

# Fund Review

## Lincoln Australian Growth Fund

December 2023

Quarter in review

### Performance to 31 December 2023

Lincoln Australian Growth Fund						
May be suitable for	Investors seeking long-term capital growth					
Investment objective	To outperform the All Ordinaries Accumulation Index over the medium to long term, after fees and expenses.					
Distribution frequency	Half-yearly					
	Wholesale			Retail		
	Fund return <sup>1</sup>	ASX All Ordinaries Accumulation Index	S&P/ASX Small Ordinaries Accumulation Index	Fund return <sup>1</sup>	ASX All Ordinaries Accumulation Index	S&P/ASX Small Ordinaries Accumulation Index
3-months	-1.50%	8.67%	8.52%	-1.66%	8.67%	8.52%
1-year	6.72%	12.98%	7.82%	6.03%	12.98%	7.82%
3-years p.a.	-1.06%	8.88%	0.95%	-1.70%	8.88%	0.95%
5-years p.a.	4.51%	10.66%	6.40%	3.90%	10.66%	6.40%
10-years p.a.	6.85%	8.16%	6.01%	6.13%	8.16%	6.01%
Financial year to date	0.83%	7.95%	6.42%	0.51%	7.95%	6.42%
Since inception p.a. (11/01/2005 Wholesale) (01/06/2007 Retail)	6.37%	7.88%	4.47%	3.09%	7.88%	1.20%

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

<sup>1</sup> Fund returns are calculated using exit prices and are net of management fees, ongoing fees and expenses, and assume distributions are reinvested, and no tax is deducted. Past performance is not an indicator of future performance.

### Performance highlights

Performance contributors this quarter included:

- **Super Retail Group Ltd. (SUL)** – The retailer’s share price relentlessly ground higher adding 31.5% over the quarter to finish at all time highs. The strong outcome was courtesy of a better than expected trading update at the company’s AGM in November which demonstrated resilient sales in a difficult period for retailers.
- **Lovisa Holdings Ltd. (LOV)** – Lovisa was the second best performing stock in the fund (+26.5%) and the second best performing retail despite higher interest rates and an inflationary environment. In November reported total sales were up 17% for the first 20 weeks of FY24 driven by store network growth. Lovisa remains one for the very few retailers with global brand presence and a long roll out story ahead.
- **Helia Group Ltd. (HLI)** - Australia’s leading provider of lenders mortgage insurance had a strong period closing up 24.6%. The company, which boasts ~40% market share, was added to the S&P/ASX 200 on December 18 having qualified with a market cap of ~\$130m.

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 Growth Fund holdings as at 31 December 2023

Code	Company	Portfolio %
<b>Financials</b>		<b>12.93%</b>
ASX	ASX Limited	1.77%
AUB	AUB Group Ltd	1.83%
CGF	Challenger Limited	1.77%
HLI	Helia Group Limited	1.96%
HUB	HUB24 Ltd	2.06%
NWL	Netwealth Group	1.87%
NHF	NIB Holdings Limited	1.67%
<b>Materials</b>		<b>10.99%</b>
PLS	Pilbara Minerals Ltd	2.97%
IGO	IGO Limited	1.84%
LYC	Lynas Rare Earths	1.68%
PRU	Perseus Mining Ltd	1.48%
GOR	Gold Road Res Ltd	1.06%
CMM	Capricorn Metals Ltd	1.00%
ALK	Alkane Resources Ltd	0.95%
<b>Consumer Discretionary</b>		<b>10.76%</b>
SUL	Super Ret Rep Ltd	2.06%
WES	Wesfarmers Ltd	1.96%
ALL	Aristocrat Leisure	1.83%
LOV	Lovisa Holdings Ltd	1.75%
JIN	Jumbo Interactive	1.66%
IEL	IDP Education Ltd	1.50%
<b>Information Technology</b>		<b>9.22%</b>
ALU	Altium Limited	1.95%
WTC	Wisetech Global Ltd	1.91%
OCL	Objective Corp	1.90%
HSN	Hansen Technologies	1.79%
XRO	Xero Ltd	1.67%

Code	Company	Portfolio %
<b>Industrials</b>		<b>8.85%</b>
KLS	Kelsian Group Ltd	1.85%
BXB	Brambles Limited	1.80%
CPU	Computershare Ltd	1.79%
JLG	Johns Lyng Group	1.73%
MMS	McMillan Shakespeare	1.67%
<b>Health Care</b>		<b>7.63%</b>
PME	Pro Medicus Limited	2.09%
COH	Cochlear Limited	1.99%
RMD	ResMed Inc.	1.81%
CSL	CSL Limited	1.74%
<b>Communication Services</b>		<b>3.53%</b>
SPK	Spark New Zealand	1.80%
TLS	Telstra Group	1.73%
<b>Energy</b>		<b>3.36%</b>
KAR	Karoon Energy Ltd	1.85%
WDS	Woodside Energy	1.50%
<b>Consumer Staples</b>		<b>1.63%</b>
EDV	Endeavour Group Ltd	1.63%
<b>Cash and Hedge</b>		<b>31.10%</b>
BBOZ	Beta Shares Strong Bear Hedge	27.22%
AUD	Cash	3.88%

### Strategy update

- Both Macquarie Group (MQG) and Incitec Pivot (IPL) were removed from the portfolio over the quarter following their earnings results. With both stocks experiencing declines in earnings and capital efficiency, the companies were removed from Stock Doctor coverage star stock universe.
- Over the period, the fund team removed Perenti (PRN) following the completion of its acquisition of former star stock DDH1 Limited. The acquisition included cash and scrip, and the fund sold the remaining stock when it was allocated to the portfolio.
- Later in the quarter, the fund team took profits from its gold miners (ALK, CMM, GOR, PRU) after strong returns and deployed this capital into our lithium/rare earth stocks (AKE/LMT, IGO, LYC & PLS) which had been under pressure with a continuing weak trend in lithium prices. Our mining analyst Daniel Ortisi believes it to be a good opportunity in this space for long term returns, but volatility over the shorter term is set to continue.

# Fund Review

## Lincoln Australian Growth Fund

### Key data

	Lincoln Wholesale Australian Growth Fund	Lincoln Retail Australian Growth Fund
APIR code	ETL0043AU	ETL0089AU
Fund inception	11 January 2005	1 June 2007
Minimum initial investment	\$250,000	\$5,000
Management costs	0.76% p.a.	1.40% p.a.
Performance Fee	20% of the amount by which the Fund's performance exceeds the All Ordinaries Accumulation Index	
Entry/exit fees	Nil	Nil
Distribution frequency	Half-yearly	Half-yearly
Entry/exit unit price (4 decimal places) <sup>1</sup>	\$1.5095 / \$1.5019	\$1.0725/ \$1.0671
Fund size <sup>1</sup>	\$256.1m	
Responsible Entity	Equity Trustees Ltd	
Investment Manager	Lincoln Indicators Pty Ltd	

<sup>1</sup> As at 31 December 2023.

### Like more information?

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### Important information:

The Investment Manager for the Lincoln Australian Growth 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 EGT Holdings Limited ABN 22 607 797 615, a publicly listed company on the Australian Securities Exchange (ASX: EGT). 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. Neither Lincoln Indicators, Lincoln Financial, Equity Trustees nor any of their related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. 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 December 2023 unless stated otherwise. Portfolio holdings are subject to change without notice.