

# Hamilton12 Australian Shares Income Fund

AS AT 30 SEPTEMBER 2024

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

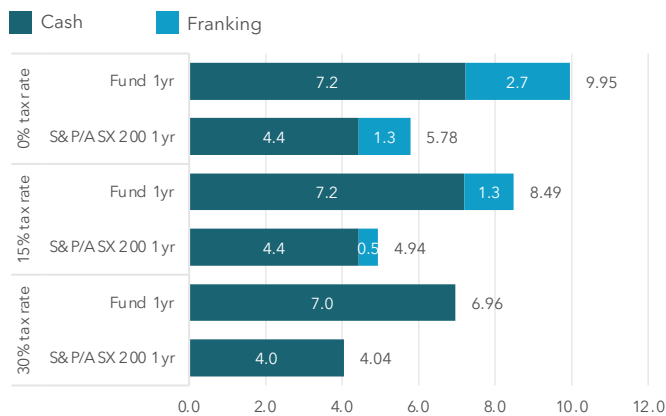
## INVESTMENT STRATEGY AND OBJECTIVE

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.

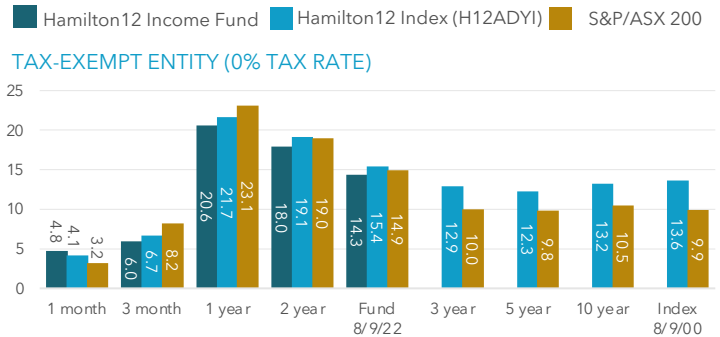
## ABOUT HAMILTON12

Established in 2017, Hamilton12 designs systematic, evidence-based investment strategies to offer cost-effective, positive risk-adjusted returns. Prioritising fee minimisation, tax efficiency, and surpassing benchmarks, the firm employs research-driven methods aligned with investors' needs. Hamilton12 emphasises a disciplined, rule-based approach over speculative methods, removing emotional biases for rational investment decisions. This strategy is rooted in the principles of modern finance, ensuring consistency and reliability in investing.

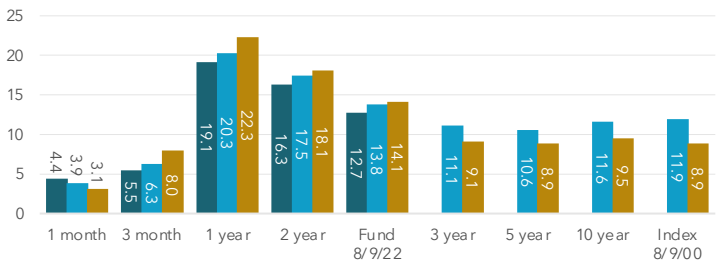
## AFTER-TAX DIVIDEND YIELD<sup>1</sup> (%)



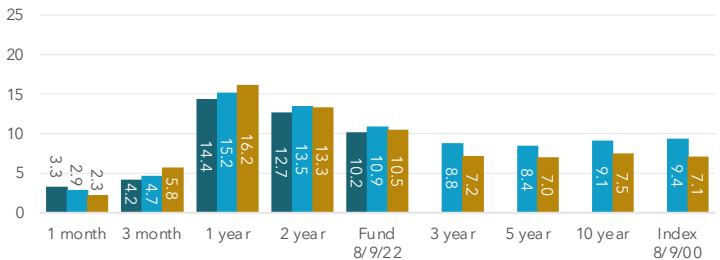
## PERFORMANCE AFTER FEES<sup>3</sup> (%)



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



## COMPANY ENTITY (30% TAX RATE)



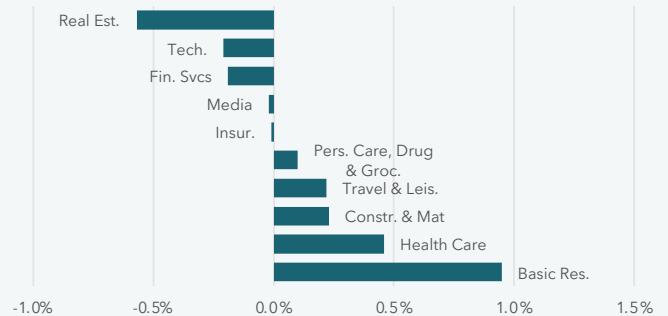
## PERFORMANCE COMMENTARY<sup>2</sup>

In September, fund returns were above the S&P/ASX 200. Value stocks outperformed growth stocks during this period, with the MSCI Australia Value Index delivering a pre-tax return of 5.0%, compared to 1.0% for the MSCI Australia Growth Index. This follows a four-month period where growth stocks had strong returns; over that time, the MSCI Australia Value Index returned 3.2% pre-tax, while the MSCI Australia Growth Index gained 11.0%.

The ICB Supersectors that contributed most to the fund's relative outperformance were Basic Resources (+0.9%) and Health Care (+0.5%). In Basic Resources, overweight positions in Fortescue, Rio Tinto, BHP, and South32 collectively added +1.2% to relative performance, with monthly returns on these stocks ranging from 16% to 22%. In Health Care, an overweight position in Australian Clinical Labs contributed +0.2%, while an underweight position in CSL added +0.4%. The fund does not hold CSL due to its low franking on dividends, typically in the 0-10% range.

Conversely, Real Estate (-0.6%) and Technology (-0.2%) detracted from relative performance. The fund's overweight position in REA, which declined by 8%, and its underweight position in Goodman Group, which rose by 11%, affected returns. REA is one of the few real estate stocks offering franked dividends, whereas Goodman Group's dividends are unfranked. Within Technology, Wisetech gained 16% and Xero gained 5%. The fund holds neither of these stocks as Wisetech pays very low dividends and Xero does not pay dividends. In aggregate, this lack of exposure to these two stocks contributed -0.2% to relative 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 ALLOCATION<sup>4</sup>

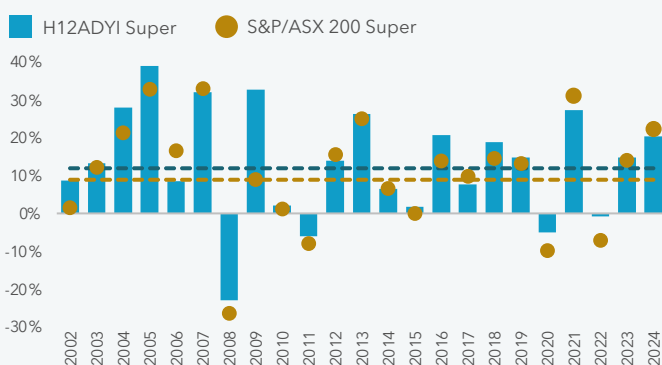
Industry	Fund	S&P/ASX 200
Financials	23.4%	27.3%
Basic Materials	22.3%	19.9%
Consumer Discretionary	10.7%	8.1%
Industrials	10.2%	10.9%
Health Care	8.5%	10.3%
Energy	6.1%	5.7%
Real Estate	5.5%	6.8%
Consumer Staples	4.3%	3.8%
Technology	3.0%	3.5%
Telecommunications	2.3%	2.5%
Utilities	1.7%	1.2%
Industry Active Share		9.1%

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

Company	Fund	S&P/ASX 200
BHP Group	10.5%	8.8%
Commonwealth Bank Of Australia	4.9%	7.8%
Fortescue	4.4%	2.9%
ANZ Group Holdings	4.3%	3.2%
Cochlear	3.9%	0.8%
National Australia Bank	3.7%	4.1%
Rio Tinto	3.6%	1.8%
REA Group	3.1%	1.0%
Suncorp Group	2.7%	0.8%
Westpac Banking Group	2.5%	3.5%
Top 10	43.4%	34.6%
Stock Active Share		60.1%

## 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	15.6%	15.8%
	S&P/ASX 200 Std dev	14.5%	14.7%
	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	0.57	0.67
Equity market exposure	ASX 200 Sharpe	0.40	0.46
	Alpha	3.0%	3.7%
Equity market exposure	Beta	0.97	0.97
	Upside capture	105%	108%
	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	\$15,123,530
Applications	Daily
Redemptions	Daily
Distributions	Quarterly

## CHARACTERISTICS

Number of Holdings	92
% in Top 10 Holdings	43.4%
NAV per A-class unit	\$1.0859
Franking Percentage <sup>5</sup>	97.89%
Next distribution date <sup>6</sup>	10 January 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.
- Next distribution date for payment or reinvestment is subject to change.

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