

# Fund Review

## Lincoln Australian Income Fund

March 2025

Quarter in review

### Performance to 31 March 2025

Lincoln Australian Income Fund								
May be suitable for	Investors seeking a reliable income and reduced exposure to equity market risk							
Investment objective	Higher yield than the S&P/ASX 200 Accumulation Index inclusive of franking credits and some capital growth over the long-term							
Distribution frequency	Quarterly							
	Income		Total Return (exc. Franking Credits)			Total Return (Inc. Franking Credits)		
	Fund Distribution Yield <sup>1</sup>	Benchmark income <sup>2</sup>	Total Wholesale Fund Return <sup>3</sup>	Total Retail Fund Return <sup>3</sup>	Total Return Benchmark <sup>4</sup>	Total Fund Return (Wholesale) <sup>5</sup>	Total Fund Return (Retail) <sup>5</sup>	Total Return Benchmark <sup>2</sup>
3-months	2.70%	1.42%	-3.62%	-3.84%	-2.80%	-2.94%	-3.21%	-2.45%
1-year	7.12%	4.64%	-5.19%	-6.00%	2.84%	-3.85%	-4.70%	3.96%
3-years p.a.	7.77%	5.50%	-2.06%	-2.85%	5.62%	-0.43%	-1.25%	7.01%
5-years p.a.	8.18%	5.56%	5.74%	4.89%	13.24%	7.55%	6.68%	14.65%
10-years p.a.	8.55%	5.67%	2.54%	1.72%	7.15%	4.60%	3.76%	8.57%
Financial year to date	6.05%	3.93%	-4.39%	-5.01%	3.93%	-3.15%	-3.81%	4.91%
Since Inception p.a. (02/04/2012)	9.35%	5.91%	5.70%	4.87%	9.11%	7.98%	7.12%	10.59%

Data referred to in the performance commentary above relates to the Lincoln Wholesale Australian Income Fund unless otherwise stated.

<sup>1</sup> Gross income distributed, inclusive of franking credits.

<sup>2</sup> S&P/ASX 200 Accumulation Index inclusive of franking credits. Source: Macquarie Equities

<sup>3</sup> Net of all fees, excluding franking credits.

<sup>4</sup> S&P/ASX 200 Accumulation Index excluding franking credits.

<sup>5</sup> Net of all fees, inclusive of franking credits.

\* Past performance is not an indicator of future performance.

### Performance highlights

Performance contributors this quarter included:

- **APA Group (APA)** – Australia's largest gas pipeline operator outperformed the broader market in the March quarter of 2025, delivering a total return of 13.34%. This performance marked a strong rebound for a stock that had remained out of favour with investors for over a year. The recovery was underpinned by robust underlying earnings growth, supported by increased contributions from the Pilbara Energy System, higher variable revenues, inflation-linked tariff escalations, and effective cost management, with expenses rising at a rate below inflation.
- **Telstra Group Ltd (TLS)** - Australia's largest telecommunications provider delivered a well-received financial result in February, with a 6.5% year-over-year increase in net profit to A\$1.03 billion. The strong performance was driven by continued growth in its mobile business and ongoing operational efficiencies. This solid result enabled Telstra to announce a \$750 million share buyback and a 5% increase in its dividend—signalling strong investor confidence in the company's strategic investments in 5G infrastructure and AI-powered network enhancements.
- **Coles Group Ltd (COL)** - The supermarket giant posted a solid quarterly performance, gaining 5.35%, following a financial result that exceeded market expectations. While net profit declined by 2.2% to A\$576 million, the company's decision to declare its highest interim dividend in over five years underscored management's confidence in its underlying financial strength and resilience.

Data referred to in this performance commentary relates to the Lincoln Wholesale and Retail unit classes.

This communication may contain general financial product advice or forward-looking statements regarding our intent, belief or current expectations with respect to the market conditions. Caution is advised to place undue reliance on these forward-looking statements, as our advice has been prepared without taking account of your personal circumstances. It is not intended to take the place of professional advice, and you should not take action on specific issues in reliance on this information. Therefore, you should consider its appropriateness before acting on it in light of your objectives, financial situation and needs.

### Lincoln Australian Income Fund Holdings as at 31 March 2025

Code	Company	Portfolio %
<b>Financials</b>		<b>35.09%</b>
NHF	NIB Holdings Limited	3.53%
BEN	Bendigo and Adelaide Bank Ltd	3.45%
CBA	Commonwealth Bank of Australia	3.41%
MPL	Medibank Private Ltd	3.38%
CGF	Challenger Ltd	3.35%
SUN	Suncorp Group Ltd	3.33%
BOQ	Bank of Queensland Ltd	3.01%
WBC	Westpac Banking Corp	2.95%
ANZ	ANZ Group Holdings Ltd	2.93%
NAB	National Australia Bank Ltd	2.89%
SDF	Steadfast Group Ltd	2.86%
<b>Real Estate</b>		<b>22.04%</b>
HDN	HomeCo Daily Needs REIT	3.32%
WPR	Waypoint REIT Ltd	3.23%
CQE	Charter Hall Social Infrastructure REIT	3.19%
DXI	Dexus Industria REIT	3.18%
ARF	Arena REIT No 1	3.14%
NSR	National Storage REIT	3.05%
BWP	BWP Trust	2.93%

Code	Company	Portfolio %
<b>Consumer Staples</b>		<b>13.07%</b>
WOW	Woolworths Group Ltd	3.43%
COL	Coles Group Ltd	3.39%
RIC	Ridley Corporation Ltd	3.21%
EDV	Endeavour Group Ltd	3.04%
<b>Consumer Discretionary</b>		<b>13.06%</b>
WES	Wesfarmers Ltd	3.33%
AX1	Accent Group Ltd	3.30%
SUL	Super Retail Group Ltd	3.24%
JIN	Jumbo Interactive Ltd	3.19%
<b>Materials</b>		<b>6.51%</b>
RIO	Rio Tinto Ltd	3.26%
BHP	BHP Group Ltd	3.25%
<b>Communication Services</b>		<b>3.35%</b>
TLS	Telstra Group Ltd	3.35%
<b>Utilities</b>		<b>2.94%</b>
APA	APA Group	2.94%
<b>Cash</b>		<b>3.94%</b>

### Strategy update

- As outlined in the commentary, the Fund team simplified its strategy during the period, reverting to a long-only equity portfolio. Consequently, the Fund fully exited its remaining position in BBOZ and progressively reduced its exposure to corporate bonds.
- From a stock selection standpoint, the Fund exited its positions in Spark New Zealand Ltd (SPK) and McMillan Shakespeare Ltd (MMS) following financial results that raised concerns within the team regarding the sustainability of their dividend payouts.
- On the buy side, the Fund purchased positions in:
  - Mining majors- Rio Tinto Ltd (RIO) and BHP Group Ltd (BHP),
  - Regional Banks Bendigo and Adelaide Bank Ltd (BEN) and Bank of Queensland Ltd (BOQ),
  - Real Estate Trusts - Dexus Industria REIT (DXI) and
  - Insurance businesses - Medibank Private Ltd (MPL), Steadfast Group Ltd (SDF) and NIB Holdings Limited (NHF).

# Fund Review

## Lincoln Australian Income Fund

### Key data

	Lincoln Wholesale Australian Income Fund	Lincoln Retail Australian Income Fund
APIR code	ETL0324AU	ETL0323AU
Fund inception	2 April 2012	2 April 2012
Minimum initial investment	\$250,000	\$5,000
Management costs	0.95% p.a.	1.75% p.a.
Entry/exit fees	Nil	Nil
Distribution frequency	Quarterly	Quarterly
Entry/exit unit price <sup>1</sup> (4 decimal places)	\$0.8395 / \$0.8353	\$0.7799 / \$0.7761
Fund size <sup>1</sup>	\$297.4m	
Responsible entity	Equity Trustees Ltd	
Investment manager	Lincoln Indicators Pty Ltd	

<sup>1</sup> As at 31 March 2025

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### Important information.

The Investment Manager for the Lincoln Australian Income Fund (the Fund) is Lincoln Indicators Pty Ltd (Lincoln Indicators) ABN 23 006 715 573 as Corporate Authorised Representative of Lincoln Financial Group Pty Ltd ABN 70 609 751 966, AFSL 483167 (Lincoln Financial). Equity Trustees Limited (Equity Trustees) ABN 46 004 031 298, AFSL 240975 is the Responsible Entity for the Fund. Equity Trustees is a subsidiary of EQT Holdings Limited ABN 22 607 797 615, a publicly listed company on the Australian Securities Exchange (ASX: EQT). This communication has been prepared by Lincoln Indicators, as Corporate Authorised Representative of Lincoln Financial, to provide you with general information only. In preparing this communication we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement before making a decision about whether to invest in this product.

The Fund's Target Market Determination is available [here](#). A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.

All figures, information and illustrations are as at 31 March 2025 unless stated otherwise. Portfolio holdings are subject to change without notice.