

# Hamilton12 Australian Shares Income Fund

AS AT 28 FEBRUARY 2025

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

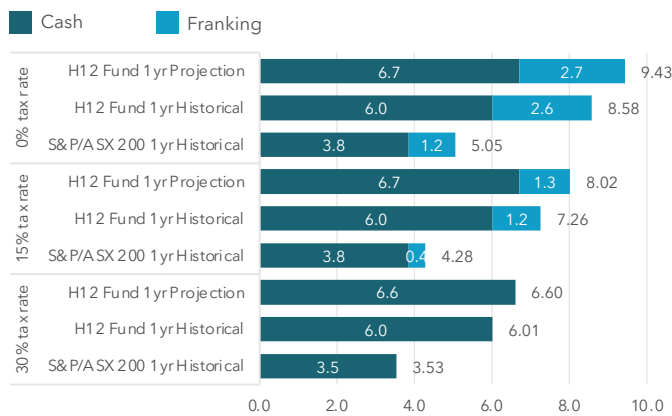
## INVESTMENT STRATEGY AND OBJECTIVE

The Fund invests in ASX listed shares and adopts the same evidence-based, systematic investment strategy as the S&P Dow Jones Indices calculated [Hamilton12 Australian Diversified Yield Index](#) (H12ADYI). The portfolio aims to generate long-term after-tax returns in excess of the Benchmark after fees, including an annual gross dividend yield that exceeds the gross dividend yield of the Benchmark.

## ABOUT HAMILTON12

Established in 2017, Hamilton12 is an active systematic investment manager designing evidence-based strategies to deliver low-cost, positive risk-adjusted returns. Prioritising after-tax returns, fee minimisation, and tax efficiency, we leverage academic research and advanced financial methods to provide innovative, robust, and transparent solutions. Our disciplined, rule-based approach removes emotional biases, ensuring consistent, rational decisions grounded in modern finance principles to achieve above-benchmark performance.

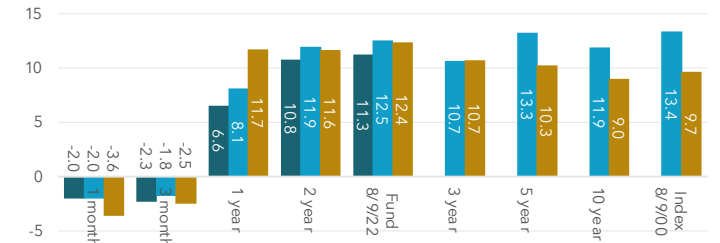
## AFTER-TAX DIVIDEND YIELD<sup>1</sup> (%)



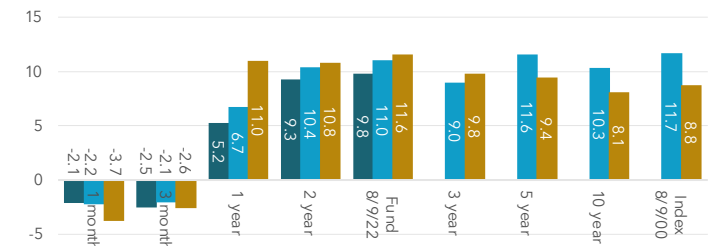
## PERFORMANCE AFTER FEES<sup>3</sup> (%)

■ Hamilton12 Income Fund ■ Hamilton12 Index (H12ADYI) ■ S&P/ASX 200

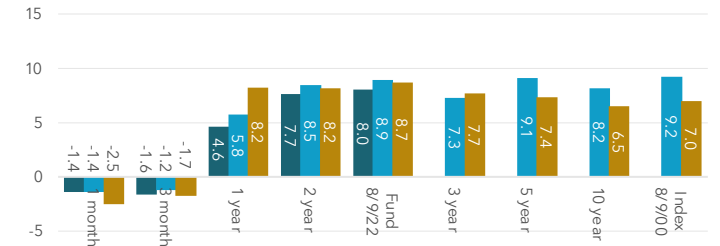
### TAX-EXEMPT ENTITY (0% TAX RATE)



### SUPER FUND PRE-RETIREMENT (15% TAX RATE)



### COMPANY ENTITY (30% TAX RATE)



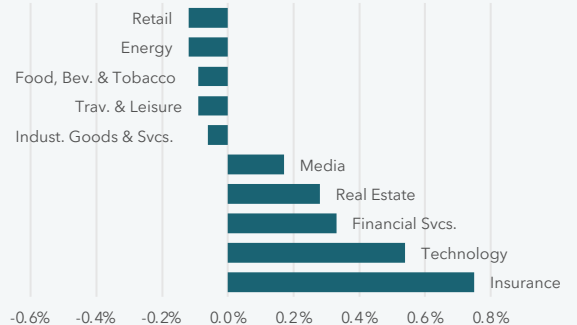
## PERFORMANCE COMMENTARY<sup>2</sup>

Our monthly commentary highlights consecutive periods of performance. Over the month ending February 2025, the fund outperformed the S&P/ASX 200. Value stocks outperformed growth stocks during this period with the MSCI Australia Growth Index earning pre-tax returns of -4.0% versus -3.8% for the MSCI Australia Value Index, a difference of 0.2% in favour of value.

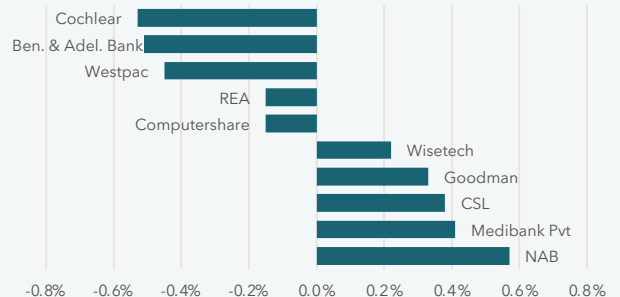
Our systematic approach prioritises high franked dividend yields and sector diversification, naturally creating a value orientation without explicitly targeting it. As the market continues to adjust, the recent fund performance aligns with our expectations and positions investors well for future market fluctuations. Historically, this strategy has effectively mitigated losses during downturns and facilitated quicker recoveries, as evidenced in the [Risk table on page 2](#).

ICB Supersectors impacting relative performance positively were Insurance (+0.7%), Technology (+0.5%), and Financial Services (+0.3%). The fund benefited from positions in the Health Insurance sector, with contributions from stocks like Medibank Private (up 11%, +0.4% relative contribution) and NIB (up 17%, +0.2% relative contribution). In Technology, not holding Wisetech (down 24%, +0.2% relative contribution) was advantageous, while a position in Data3 (up 13%, +0.1% relative contribution) bolstered performance. In Financial Services, the fund gained from its position in ASX (up 8%, +0.2% relative contribution) and from not holding Macquarie (down 4%, +0.1% relative contribution). Banks were a detractor this period, with Bendigo & Adelaide Bank (down 19%, -0.5% relative contribution) and Westpac (down 6%, -0.5% relative contribution) pulling down performance, somewhat mitigated by not holding NAB (down 12%, +0.6% relative contribution).

## ICB SUPERSECTORS



## STOCKS



1. After-Tax Dividend Yield, including accrued but undistributed income, reflects the dividend yield combined with the net tax benefit over the trailing 12 months of net dividends for securities held by the trust. The one-year projected yield is derived from an estimated buy-and-hold dividend yield based on analyst dividend projections, plus intra-year rebalancing of approximately 50% of the portfolio and 95% franking.  
 2. Performance commentary focuses on periods of consecutive overperformance or underperformance. There are 11 ICB Industries, 20 ICB Supersectors, 45 ICB Sectors and 173 Subsectors compiled by FTSE Russell.  
 3. Performance figures include franking credits, are calculated after fees have been deducted, and assume dividends have been reinvested. Taxes on capital gains are not accounted for in the computation of after-tax returns for tax-exempt and superannuation fund reporting. Taxes on capital gains are calculated at 30% for the computation of company returns. Returns greater than 1 year are annualised returns. Since inception, assuming first investment on 9 September 2022 for the H12 Australian Shares Income Fund and 8 September 2000 for the H12ADYI and the S&P/ASX200.

## SECTOR ALLOCATION<sup>4</sup>

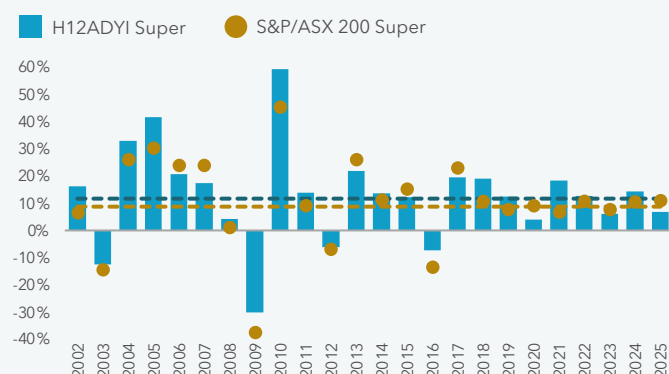
| Industry               | Fund  | S&P/ASX 200 |
|------------------------|-------|-------------|
| Financials             | 26.6% | 29.0%       |
| Basic Materials        | 21.0% | 17.9%       |
| Consumer Discretionary | 11.1% | 8.4%        |
| Industrials            | 9.3%  | 11.0%       |
| Health Care            | 7.9%  | 10.6%       |
| Energy                 | 5.7%  | 5.0%        |
| Real Estate            | 5.6%  | 7.1%        |
| Consumer Staples       | 4.2%  | 3.7%        |
| Technology             | 2.7%  | 2.1%        |
| Telecommunications     | 2.5%  | 3.9%        |
| Utilities              | 1.9%  | 1.2%        |
| Industry Active Share  |       | 10.2%       |

## TOP HOLDINGS<sup>4</sup>

| Company                 | Fund  | S&P/ASX 200 |
|-------------------------|-------|-------------|
| BHP Group               | 10.1% | 7.9%        |
| National Australia Bank | 4.6%  | 4.2%        |
| Westpac Banking         | 4.4%  | 3.8%        |
| ANZ Group Holdings      | 4.3%  | 3.3%        |
| Cochlear                | 4.1%  | 0.7%        |
| Suncorp Group           | 4.0%  | 0.8%        |
| Fortescue               | 3.8%  | 2.4%        |
| Rio Tinto               | 3.5%  | 1.7%        |
| Rea Group               | 3.4%  | 1.0%        |
| Woodside Energy Group   | 2.8%  | 1.9%        |
| Top 10                  | 45.0% | 27.7%       |
| Stock Active Share      |       | 62.0%       |

## RISK

Rolling 12-month historical performance of the [Hamilton12 Australian Diversified Yield Index](#) shows returns above that of the S&P/ASX 200 for relatively low incremental risk along with below-average downside risk.



| Concept                | Metric               | Super     | Tax-exempt |
|------------------------|----------------------|-----------|------------|
| Overall risk           | Standard deviation   | 15.5%     | 15.7%      |
|                        | S&P/ASX 200 Std dev  | 14.5%     | 14.6%      |
|                        | Maximum drawdown     | 43.1%     | 42.2%      |
|                        | Recovery             | 2.3 years | 2.1 years  |
|                        | S&P/ASX 200 max draw | 50.2%     | 49.4%      |
| Reward-for-risk        | S&P/ASX 200 recovery | 5.5 years | 5.5 years  |
|                        | Sharpe ratio         | 0.55      | 0.65       |
| Equity market exposure | ASX 200 Sharpe       | 0.39      | 0.45       |
|                        | Alpha                | 3.0%      | 3.6%       |
| Equity market exposure | Beta                 | 0.97      | 0.97       |
|                        | Upside capture       | 105%      | 107%       |
|                        | Downside capture     | 89%       | 88%        |

## FUND DETAILS

|                      |   |
|----------------------|---|
| Fund Benchmark       | S&P/ASX 200 Franking Credit Adjusted Daily (Superannuation) |
| Fund Inception Date  | 8 September 2022  |
| Reference Index      | Hamilton12 Australian Diversified Yield Index (H12ADYI)     |
| Index Launch Date    | 6 November 2020   |
| Index Inception Date | 8 September 2000  |
| Investment Manager   | Hamilton12 Pty Ltd  |
| Trustee              | K2 Asset Management Ltd                                     |
| Administrator        | Apex Group Ltd  |
| APIR                 | HMN7149AU   |
| Fund Net Assets      | \$15,855,787  |
| Applications         | Daily   |
| Redemptions          | Daily   |
| Distributions        | Quarterly   |

## CHARACTERISTICS

|                                     |              |
|-------------------------------------|--------------|
| Number of Holdings                  | 97           |
| % in Top 10 Holdings                | 45.0%        |
| NAV per A-class unit                | \$1.0331     |
| Franking Percentage <sup>5</sup>    | 99.34%       |
| Next distribution date <sup>6</sup> | 8 April 2025 |

## FEES AND COSTS

|                 |   |
|-----------------|---|
| Management Fee  | 0.60% p.a., exclusive GST   |
| Buy/Sell Spread | +/- 0.20%   |
| Performance Fee | 15%, exclusive of GST, of the amount by which the after-tax returns of the Fund exceed the returns of the Benchmark on a quarterly basis. |

- The table is based upon average weights in the Hamilton12 Australian Shares Income Fund at the end of each month for the 12 months at the end of the period, and the corresponding relative market capitalisation of stocks in the S&P/ASX 200. Active share is the sum of absolute differences between Hamilton12 Australian Shares Income Fund weight and S&P/ASX 200 weight, averaged across the six rebalancing dates.
- The franking percentage indicates the proportion of franking credits received from dividends since the fund's launch for a tax-exempt investor.
- Next distribution date for payment or reinvestment is subject to change.

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