

Hamilton12 Australian Shares Income Fund

AS AT 30 NOVEMBER 2024

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

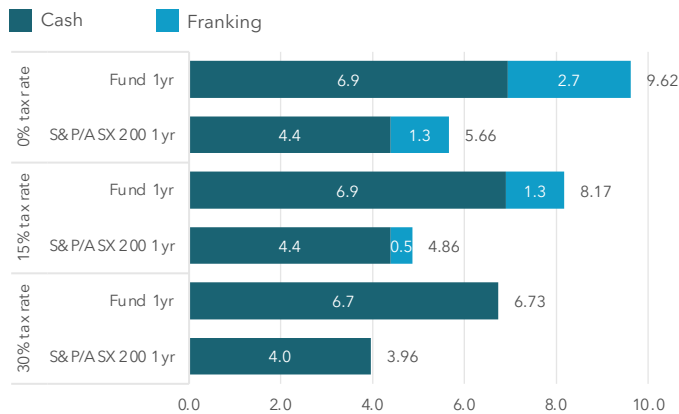
INVESTMENT STRATEGY AND OBJECTIVE

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.

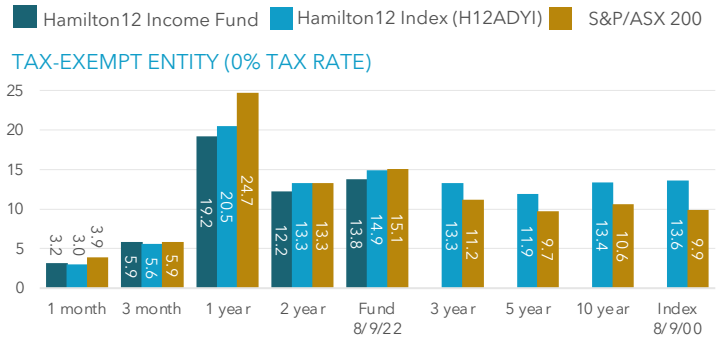
ABOUT HAMILTON12

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.

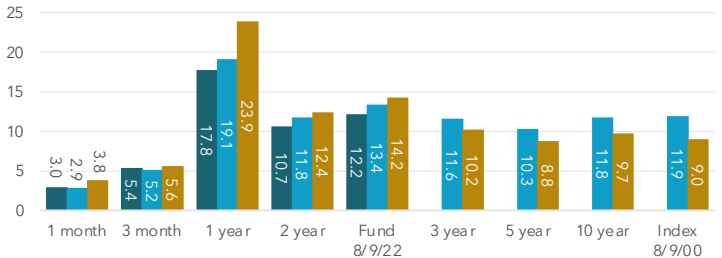
AFTER-TAX DIVIDEND YIELD¹ (%)



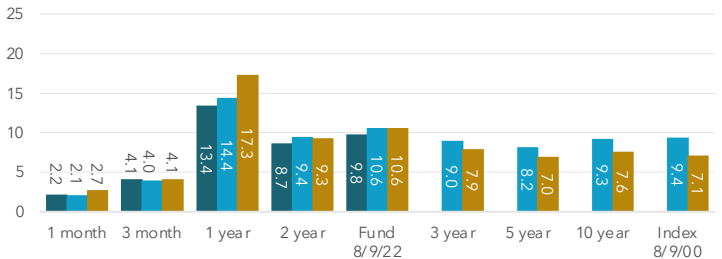
PERFORMANCE AFTER FEES³ (%)



SUPER FUND PRE-RETIREMENT (15% TAX RATE)



COMPANY ENTITY (30% TAX RATE)



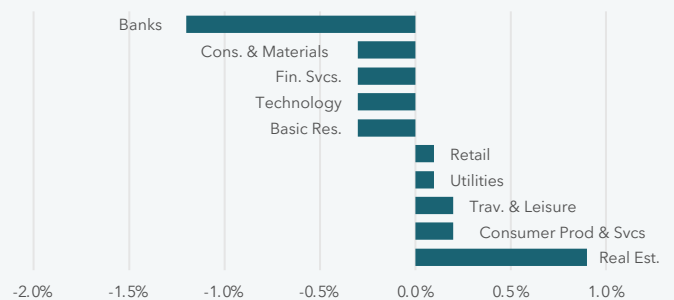
PERFORMANCE COMMENTARY²

Our monthly commentary focuses on periods of consecutive performance. Over the last two months, ending November 2024, the fund trailed the S&P/ASX 200, as growth stocks outpaced value stocks. The MSCI Australia Growth Index earned a pre-tax return of 5.8% versus -1.1% for the MSCI Australia Value Index, a difference of 6.9% in favour of growth.

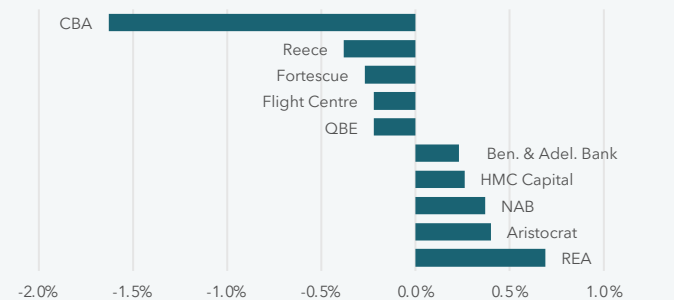
While market dynamics continued to favour growth stocks, our systematic approach allocates towards stocks with high franked dividend yields while maintaining sector diversification, resulting in a natural value tilt without directly targeting value. This may lead to temporary underperformance in a growth-favoured market but still generates positive returns. Additionally, this approach tends to reduce losses during market corrections and facilitates faster recoveries, as detailed in the [Risk table on page 2](#).

Key contributions to performance came from Banks (-1.2%), Construction and Materials (-0.3%), and Financial Services (-0.3%). The fund did not hold CBA during this period (up 17%) which contributed -1.6% to relative performance, equal to the entire relative performance. CBA went ex-dividend in August 2024 and is the lowest yielding of the four major banks. In Construction and Materials, our overweight position in Reece, which fell 9%, contributed -0.4% to performance. In Financial Services, not holding Computershare, Hub24, and Pinnacle (up 26%, 30%, and 29%, respectively) resulted in a -0.2% impact on overall relative performance. Real Estate investments, particularly in REA (real estate advertising) and HMC Capital (asset management), benefited from significant gains, adding +0.7% and +0.3%, respectively. The fund held just two REITs (Charter Hall, Abacus) over the two months, as most REITs offer unfranked distributions. Their impact on relative performance was neutral.

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

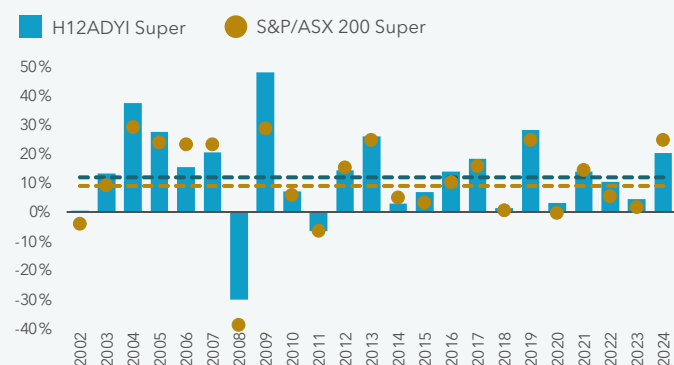
Industry	Fund	S&P/ASX 200
Financials	24.5%	28.0%
Basic Materials	21.8%	19.1%
Consumer Discretionary	10.9%	8.1%
Industrials	9.9%	11.0%
Health Care	8.4%	10.4%
Energy	5.9%	5.4%
Real Estate	5.6%	7.0%
Consumer Staples	4.1%	3.7%
Technology	2.7%	3.7%
Telecommunications	2.5%	2.4%
Utilities	1.8%	1.2%
Industry Active Share		9.5%

TOP HOLDINGS⁴

Company	Fund	S&P/ASX 200
BHP Group	10.1%	8.4%
Commonwealth Bank Of Australia	4.5%	8.1%
National Australia Bank	4.3%	4.1%
Fortescue	4.2%	2.7%
ANZ Group Holdings	4.2%	3.3%
Cochlear	4.0%	0.8%
Rio Tinto	3.6%	1.7%
Rea Group	3.3%	1.0%
Suncorp Group	3.2%	0.8%
Westpac Banking	2.6%	3.7%
Top 10	44.0%	34.6%
Stock Active Share		61.4%

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%	15.8%
	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	0.57	0.67
Equity market exposure	ASX 200 Sharpe	0.40	0.46
	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	\$15,213,908
Applications	Daily
Redemptions	Daily
Distributions	Quarterly

CHARACTERISTICS

Number of Holdings	97
% in Top 10 Holdings	44.0%
NAV per A-class unit	\$1.0696
Franking Percentage ⁵	98.77%
Next distribution date ⁶	14 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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