

PORTFOLIO UPDATE

Atlas Australian Equity Income Fund

Monthly Report August 2024



- August saw most Australian companies release their financial reports for the first six months of 2024. The month showed that Australian listed companies are in better health than feared, with more companies beating expectations and guidance than missing. The dominant themes of the August reporting season have been surprising resilience for the consumer, higher interest repayments and impacts from a slowing Chinese market.
- The **Atlas Australian Equity Income Fund** fell by 0.2%, a surprising outcome after the Portfolio had a solid reporting season.
- August has been a month of transition for Fund as we expand the strategy to ASX-listed companies outside property and infrastructure. Higher liquidity in the Fund's expanded universe has seen Atlas capture significantly higher premiums for call options sold for three-month expiry. Additionally, the Fund has sent out tax statements for the FY2024 to investors, for the past year approximately 40% of the 7% yield paid was taxable.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug *	12m rolling	Since Incept % p.a.
Atlas Australian Income Equity Fund	-6.2%	-5.6%	8.7%	10.0%	0.4%	-2.1%	5.4%	-5.5%	-1.3%	-1.1%	6.3%	-0.2%	7.4%	1.5%
RBA Cash +3%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	7.6%	4.6%
Active return	-6.7%	-6.2%	8.1%	9.4%	-0.2%	-2.7%	4.8%	-6.1%	-1.9%	-1.7%	5.6%	-0.8%	-0.2%	-3.1%

* August 2024 saw a change of strategy expanding the Fund's investment universe to include ASX-200 companies outside the Property Sector

Portfolio Objective

The Fund seeks to capture returns by investing in selected high-quality companies that deliver consistent and growing dividends with easily forecastable earnings. Additional income is generated by implementing a covered call option selling (writing) strategy. A portion of the income received from selling the call options may be used to purchase put options to reduce capital risk.

Market Update

The key news over the month was a significant fall (-6%) in the ASX 200 at the start of the month due to concerns about the US economy and the unwind of the Japanese carry trade after the Japanese Central Bank (JCB) raised rates for the first time since 2007; however, the ASX rallied from 9th August onwards on better-than-expected corporate profit results to finish marginally in the black.

Portfolio Performance:

In August, the Atlas Australian Equity Income Fund was slightly down by -0.2%, behind the benchmark's return.

Positions in Lendlease (+16%), GPT Group (+15%), Scentre Group (+11%), Dexus Convenience (+11%) and Stockland (+10%) added value. On the negative side of the ledger Arena REIT (0%) detracted value.

Trading

Over the month, Atlas continued reducing our allocations to real estate positions and began moving into new positions. At the end of the month, the Fund's cash weight was 23%, though this will be reduced in September.

Trust Distribution History

Period	Cash	Annualised Yield at NAV
CY 2017	\$0.128	8.0%
CY 2018	\$0.189	8.2%
CY 2019	\$0.172	8.2%
CY 2020	\$0.115	7.0%
CY 2021	\$0.133	7.0%
CY 2022	\$0.127	7.0%
CY 2023	\$0.116	7.0%
Mar 2024	\$0.03	7.0%
June 2024	\$0.03	7.0%

Fund Information

Unit Price (NAV)	\$1.6463
APIR Code	OMF9290AU
ASX Code	AFM01
Inception	May 2017
Responsible Entity	One Managed Investment Funds Limited
Benchmark	RBA Cash Rate +3%
Unit Pricing	Daily available on the ASX website
Management Fee	0.95% per annum incl GST
Distributions	Aim to deliver at least 1.75% per quarter.
Buy/sell spread	+/- 0.15%
Applications	Units can be acquired by the current Product Disclosure Statement Or via ASX mFunds .
Redemptions	Daily via the share registry or via ASX mFunds
Platform Availability	ASX mFunds and Hub24

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Estimated Portfolio Metrics for FY25

	ASX 200	Fund
Price Earnings Ratio	16.9x	12.1x
Dividend Yield Net	3.9%	4.0%
Est Franking	67%	62%
Grossed up Yield	4.9%	4.9%
Call Income	n/a	6.0%
Total expecting Income	4.88	10.9%
Number of Stocks	200	21
Avg Mcap \$bn	12	69

Top Ten Active Positions end August 2024

Positive	Negative
Cash	BHP
Region Group	NAB
Transurban Group	Goodman Group
Woodside Energy	Telstra
Ampol	Woolworths

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