Hall, Chief Investment Officer*





## Our Process: A unique investment approach

Hamilton12 follows a disciplined investment process that is:

### 1. Evidence-based and statistically robust

The Hamilton12 investment strategy is underpinned by empirical data and well-established academic research. Dr. Jason Hall, the Chief Investment Officer of Hamilton12, contributes to the evidence-based systematic approach through his co-authored, peer-reviewed research, which highlights that franking credits associated with dividends of ordinary shares are available for free.

### 2. Efficient

Hamilton12 advocates for minimising investment costs, including fees and expenses. High costs can significantly erode an investor's returns over time.

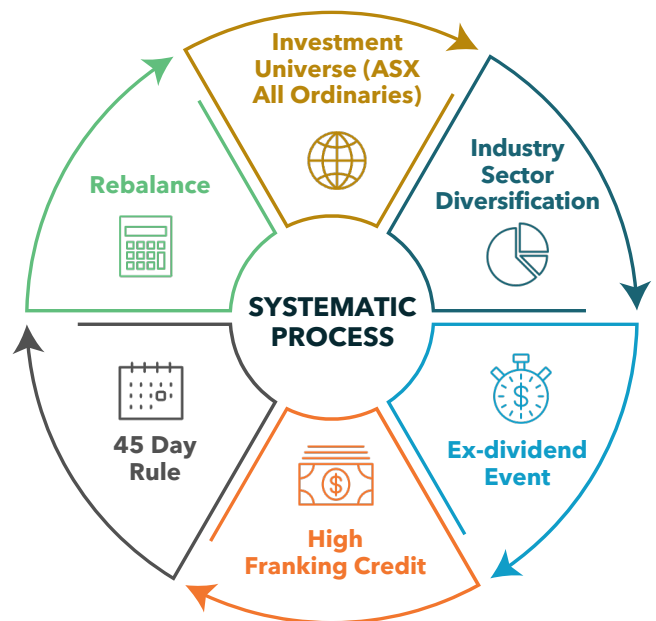
### 3. Objective

Hamilton12 adheres to a systematic 'rules-based' investment methodology, avoiding any subjective decision-making in the process of selecting stocks.

As part of Hamilton12's risk mitigation strategy, portfolio weights take account of the portfolio stocks' relative market capitalisation and liquidity. The fund holds approximately 100 stocks, diversified across industry sectors and stocks with large market capitalisation (approx. 90% of the All Ordinaries Index by market capitalisation) and medium market capitalisation (approximately 10% of the All Ordinaries Index by market capitalisation).

The investment approach is underpinned by a focus on after-tax returns for an Australian resident investor. The portfolio is rebalanced six times per year using a rules-based approach that allocates the portfolio towards stocks offering high franked dividend yield, while maintaining diversification across industry sectors.

All portfolio stocks are drawn from the All Ordinaries index and are projected to pay franked dividends within six months of a rebalancing date. Stock selection follows a systematic and objective analysis of analyst dividend forecasts, historical franking levels, company-specific timing of ex-dividend dates, and share prices on portfolio rebalancing dates.



## The Hamilton12 Difference

**Evidence-based investing.** Hamilton12 adopts an investment approach that emphasises making decisions based on well-substantiated and empirically supported research and data rather than relying on intuition, speculation, or emotions. The goal of evidence-based investing is to create a disciplined and systematic investment strategy that aligns with the principles of modern finance and investment theory.

**Systematic investing.** Hamilton12 implements an approach to investing in which a predetermined set of rules or strategies is followed consistently over time. This approach is used to remove emotions and biases from investment decisions, creating a disciplined and methodical way of investing.

Evidence-based investing provides the foundation for the rules that are established in systematic strategies. The research guides the creation of those rules, and the systematic approach ensures they're executed consistently.



## Key Personnel



**Dr Jason Hall**  
**Chief Investment Officer**  
**27 years experience**



Jason has been widely recognised for his work on imputation credits and his work on valuation has been relied upon by companies listed on the ASX, and by Australian state and federal government agencies.

Prior to co-founding Hamilton12, Jason was a Director of the consulting firm Cardinal Economics & Finance, a Director of Frontier Economics, a senior lecturer in finance at The University of Queensland Business School and an equity research analyst at Credit Suisse.

Jason is also a lecturer in finance at the Ross School of Business, University of Michigan and a board member of the CFA Society Detroit. He completed his PhD in Finance at The University of Queensland and is a CFA charter holder.



**Richard McDougall**  
**Managing Director**  
**24 years experience**



With over two decades of experience in financial markets, Richard has held pivotal advisory and executive positions in banking and investment firms, both domestically and internationally.

Prior to co-founding Hamilton12, Richard was a Director at the Westpac Group, the Queensland State Manager for Morgan Stanley Wealth Management, and a Director of UBS Wealth Management.

Richard contributes as an Advisory Board Member of the UQ Institute for Molecular Bioscience, holds a Bachelor of Laws and Commerce from Bond University and a Master of Business Administration (Hons) from The University of Queensland.

## The Investment Manager

Hamilton12 was formed in 2017 and focuses on creating evidence-based, systematic investment strategies designed to help investors achieve positive risk-adjusted returns at a lower cost.

The Investment Manager believes that investors are searching for fee minimisation, tax efficiency, and above benchmark performance. Hamilton12 seeks to provide solutions by using portfolio formation techniques grounded in theory and evidence, and matched to risk constraints and return expectations of investors.

## Main Service Providers

### Trustee



K2 Asset Management Ltd

### Custodian & Administrator



Apex Fund Services Pty Ltd

### Tax



Ernst & Young Global Limited

### Legal



HWL Ebsworth Lawyers

### Audit



KPMG International Limited



## Fund Facts

Objective	The Fund aims to generate long-term after-tax returns in excess of the Benchmark after fees, including an annual gross dividend yield (including franking) that exceeds the gross dividend yield of the Benchmark.
Benchmark	S&P/ASX 200 Franking Credit Adjusted Daily TR Index (Superannuation) <sup>1</sup>
Inception	9 <sup>th</sup> September, 2022
Number of stocks	90 to 100
Buy/sell spread	+/- 0.20%
Management fee	0.60% p.a., exclusive of GST.
Performance fee	15%, exclusive of GST, of the amount by which the after-tax returns of the Fund exceed the after-tax returns of the Benchmark on a quarterly basis.
Applications	Daily.
Redemptions	Daily.
Income distribution	Quarterly.
Recommended minimum investment time frame	Suggested minimum investment time frame is 3 years.

**Note:**

1. The index employs a simple, transparent approach to measuring the after-tax performance for a superannuation investor in accumulation phase by incorporating the net tax effect of franking credits attached to both regular and special cash dividends (currently 15%).

## How to Invest

The Fund is available only to investors who qualify as Wholesale Clients under section 761G of the Corporations Act or to any other person who is not required to be given a regulated disclosure document under the Corporations Act.

### Direct Investment

You can invest directly with Hamilton12 as an investor or adviser and apply online or use our paper application.

[www.hamilton12.com](http://www.hamilton12.com)

### Invest via an adviser

You may be able to invest with Hamilton12 via your financial planner.

Please contact them directly or have them contact Hamilton12 at [clientservices@hamilton12.com](mailto:clientservices@hamilton12.com)

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