

PORTFOLIO UPDATE

Atlas Australian Equity Income Fund

Monthly Report September 2024



- September was a strong but very volatile month with the ASX 200 gaining 3% over the month, following the announcement of stimulus from the Chinese central bank. This rally saw the Australian market outperform global markets led by the miners that dragged up the ASX on the expectation of a Chinese stimulus plan akin to those from 2009 and 2015, with spending directed towards steel-intensive heavy infrastructure.
- The **Atlas Australian Equity Income Fund** gained by 2.7% outperforming the index return of 0.6%. A solid outcome after the announcement of measure in China to stimulate their economy saw the iron ore miners' share prices rally around +15% in the final days of the month. October has revealed that the Chinese stimulus plan was more modest than expected and geared towards the domestic consumer rather than steel-intensive construction.
- The Fund declared a quarterly distribution of \$0.0296 per unit for the September Quarter, a small increase on the June Quarter. The distribution was paid to investors earlier this week.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug *	Sep	12m rolling	Since Incept % p.a.
Atlas Australian Equity Income Fund	-5.6%	8.7%	10.0%	0.4%	-2.1%	5.4%	-5.5%	-1.3%	-1.1%	6.3%	-0.2%	2.7%	17.5%	1.8%
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	-6.2%	8.1%	9.4%	-0.2%	-2.7%	4.8%	-6.1%	-1.9%	-1.7%	5.6%	-0.8%	2.1%	9.9%	-2.8%

* 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 the announcement of the Chinese central bank lowering interest rates on existing mortgages whilst also lowering the required downpayment for a second home to 15%. These announcements saw a 10% increase in the iron ore price and an appreciation of the Australian dollar to above US\$0.69.

Atlas remains sceptical that these announced policy changes will see an increased need to for steel production in China as the current announced stimulus looks to be targeting consumer confidence rather than bridges to nowhere.

Portfolio Performance

In September, the Atlas Australian Equity Income Fund gained by 2.7%, ahead of the benchmark's return.

Positions in Mineral Resources (+30%), Whitehaven Coal (+10%), Deterra (+10%), Arena REIT (+6%) and Ampol (+6%) added value. On the negative side of the ledger, Woodside (-3.5%), Transurban (-3%) and Medibank Private (-3%) detracted value.

Trading

Over the month, the Fund entered into new positions including Amcor, CSL, Incitec Pivot. Alongside this out-of-the-money call options were sold over position in Amcor, ANZ, CSL, QBE Insurance and The Lotteries Corporation. Atlas was pleased with the premiums the Fund received.

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%
Sep 2024	\$0.03	7.0%

Fund Information

Unit Price (NAV)	\$1.6612 (ex-distribution 3 cents)
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 September 2024

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

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