

# PORTFOLIO UPDATE

## Atlas Australian Equity Income Fund

### Monthly Report January 2025



- The Santa Claus Rally came late this year, with January 2025 being the best month for Australian Equities since January 2023. This saw a reversal of December's sharp falls on expectations of rate cuts with inflation continuing to ease, a weak Australian Dollar and optimism of an economic bump from the second coming of Trump.
- The **Atlas Australian Equity Income Fund** was up +1.8% for January and comfortably above the benchmark. While behind the ASX200 return, this was expected given the considerable strength of the broader market and the Fund's protection and option premium strategies that limit gains in a robust month. Over time, we expect investors to be compensated for the additional income the Fund produces, lower drawdowns and smoother returns.
- Atlas is looking forward to the February profit season, and the Fund has started the month off strongly. We expect the reporting season will continue to show the resilience of company earnings from the companies held in the Fund and that management will guide to higher profits and dividends over the coming year.

	Feb	Mar	Apr	May	Jun	Jul	Aug *	Sep	Oct	Nov	Dec	Jan	12m rolling	Since Incept % p.a.
Atlas Australian Equity Income Fund	-2.1%	5.4%	-5.5%	-1.3%	-1.1%	6.3%	-0.2%	2.7%	-3.2%	0.3%	-1.2%	1.8%	1.2%	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%	4.6%
<b>Active return</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>-1.8%</b>	<b>1.2%</b>	<b>-6.4%</b>	<b>-3.3%</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 buy-write strategy. A portion of the income received from selling the call options may be used to purchase protection via put options to reduce capital risk.

#### Market Update

The market enjoyed its strongest month for 2 years, with expectations now high for an interest rate cut from the RBA at its first meeting of 2025 on Feb 18<sup>th</sup>. There was little stock-specific news over the month, with companies preparing for the February results season and macroeconomic factors as the key driver.

#### Portfolio Performance

In January, the Atlas Australian Equity Income Fund gained +1.8%. Positions in Atlas Arteria, ANZ, QBE Insurance and Suncorp added value, while the derivatives overlay muted performance over the month. The defensive nature of the portfolio and its option overlay made it challenging to keep up with the robust equity market. However, as we saw in December, the overlay provides a cushion during a sell-off.

#### Trading

Over the month, the Fund increased weightings in BHP, Suncorp, Amcor and Ampol. Additional protection was purchased mid-month, a prudent move with the ASX at all-time highs.

The Fund received approximately 0.9% for selling out of the money call positions over the month, which will contribute towards the upcoming March quarterly distribution.

#### 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%
CY 2024	\$0.116	7.0%

#### Fund Information

Unit Price (NAV)	\$1.5931
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	18.4x	16.0x
Dividend Yield Net	3.3%	4.6%
Est Franking	67%	62%
<b>Grossed up Yield</b>	4.1%	5.6%
Call Income	n/a	6.0%
Total expecting Income	4.6%	11.6%
Number of Stocks	200	21
Avg Mcap \$bn	13	51

### Top Ten Active Positions end January 2025

Positive	Negative
Ampol	Commonwealth Bank
Amcor	NAB
Woodside	Macquarie Group
Rio Tinto	Wesfarmers
Atlas Arterial	Goodman Group

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