

PORTFOLIO UPDATE

Atlas Australian Equity Income Fund

Monthly Report October 2024



- October was a weak month, with global markets retreating between -1% and -3% due to concerns about the US election, with commodities volatile on opaque indications of what the purported Chinese stimulus plan may look like. Over the month, the Chinese central bank lowered interest rates again to boost consumption but stopped short of any stimulus that would increase the need to consume more iron ore.
- The **Atlas Australian Equity Income Fund** declined by 3.2%, mainly due to macroeconomic fears rather than the outlook for individual company profits in 2025.
- Looking back at October 2023, there were many reasons to sell equities, with both the US and Australia touted to head into recession and further rate rise tipped to occur in 2024 to combat inflation. However, this would have been a mistake as the past twelve months have been very positive for investors in Australian equities, who have enjoyed returns of over 20%. Indeed, against a grim backdrop, one year ago, many individual companies reported strong trading conditions, at odds with the doom and gloom prevailing in global share markets.

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug *	Sep	Oct	12m rolling	Since Incept % p.a.
Atlas Australian Equity Income Fund	8.7%	10.0%	0.4%	-2.1%	5.4%	-5.5%	-1.3%	-1.1%	6.3%	-0.2%	2.7%	-3.2%	20.5%	1.3%
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%	4.8%
Active return	8.1%	9.4%	-0.2%	-2.7%	4.8%	-6.1%	-1.9%	-1.7%	5.6%	-0.8%	2.1%	-3.8%	12.9%	-3.5%

* 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 global equities pausing and bond yield rates increasing ahead of the United States election in November. The key news in Australia was that companies were giving quarterly updates at their annual general meetings (AGM) over the month, which were generally positive.

Portfolio Performance

In October, the Atlas Australian Equity Income Fund declined by -3.2%.

Positions in QBE Insurance (+4%), Amcor (+2%) and CSL added value (+1%) along with the Fund's derivatives overlay that cushioned losses. On the negative side of the ledger, Region (-4%), Deterra (-8%), Ampol (-8%) and Whitehaven (-6%) hurt performance.

Trading

Over the month, the Fund entered new positions in Rio Tinto and BHP and was added to CSL. Alongside this, out-of-the-money call options were sold over positions in these companies. Atlas was pleased with the premiums the Fund received, netting over 2% for selling instruments expiring in mid-December.

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)	\$1.6074
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	18.9x	12.0x
Dividend Yield Net	3.4%	4.3%
Est Franking	67%	62%
Grossed up Yield	4.6%	4.9%
Call Income	n/a	6.0%
Total expecting Income	4.6%	10.9%
Number of Stocks	200	21
Avg Mcap \$bn	12	69

Top Ten Active Positions end October 2024

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

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