

# PORTFOLIO UPDATE

## Atlas Australian Core Equity Portfolio

### 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 Concentrated Australian Equity Portfolio** gained +4.54%, roughly matching the index return of +4.57%, an acceptable outcome for a lower beta portfolio in a strong month. Share price movements in January are driven by macroeconomic events rather than actual company earnings, with swings both positive and negative amplified by low trade volumes on the ASX.
- 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. The fall in the Australian dollar will positively impact the Portfolio, which has a high weight toward companies that generate profits in USD.

	Feb	Mar	Apr	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	12m rolling	Inception % p.a.
<b>Atlas Core Australian Equity Portfolio</b>	1.7%	3.3%	-3.6%	0.1%	1.2%	4.6%	-0.3%	1.7%	-1.8%	3.8%	-2.8%	4.5%	12.7%	9.5%
<b>ASX 200 TR ex LPT</b>	0.5%	2.8%	-2.9%	0.9%	1.0%	4.0%	0.5%	2.7%	-1.2%	3.9%	-3.0%	4.6%	14.1%	8.6%
<b>Active return</b>	1.2%	0.5%	-0.7%	-0.7%	0.2%	0.7%	-0.8%	-1.0%	-0.6%	-0.1%	0.2%	0.0%	-1.3%	0.9%

#### Portfolio Objective

Our approach to investing in Australian shares is founded on fundamental company analysis, earnings quality, and sensible risk management principles. The objective is to build a portfolio of high-quality companies that deliver consistent and growing dividends with easily forecastable earnings. The Portfolio focuses on companies with strong profit and dividend growth.

#### Portfolio Details

Index	S&P ASX 200 Total Return (ex LPT)
Number of Stocks	18 - 30
Asset Allocation	100% Equity
Inception Date	March 2016
Security Target	within 5% of S&P ASX 200 weights
Sector Target	within 10% of S&P GICS sector weights
Management Fee	0.44% per annum (GST included)
Platform	Hub24/Netwealth/Praemium
Code	ATL001

#### Market Update

There was minimal news flow in January, with companies in a "blackout" before releasing their financial results in February 2024. During January, a few mining and toll road companies within the Portfolio provided second-quarter trading updates and production, all of which were within expectations.

The critical global news in January was the inauguration of US President Donald Trump, which came with threats of global tariffs, with the major tariff threats being placed against Canada, Mexico, and China.

#### Top Ten Active Positions end January 2025

##### Positive

Ancor  
Macquarie Group  
ANZ  
Transurban  
QBE Insurance

##### Negative

BHP  
NAB  
Aristocrat Leisure  
Telstra  
Rio Tinto

#### Estimated portfolio metrics for FY25

	ASX 200	ACEP
PE (x) fwd.	18.4	16.0
Dividend yield net	3.3%	4.6%
Est Franking	67%	82%
<b>Grossed Up Yield</b>	<b>4.1%</b>	<b>6.1%</b>
Number of stocks	200	23
Avg mcap \$bn	14	71
Beta (3 month rolling)	1.0	0.91

Source: Bloomberg & UBS

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January 2025



### Portfolio Performance

In December, the **Atlas Concentrated Australian Equity Portfolio** gained by +4.54%, matching the index return of +4.57%. As always, in January, it is tough to outperform the index, with the majority of companies blackout before the February reporting season. January also has low trade volumes, with most institutional fund managers sitting on their hands and not making significant changes before reporting season.

Over the month, positions in JB Hi-Fi (+10%), Suncorp (+9%), Deterra (+9%), QBE Insurance (+9%), and Macquarie Group (+9%) added value. On the negative side of the ledger, Whitehaven Coal (-1%), CSL (0%), and Transurban (0%) detracted value.

### Portfolio Trading

No trading was done during the month.

### Sector Exposure January 2025

GICS Sector	ASX200	ACEP	ACTIVE
Consumer Discretionary	9.4%	10.0%	0.6%
Consumer Staples	3.6%	0.0%	-3.6%
Energy	3.6%	7.9%	4.3%
Banks	27.3%	31.6%	4.2%
Diversified Fins	6.2%	9.8%	3.7%
Health Care	9.4%	12.2%	2.8%
Industrials	5.1%	1.8%	-3.3%
Materials	18.4%	14.0%	-4.4%
Telecommunication Services	5.1%	0.0%	-5.1%
Listed Property	6.7%	0.0%	-6.7%
Utilities	3.5%	8.8%	5.3%

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