Portfolio Update – FY25
By Rudi Filapek-Vandyck and the Vested Team

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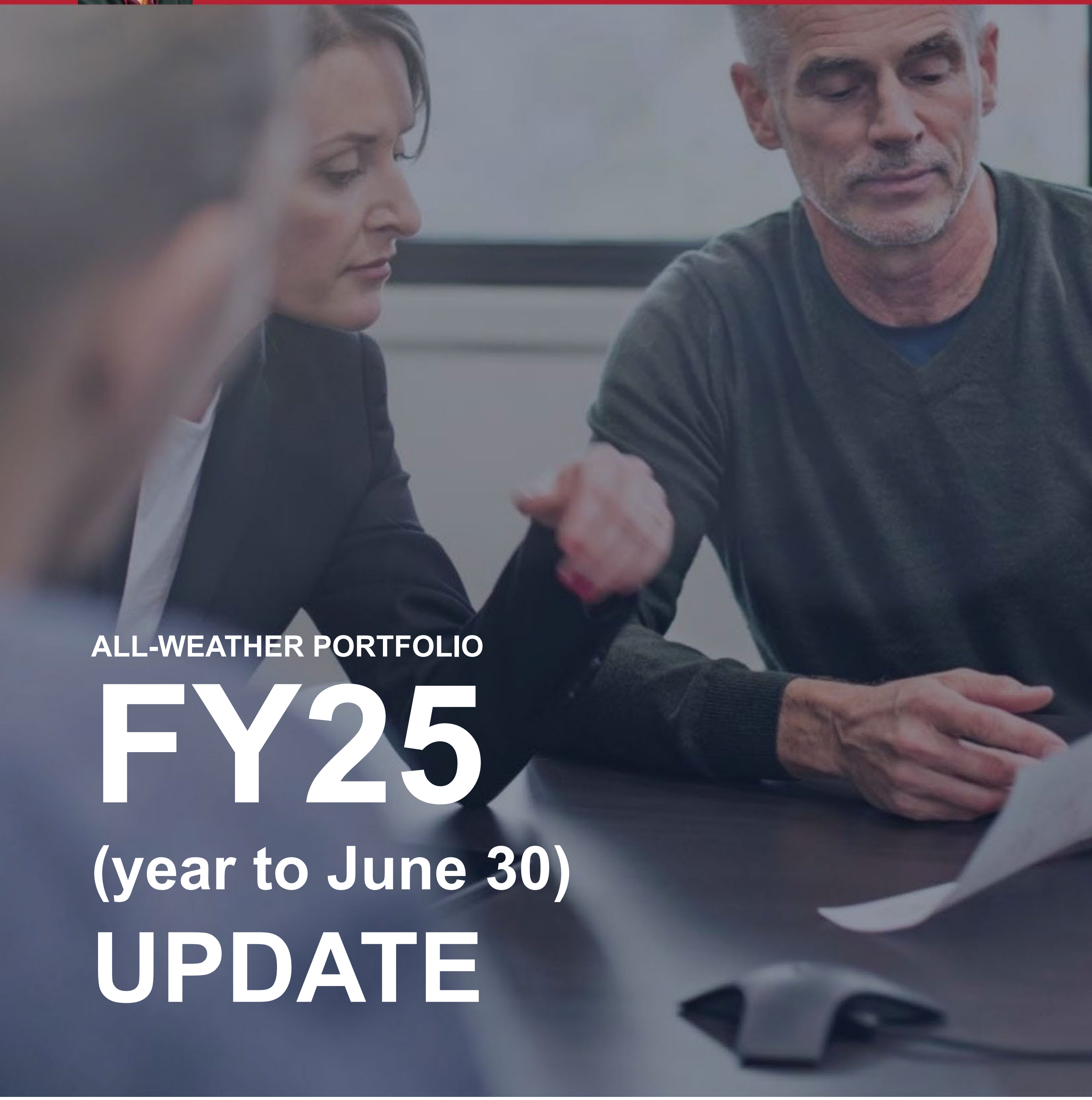

ALL-WEATHER PORTFOLIO

FY25

(year to June 30)

UPDATE

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Vested Equities
Level 1, 120 Siganto Drive
Helensvale, Qld 4212 , Australia
Toll Free: 1300 980 849
Phone: (07) 5555 5000
Email: contact@vested.com.au
Website: www.vested.com.au

FY25 (year to June 30) Portfolio Update

By Rudi Filapek-Vandyck and the Vested Team,

All Weather Model Portfolio

FY25 Highlights		FY25 Lowlights		3 Years Highs		3 Years Lows	
TechnologyOne	**125.70%**	CSL	**-18.20%**	Hub24	**336%**	Dicker Data	**-29.20%**
Hub24	**93.60%**	NextDC	**-17.10%**	TechnologyOne	**284.70%**	Woolworths	**-12.90%**
GOLD ETF	**43.40%**	Dicker Data	**-14.80%**	WiseTech Global	**188.60%**	CSL	**-11.10%**

The financial year ending on June 30th 2025 featured the return of Donald Trump in the White House and of extreme market volatility. The second half of the year also saw doubt creeping into general sentiment towards AI and demand for data centres.

In Australia, it became the year of CommBank whose index weight surged to 12% and whose stellar performance made up 38% of total return for the ASX200, with banks the best performing index contributors overall. In absolute performance numbers, the local technology sector mimicked its offshore peers, but the sector still only makes up a relatively minor weight for the local index.

Small caps, mining, energy and healthcare were the year's laggards, only participating sparingly in what was an overall buoyant experience, despite continued pressure on earnings forecasts and a very cautious RBA upon return to policy loosening.

The performances mentioned in the column above are simple share price calculations for the financial year to June 30 and for the past three financial years combined. Percentages do not include dividends or costs and thus do not necessarily equal the respective contributions to Portfolio returns for those periods.

The All-Weather Portfolio participated in 2024's positive market momentum through exposure to the AI Megatrend, but then also suffered temporary setbacks when market enthusiasm cooled off in 2025. Car Group, Goodman Group, NextDC and Xero all raised capital to fund ongoing investments or an acquisition.

If we had to nominate disappointments for the year, they'd be CSL, Dicker Data and Woolworths, all still in the Portfolio, and IDP Education which, in hindsight, should have been sold much earlier. We saved ourselves from yet another leg lower when we finally sold all shares in IDP Education.

Towards the end of FY25 and early into the new financial year, portfolio rotation into last year's laggards suggests CSL & Co might enjoy better prospects ahead. Meanwhile, we remain firm advocates for having a healthy exposure to AI and data centres, with Macquarie Technology joining Goodman Group and NextDC in the Portfolio.

As the All-Weather Portfolio slightly underperformed over the first six months of 2025, the ASX200 was able to catch up by June 30, also helped by a much larger contribution from dividends. The Portfolio remains well-ahead on 3, 5, 7, and 10-year returns.

A gain of 13.85% (pre-fees) for the twelve months is equally not something to be unhappy about.

Ten Years Of All-Weather Model Portfolio

The Portfolio has now completed its first decade of active existence. I can also report TechnologyOne (TNE) has become the first company in the All-Weather Portfolio that has generated a return of 1000%.

Yes, that's not a typo. One thousand per cent over the past ten years. (Dividends not included).

Second observation: This still doesn't make TechOne the best performer on the ASX overall. Shares in accountancy software platform Xero (XRO), which is equally in the Portfolio, have appreciated by nearly 1100% over the same period.

Alas, the Portfolio added these shares a few years later and also sold out and bought back in over time.

Not grabbing the full potential from Xero shares, even though they have been on my curated lists from the get-go, is shaping up as one of the key lessons I had to learn.

It's one of the reasons as to why I have become extremely reluctant to wave goodbye to great companies. Pro Medicus (PME) is no longer in the Portfolio and has equally contributed to that lesson learned.

Luckily, all of REA Group (REA), WiseTech Global (WTC), Hub24 (HUB) and Xero have offered multiple opportunities to get back on board or accumulate more shares.

But the key lesson remains: be extra-extra careful when selling out. The market might not be as accommodating as you expect, and lest our very own doubts, discomfort and biases get in the way and form an invisible barrier that prevents us from buying back in.

A Thing Of Beauty, A Joy Forever

Within this context, let's note the returns ex-dividends from the core holdings that have been held in the Portfolio throughout most of the 10-year period:

-TechOne	1011.40%
-Aristocrat Leisure	734.40%
-REA Group	508.10%
-NextDC (NXT)	496.70%
-ResMed (RMD)	434.60%

One look at that overview should convince every investor a **Buy-and-Hold strategy** remains as valuable and as valid as ever, despite many calls and predictions to the contrary (the Finance industry needs to make a return too, of course).

Having said so, my backward-looking exercise equally –and painfully– highlighted how few ASX-listed companies are today able to show such numbers.

As a matter of fact, the grand majority of stocks that make up the ASX200 have only generated a mere pedestrian-looking return over the same 10-year period (excluding dividends and franking).

A few random examples:

Shares in BHP Group (BHP), ex-dividends, have only appreciated by circa 36% over the past ten years. Granted, this is ex South32 (S32) and without dividends and franking, but that still doesn't close the gap (not by many miles). Shares in Rio Tinto have appreciated by 93%.

Harvey Norman (HVN) shares are up by a measly 15% only, not too dissimilar from National Australia Bank's (NAB) at 16%. Shares in Nine Entertainment (NEC) are up less than 5%.

There's a long list, and I genuinely emphasise it's a long list, of companies whose return is stuck deeply in negative territory, including AGL Energy (AGL), AMP (AMP), ANZ Bank (ANZ), Bank of Queensland (BOQ), Insignia Financial (IFL), Lendlease (LLC), Perpetual (PPT), Ramsay Health Care (RHC), Tabcorp Holdings (TAH), Telstra (TLS), and TPG Telecom (TPG).

Over that period, the ASX200 has delivered approximately 3.94% in price return per annum, or 8.33% including dividends. This translates into 46.7% ex-dividends or 123% including.

Translation: investors haven't done too badly from owning the likes of BHP, Rio Tinto or Commbank (CBA), but the real (out)performance, and index support, has come from the companies mentioned as they had to compensate for the long queue of index constituents for which a positive contribution has been either small, temporary, negligible or non-existent.

Is it too much of a stretch to conclude also this is why most professional fund managers find consistently beating the index is a bridge too far?

The Dummy Guide to investing in the share market clearly states buying undervalued, cheaply priced stocks is the one watertight strategy for superior longer-term returns, but what if that simply no longer works?

There's research out there that suggests only about 16% of active fund managers in Australia have beaten the ASX200 Accumulation Index (dividend re-investments included) over the decade past.

When 'Expensive' Is Not 'Expensive'

None of the companies that feature on FNArena's curated lists is ever genuinely cheaply priced, and the above mentioned Top Five certainly wasn't back in 2015 (not if we measure by low versus above average PE multiples), but that has been no impediment to outperforming the market by multiples.

Another eye-catching observation is the consistency in strong performances over long periods of time.

Witness, for example, the Portfolio's **Top Five performers over the past five years** (June to June):

-WiseTech Global	487.70%
-TechOne	373.60%
-Aristocrat Leisure	157.00%
-Goodman Group (GMG)	128.40%
-REA Group (REA)	123.90%

The same exercise over the **past three years**:

-Hub24 (HUB)	336.00%
-TechOne	284.70%
-WiseTech Global	188.60%
-Xero (XRO)	133.50%
-Car Group (CAR)	103.40%

Extra note: Wesfarmers (WES) shares have kept pace with Car Group shares over the past three years, while performances by Aristocrat Leisure and Goodman Group are not that much behind.

Negative Surprises & Lessons Learned

For good measure, the selections of All-Weathers and High-Quality Growth companies have not remained 100% static since FNArena embarked on this specific journey back in 2008.

Some companies have been ejected along the journey (Amcor, Ramsay Health Care, InvoCare, Seek), others disappeared through M&A (DuluxGroup and Veda Advantage), and some joined later in the process (Washington H Soul Pattinson (SOL).

In a number of cases, what used to look like a rock-solid growth story has come unstuck in more recent times.

Think Domino's Pizza Enterprises (DMP), but also IDP Education (IEL), Bapcor (BAP), Ansell (ANN) and Treasury Wine Estates (TWE), as well as CSL (CSL) and Woolworths (WOW).

The latter two remain included in the All-Weather Model Portfolio.

One conclusion that stands from all of the above is that highly-priced Quality Growth stocks should not by default be avoided, certainly not with a longer-term horizon in mind.

To take a leaf out of the lexicon of your typical 'value' investor: some companies are highly priced for good reason, and that reason is many more fantastic returns over a long period of loyal ownership.

P.S. all performances mentioned are excluding any dividends paid (simple calculations off share price changes only).

Dividends & Gold

In terms of portfolio construction, the methodology behind the All-Weather philosophy includes allocating a portion to higher dividend yielding stocks as well as keeping an exposure to gold.

Regarding specific dividend allocations, the Portfolio currently owns shares in Dicker Data (DDR), HomeCo Daily Needs REIT (HDN) and in Telstra (TLS).

When it comes to gold, the preferred exposure is to the metal, through an ETF, not through listed producers to not also take on board specific company risks.

Our moto is the old adage: allocate as much to gold as you feel comfortable or uncomfortable with the world and its outlook.

The Portfolio's current gold allocation equals an average exposure to one single company.

All-Weather Model Portfolio – Performance

January – June 2015		**-0.37%**	
Financial years July-June 30			
FY16		**14.40%**	
FY17		**3.16%**	
FY18		**17.28%**	
FY19		**7.38%**	
FY20		**5.64%**	
FY21		**20.72%**	
FY22		**-2.59%**	
FY23		**12.71%**	
FY24		**18.28%**	
FY25		**13.85%**	Average 3 years = 14.95%
			Average 5 years = 12.59%
			Average 7 years = 10.86%
			Average 10 years = 11.08%
Calendar years January-December 31			
2015		**7.77%**	
2016		**4.52%**	
2017		**14.43%**	
2018		**1.34%**	
2019		**22.08%**	
2020		**3.67%**	
2021		**24.63%**	
2022		**-7.51%**	
2023		**20.24%**	
2024		**20.33%**	
2025	(6 months)	**5.10%**	
			Average since inception = 10.60%

The All-Weather Portfolio initially started on the Praemium platform but migrated to WealthO2 from the second quarter of 2020 onwards.

For the above performance table, Praemium data have been used until 30 June 2020.

All returns are unaudited and exclusive of fees and brokerage.

If you require more specific information on past or current platform performance, please send an email to your advisor.

The All-Weather Portfolio invests in High Quality, structural growers that tend to outperform over long periods of time, albeit not every single time.

Stock selections are based on proprietary research & analysis by FNArena Editor Rudi Filapek-Vandyck, also including High Quality emerging business models and Quality dividend opportunities.

Typical portfolio inclusions are Car Group, CSL, Goodman Group, Macquarie, REA Group, ResMed, TechnologyOne, Wesfarmers, WiseTech Global and Woolworths, though variations and exclusions occur from time to time.

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Update FY24

Update FY23

Update FY22

Update FY21