

PORTFOLIO UPDATE

Atlas Australian Equity Income Fund

Monthly Report February 2025



- February saw very volatile markets, with the Australian corporate earning season overlaid against a background of the RBA cutting the cash rate and Trump tariff policy towards the USA's major trading partners that oscillated through the month. This saw the ASX give back most of January's gains and finish down -3.8%.
- The **Atlas Australian Equity Income Fund** finished down 2.17% in a month, with few places for investors to hide. A volatile Reporting Season saw risk off and large swings in share prices, and the Fund saw some of our holdings experience similar moves. However, the Fund saw less volatility due to the option overlay and the more defensive nature of the portfolio.
- Atlas goes into March with high income expectations with dividends due and volatility higher, which should be reflected in higher option premiums being received. The Fund remains populated with companies in good financial health that mainly offer non-discretionary goods and services and pay consistent dividends. In February, dividends across the ASX were cut by -6%; however, the Fund was on the positive side of the ledger, seeing a modest +2% increase in dividends declared.

| | Mar | Apr | May | Jun | Jul | Aug * | Sep | Oct | Nov | Dec | Jan | Feb | 12m rolling | Since Incept % p.a. |
|-------------------------------------|-------------|--------------|--------------|--------------|-------------|--------------|-------------|--------------|--------------|--------------|-------------|--------------|--------------|---------------------|
| Atlas Australian Equity Income Fund | 5.4% | -5.5% | -1.3% | -1.1% | 6.3% | -0.2% | 2.7% | -3.2% | 0.3% | -1.2% | 1.8% | -2.2% | 1.2% | 1.1% |
| 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% | 4.9% |
| Active return | 4.8% | -6.1% | -1.9% | -1.7% | 5.6% | -0.8% | 2.1% | -3.9% | -0.3% | -1.8% | 1.2% | -2.8% | -6.4% | -3.8% |

* 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 call overwrite 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

Volatility was the month's flavour in February, with large moves up and down based on reporting season. Bank quarterly trading updates largely disappointed, led by NAB (-12%). While borrowers welcomed the rate cut from the RBA, the hawkish tone left investors less confident that 2025 will see further cuts.

Portfolio Performance

In February, the Atlas Australian Equity Income Fund fell 2.2%, significantly better than the ASX200, but it was disappointing nonetheless. Positions in Amcor, Coles, Suncorp and Telstra added value. Detracting from value was a poor result from Mineral Resources and a poor reaction to the CSL result despite a reasonable set of numbers. Option protection made a small positive contribution, which will increase in value if the market continues to slide.

Trading

Over the month, the Fund increased weightings in Suncorp ahead of its special dividend and tax-effective capital return. Trading in options was busy with volatile share prices, providing opportunities to enhance income. Additionally, many of our holdings declared dividends.

The Fund received approximately 0.8% 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) | \$1.5586 |
| 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 |

PORTFOLIO UPDATE

Atlas Australian Equity Income Fund

February 2025



Estimated Portfolio Metrics for FY25

| | ASX 200 | Fund |
|-------------------------|---------|-------|
| Price Earnings Ratio | 17.8x | 15.0x |
| Dividend Yield Net | 3.5% | 4.8% |
| Est Franking | 67% | 62% |
| Grossed up Yield | 4.1% | 6.1% |
| Call Income | n/a | 6.0% |
| Total expected Income | 4.6% | 10.8% |
| Number of Stocks | 200 | 21 |
| Avg Mcap \$bn | 13 | 51 |

Top Ten Active Positions end February 2025

| Positive | Negative |
|---------------|-------------------|
| Ampol | Commonwealth Bank |
| Amcor | NAB |
| Woodside | Macquarie Group |
| Rio Tinto | Wesfarmers |
| Atlas Arteria | Goodman Group |

One Managed Investment Funds Limited (ACN 117 400 987) (AFSL 297042) (OMIFL) is the Responsible Entity of the Atlas Australian Equity Income Fund (Fund). The information contained in this document was not prepared by OMIFL but was prepared by other parties. While OMIFL has no reason to believe that the information is inaccurate, the truth or accuracy of the information contained in this document is not warranted or guaranteed by OMIFL. Anyone receiving this presentation must obtain and rely upon their own independent advice and enquiries. Investors should consider the Product Disclosure Statement (PDS), Additional Information Booklet (AIB) and Target Market Determination (TMD) issued by OMIFL before making any decision regarding the Fund. The PDS, AIB and TMD contains important information about investing in the Fund and it is important investors obtain and read a copy of the PDS, AIB and TMD before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. You should also consult a licensed financial adviser before making an investment decision in relation to the Fund. Past performance is not indicative of future performance.

Limitation of liability: Whilst all care has been taken in preparation of this report, to the maximum extent permitted by law, neither Atlas Funds Management (AFM) or OMIFL will be liable in any way for any loss or damage suffered by you through use or reliance on this information. AFM's and OMIFL's liability for negligence, breach of contract or contravention of any law, which cannot be lawfully excluded, is limited, at AFM's option and to the maximum extent permitted by law, to resupplying this information or any part of it to you, or to paying for the resupply of this information or any part of it to you.