

Hamilton12 Australian Shares Income Fund

AS AT 31 JANUARY 2025

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

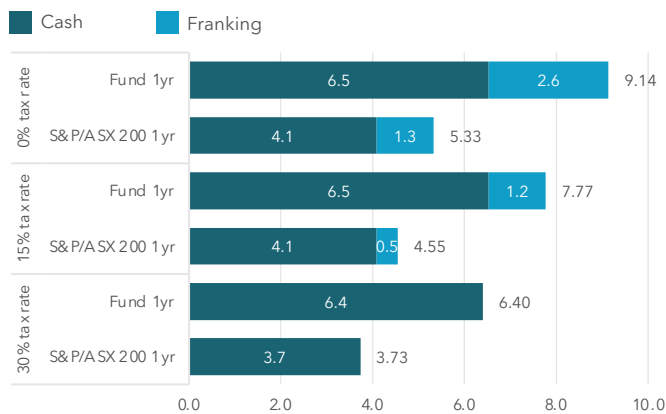
INVESTMENT STRATEGY AND OBJECTIVE

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.

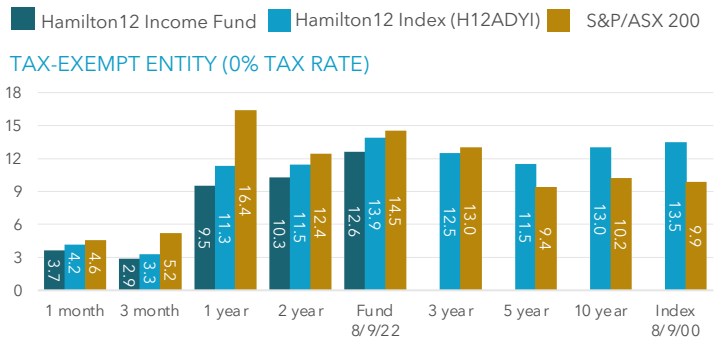
ABOUT HAMILTON12

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.

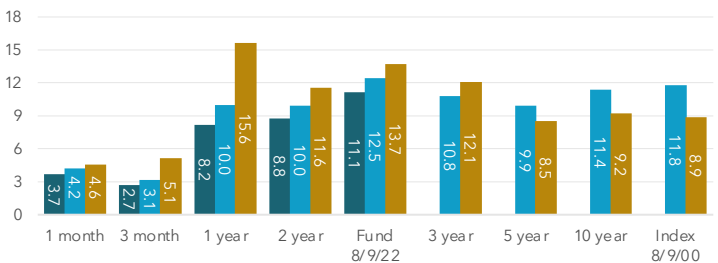
AFTER-TAX DIVIDEND YIELD¹ (%)



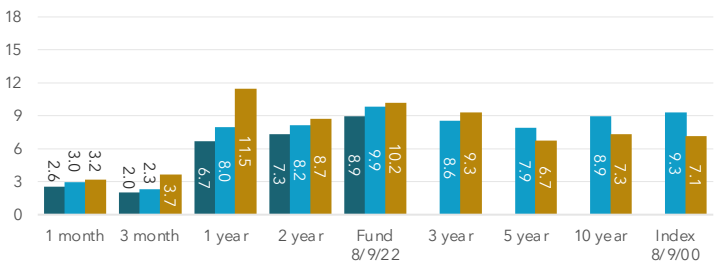
PERFORMANCE AFTER FEES³ (%)



SUPER FUND PRE-RETIREMENT (15% TAX RATE)



COMPANY ENTITY (30% TAX RATE)



PERFORMANCE COMMENTARY²

Our monthly commentary highlights consecutive periods of performance. Over the four months ending December 2024, the fund underperformed the S&P/ASX 200. Growth stocks outperformed value stocks, with the MSCI Australia Growth Index returning 7.8% pre-tax, compared to -0.7% for the MSCI Australia Value Index, an 8.5% difference favouring growth.

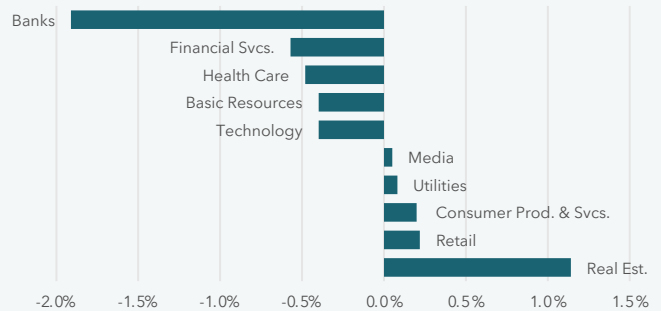
While market conditions continue to favour growth stocks, our systematic approach prioritises high franked dividend yields with sector diversification, creating a natural value tilt without explicitly targeting value. Although this strategy is likely to deliver positive absolute returns in growth-driven markets, we anticipate periods of relative underperformance. Importantly, the strategy has historically mitigated losses during downturns and supported quicker recoveries, as shown in the [Risk table on page 2](#).

ICB Supersectors impacting relative performance were Banks (-1.9%), Financial Services (-0.6%), and Health Care (-0.5%).

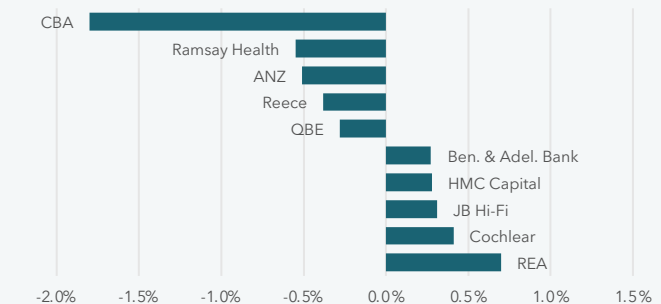
The fund benefitted from overweight positions in Real Estate services and development stocks, particularly REA (up 24%, +0.7% contribution) and HMC Capital (up 16%, +0.3% contribution). Only two REITs—Charter Hall and Abacus—were held during the period, as most REITs pay unfranked distributions. REITs contributed +0.1% to relative performance.

The absence of Commonwealth Bank in the portfolio (up 19%) detracted -1.8% from relative performance, while holding ANZ (up 3%) contributed -0.5%. Commonwealth Bank, which went ex-dividend in August 2024, is the lowest yielding of the four major banks. Overweight positions in Ramsay Health Care (down 19%, -0.5%) and the absence of Pro Medicus (up 56%, -0.2%) also weighed on performance.

ICB SUPERSECTORS



STOCKS



1. After-Tax Dividend Yield, including accrued but undistributed income, combines the dividend yield with the net tax benefit over the trailing 12 months of net dividends for securities held by the trust.
 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 ALLOCATION⁴

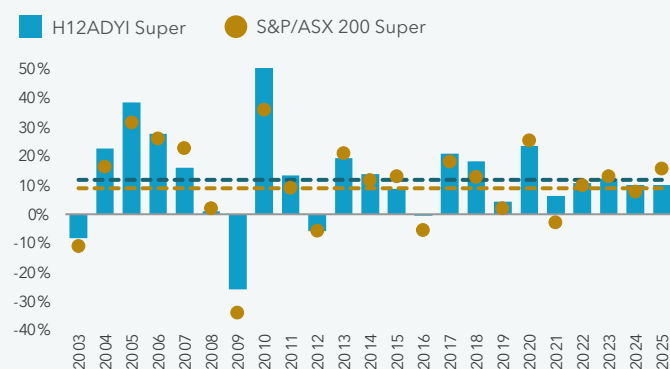
Industry	Fund	S&P/ASX 200
Financials	26.0%	29.4%
Basic Materials	21.2%	18.7%
Consumer Discretionary	11.1%	8.5%
Industrials	9.5%	8.9%
Health Care	8.1%	10.9%
Energy	5.7%	5.4%
Real Estate	5.6%	7.2%
Consumer Staples	4.2%	3.8%
Technology	2.6%	2.1%
Telecommunications	2.5%	3.8%
Utilities	1.9%	1.3%
Industry Active Share		9.5%

TOP HOLDINGS⁴

Company	Fund	S&P/ASX 200
BHP Group	10.1%	8.3%
National Australia Bank	4.8%	4.3%
ANZ Group Holdings	4.4%	3.4%
Cochlear	4.0%	0.8%
Fortescue	3.9%	2.5%
Suncorp Group	3.7%	0.8%
Westpac Banking	3.6%	3.9%
Rio Tinto	3.5%	1.7%
REA Group	3.4%	1.1%
Commonwealth Bank Of Australia	2.8%	8.6%
Top 10	44.4%	35.4%
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	0.56	0.66
Equity market exposure	ASX 200 Sharpe	0.40	0.46
	Alpha	2.9%	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	\$15,233,754
Applications	Daily
Redemptions	Daily
Distributions	Quarterly

CHARACTERISTICS

Number of Holdings	97
% in Top 10 Holdings	44.4%
NAV per A-class unit	\$1.0573
Franking Percentage ⁵	99.08%
Next distribution date ⁶	11 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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