

# PORTFOLIO UPDATE

## Atlas Australian Equity Income Fund

### Monthly Report November 2024



- Macro news and abundant liquidity still dominating asset prices which was reflected across the board with strong positive moves in equities over November. The key driver over the month was a dominant Trump election win with a promise of more business-friendly policies. Despite this euphoria at Atlas we are remaining cautious with markets reaching new highs and CBA now the most expensive bank in the world.
- The **Atlas Australian Equity Income Fund** gained 0.3% for November. Over the month, we saw solid income opportunities in the options market given our belief that valuations look stretched. Here Atlas looks to take advantage of the excessive optimism of other investors, trading in tomorrow's "blue sky" for cash received today.
- The Fund is populated with companies that deliver stable and predictable earnings, revenue that increases in line with inflation and have lower levels of gearing. With valuations almost as high as expectations it is a time for conservatism – stay nimble and have protection.

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug *	Sep	Oct	Nov	12m rolling	Since Incept % p.a.
Atlas Australian Equity Income Fund	10.0%	0.4%	-2.1%	5.4%	-5.5%	-1.3%	-1.1%	6.3%	-0.2%	2.7%	-3.2%	0.3%	11.2%	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%	4.7%
<b>Active return</b>	<b>9.4%</b>	<b>-0.2%</b>	<b>-2.7%</b>	<b>4.8%</b>	<b>-6.1%</b>	<b>-1.9%</b>	<b>-1.7%</b>	<b>5.6%</b>	<b>-0.8%</b>	<b>2.1%</b>	<b>-3.9%</b>	<b>-0.3%</b>	<b>3.6%</b>	<b>-3.4%</b>

\* 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 positive asset price reactions to the Trump election win. Equities and Bonds rallied in the US and here. We saw positive reactions to AGMs and trading updates.

#### Portfolio Performance

QBE Insurance (+16%), Suncorp (+10%), Incitec Pivot (+7%), Sonic Healthcare (+7%) and Medibank Private (+6%) added value along with the Fund's derivatives overlay. On the negative side of the ledger, Mineral Resources (-15%), BHP (-3%) and Whitehaven (-3%) hurt performance.

#### Trading

Over the month, the Fund entered new positions in Coles and GPT Group as well as increasing weights in newly added BHP and Rio Tinto. Alongside this, the Fund has exited out of legacy positions in Arena, Deterra, Lendlease and Region. The Fund received approximately between 1.5% to 2% for selling out of the money call positions expiring in January.

#### 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)	\$1.6120
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 <a href="#">ASX website</a>
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 <a href="#">Product Disclosure Statement</a> Or via <a href="#">ASX mFunds</a> .
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	18.1x	15.9x
Dividend Yield Net	3.7%	4.8%
Est Franking	67%	62%
<b>Grossed up Yield</b>	4.6%	5.9%
Call Income	n/a	6.0%
Total expecting Income	4.6%	11.9%
Number of Stocks	200	21
Avg Mcap \$bn	13	69

### Top Ten Active Positions end November 2024

Positive	Negative
Cash	Commonwealth Bank
CSL Limited	NAB
Transurban	BHP Limited
Woodside Energy	Westpac
Rio Tinto	Wesfarmers

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