BLACKMORE CAPITAL
EQUITY INVESTORS

AUSTRALIAN EQUITIES INCOME PORTFOLIO

Monthly Update | August 2025

PORTFOLIO OBJECTIVE

The portfolio seeks to deliver long term growth in both capital and income by investing in Australian listed equities. The portfolio aims to do so with lower volatility and greater downside protection relative to the S&P/ASX 200 Accumulation index benchmark.

PORTFOLIO DETAILS

Inception date:	May 2014
Investment minimum:	$25,000
Investment time horizon:	5+ years
Management fee:	0.6%
Maximum holding limit:	10%
Number of stocks:	20 - 40
Gross Dividend Yield	5.42%*
Net Dividend Yield	4.10%

** Forecast gross yield inc franking for the next 12 months*

The ASX 200 rose by +3.1% in August, despite recording a third consecutive year of negative earnings growth. The August FY25 results were marked by widespread downward revisions to corporate revenue and earnings guidance.

Share price volatility around earnings announcements reached unprecedented levels, reflecting heightened scrutiny of companies' ability not only to meet expectations but also to provide credible forward guidance.

Forward guidance was shaped by two factors:

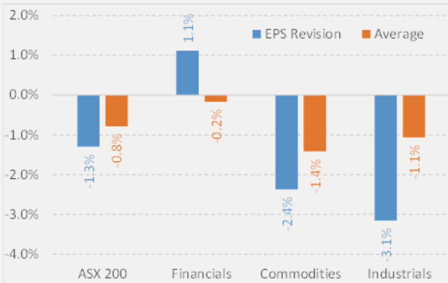
- Conservatism, given macroeconomic uncertainty, particularly around US trade policy.
- Genuinely softer expectations, reflecting slower activity.

Nevertheless, equity markets are trading near record levels, supported by excess liquidity, momentum, and the prospect of further interest rate cuts.

The ASX 200 was trading at 18x earnings at the start of 2025 and has since reached approximately 19.9x, well above its long-term average of 14.8x.

One of the most encouraging aspects of the August FY25 reporting season was the record number of new buyback announcements (18 companies), valued at ~$6.3bn. Portfolio stocks announcing buybacks included Brambles, CSL, ResMed, and Suncorp.

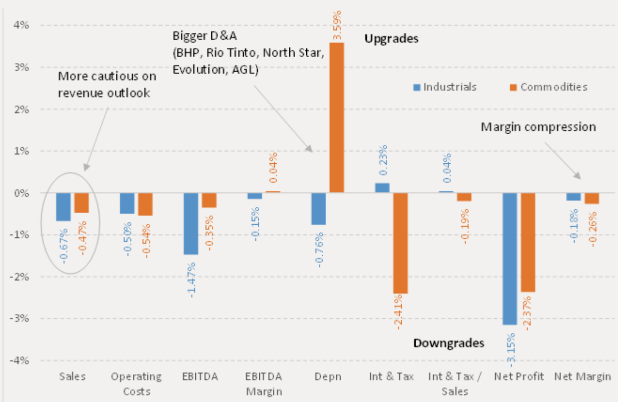
ASX 200 Sector – June 2026 EPS Revisions



Source: MST Marquee

NEGATIVE OPERATING LEVERAGE WEIGHING ON PROFITS

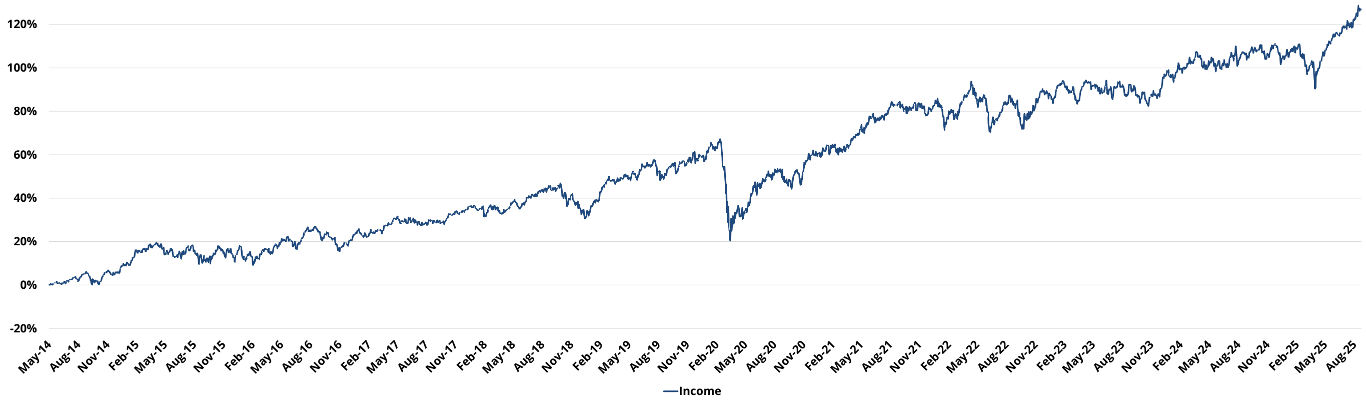
ASX 200 ex-Financials– June 2026 P&L Revisions



Overall, the August earnings reporting season underscored two key themes:

1. **Elevated Valuations:** Market valuations remain near record highs, while revenue and earnings growth continue to be constrained by persistent global macroeconomic uncertainty.
2. **Heightened Volatility:** Equity market volatility has surged to unprecedented levels, driven by concentrated liquidity flows into momentum strategies and short-term earnings expectations.

CUMULATIVE RETURN FROM INCEPTION



PORTFOLIO RETURNS

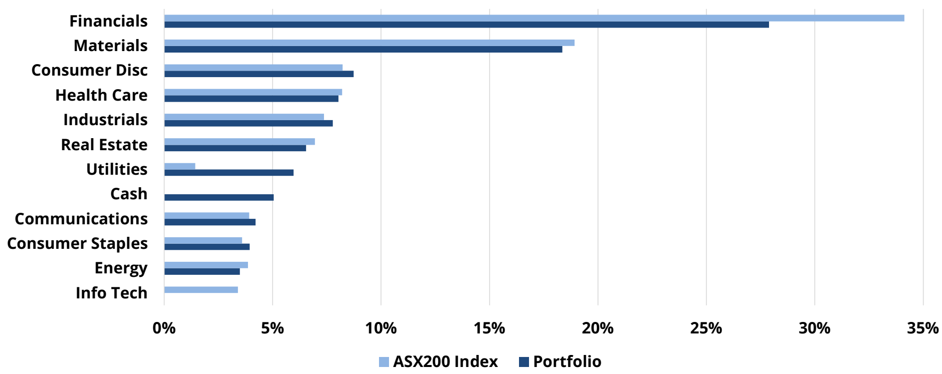
	1 month	3 months	6 months	FYTD	1 year	3 years	5 years	7 years	10 years	Inception p.a	Since inception
Portfolio performance	3.0%	6.4%	11.1%	4.9%	10.0%	7.1%	8.4%	6.5%	7.2%	7.5%	127.0%
ASX 200 Accum Index	3.1%	7.0%	11.6%	5.5%	14.7%	13.0%	12.3%	9.2%	9.9%	8.8%	159.1%

** Returns are net of management fees. Performance includes reinvestment of all dividends and excludes franking credits.*

TOP 5 HOLDINGS

Stock	Weight
BHP	7.7%
NAB	7.5%
CBA	6.5%
ORG	6.0%
WES	5.8%

RELATIVE SECTOR WEIGHTS - AUGUST 2025



PLATFORM AVAILABILITY

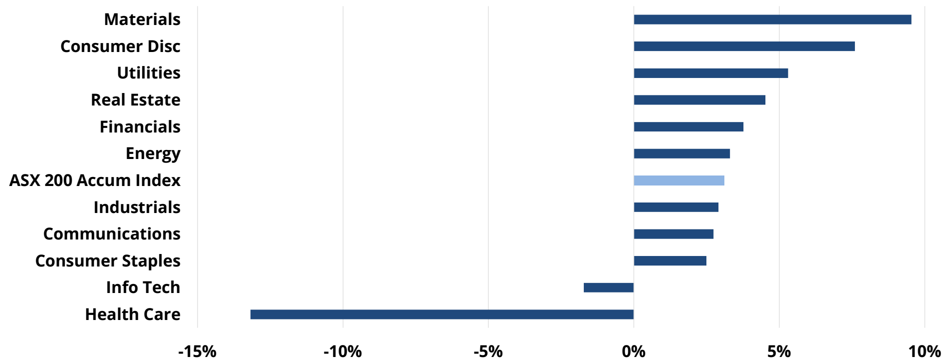
MACQUARIE

præmium

North

BT Panorama

SECTOR RETURNS - AUGUST 2025



invest@blackmorecapital.com.au | 1300 825 225 | www.blackmorecapital.com.au

BLACKMORE CAPITAL
EQUITY INVESTORS

AUSTRALIAN EQUITIES INCOME PORTFOLIO

Sector & Company Highlights

SECTOR CONTRIBUTORS

- **Materials (+8.9%)** added the most value, with **BHP and Rio** Tinto benefiting from stronger iron ore prices.
- **Financials (+3.0%)** contributed positively, driven by stronger-than-expected results from **NAB and Westpac**.
- **CBA (-2.2%)** reversed its strong run as a benign earnings result failed to justify further valuation expansion.
- The largest detractor was **Healthcare (-12.9%)**, with FY26 guidance weaker than expected due to labour cost inflation (RHC) and US regulatory uncertainty and corporate restructuring (CSL).

- NEGATIVE

- Industrials (US Exposure)

- Company meetings indicated **broad-based volume declines (Apr–Aug)** across consumer staples/discretionary, housing, and vaccines.
- **Impacted stocks:** Amcor, BlueScope, Brambles, CSL, James Hardie, Reece.
- **Woolworths:** Disappointing FY25 result, with market share loss to Coles, weaker margins, the impact of industrial action (1H25), and pressure to reinvest in pricing.

- Healthcare

- **CSL:** FY25 NPAT +14%, but FY26 guidance softer at +7–10% due to IG competition and weaker vaccine volumes.
- **Ramsay Health Care:** Ongoing wage inflation and weaker mental health volumes weighed on results.
  - FY26 outlook supported by surgical volumes and operational efficiencies.
  - A key catalyst: **Ramsay Santé update on European operations.**

+ POSITIVE

+ Financials (Banks & Insurance)

- **NAB & Westpac:** Better-than-expected quarterly updates.
- **Suncorp & QBE:** Solid gross written premium growth, lower claims, stronger investment returns.
- **AUB:** Guiding to double-digit growth in FY26.
- **Medibank:** Benefiting from lower claims growth.

Portfolio Exposure: AUB, CBA (Income), Medibank (Income), NAB, QBE, Suncorp, Westpac

---

+ Retail REITs

Improving operating trends are underpinning **record-high occupancy levels**. Key drivers:

1. Limited new development activity supporting incumbent centres.
2. A resilient consumer base, aided by 2024 tax cuts and RBA rate cuts, with retail sales accelerating in July.
3. Strong employment and ongoing population growth.
4. Leading retailers moving to larger formats and longer leases.

Portfolio Exposure: GPT, Vicinity

+ Industrials

- **Cleanaway:** Delivered another strong result with double-digit EBIT growth and margin expansion; on track for strong FY26 earnings growth.
- **CAR Group:** Reported double-digit revenue and EBITDA growth, supported by 98% cashflow conversion and a 56% EBITDA margin.
- **Wesfarmers:** Performance underpinned by Bunnings and Kmart leadership.

Portfolio Exposure: Amcor (Income only), BlueScope, Brambles, CAR Group, Cleanaway, Wesfarmers, Woolworths

---

+ Healthcare

- **ResMed:** Benefiting from rising awareness of sleep disorders, boosting demand for CPAP machines and masks.
- **Sigma:** Delivering strong volume growth, supported by new store openings, increased own-brand penetration, and strong demand for GLP-1 medications (diabetes and obesity treatments).

Portfolio Exposure: CSL, Ramsay, ResMed (Blended only), Sigma