

PORTFOLIO UPDATE

Atlas Australian Core Equity Portfolio

Monthly Report July 2025



- July was a stronger month for equities globally and domestically, with the S&P500 gaining 2.17% over the month and the ASX 200 gaining 2.35%. The key news domestically was the surprise from the RBA of not cutting rates in July. Since then, inflation has continued to moderate, which is likely to prompt the RBA to cut rates when it meets in August
- The **Atlas Australian Core Equity Portfolio** gained 2.74%, outperforming the benchmark return of 2.29%. As always, it is challenging in July to deviate from the index with most companies in blackout and the market being driven by macroeconomic themes.
- Atlas is looking forward to the upcoming August reporting season. We expect the reporting season will continue to show the resilience of company earnings from the companies held in the Portfolio and that management will guide to higher profits and dividends over the coming year. In the last weeks of July, eight companies gave guidance on their upcoming results. An advantage of populating a portfolio with established and profitable companies over newly listed firms with novel business models is that investors have a guide on how these companies should perform in all business conditions.

| | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | 12m rolling | Inception % p.a. |
|--|-------|-------|-------|-------|-------|------|-------|-------|-------|-------|------|------|-------------|------------------|
| Atlas Australian Core Equity Portfolio | -0.3% | 1.7% | -1.8% | 3.8% | -2.8% | 4.5% | -3.6% | -3.1% | 2.0% | 4.0% | 1.6% | 2.7% | 8.6% | 9.3% |
| ASX 200 TR ex LPT | 0.5% | 2.7% | -1.2% | 3.9% | -3.0% | 4.6% | -3.8% | -3.3% | 3.5% | 4.2% | 1.4% | 2.3% | 11.6% | 8.7% |
| Active return | -0.8% | -1.0% | -0.6% | -0.1% | 0.2% | 0.0% | 0.2% | 0.3% | -1.5% | -0.2% | 0.2% | 0.5% | -3.0% | 0.7% |

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/Macquarie Wrap |
| Code | ATL001 |

Market Update

There was minimal company-specific news during July due to companies being in blackout before releasing their six-month financial results in August. The key economic news over the month was the easing of inflation, which is likely to prompt the Reserve Bank to cut interest rates when it meets next Tuesday.

Globally, President Trump was again active on the tariffs, releasing a frenzy of deals, adjustments, backflips, side-deals, all of which are now largely ignored by the markets – the cratering of markets of March and April seems so far away now

Top Ten Active Positions as of July 2025

Positive

| | |
|-----------------|-------------------|
| Amcor | BHP |
| QBE Insurance | NAB |
| Transurban | Commonwealth Bank |
| ANZ | Telstra |
| Macquarie Group | Rio Tinto |

Negative

Estimated portfolio metrics for FY26

| | ASX 200 | ACEP |
|-------------------------|-------------|-------------|
| PE (x) fwd. | 19.5 | 14.0 |
| Dividend yield net | 3.4% | 4.9% |
| Est Franking | 67% | 82% |
| Grossed Up Yield | 4.2% | 6.5% |
| Number of stocks | 200 | 23 |
| Avg mcap \$bn | 11 | 69 |
| Beta (3-month rolling) | 1.0 | 0.93 |

Source: Bloomberg & UBS

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Portfolio Performance

In June, the **Atlas Australian Core Equity Portfolio** gained by 2.7%, outperforming the benchmark return of 2.3% in a volatile month.

Over the month, positions in Mineral Resources (+33%), Whitehaven Coal (+19%), CSL (+13%), Woodside (+13%) and Deterra Royalties (+10%) added value.

On the negative side of the ledger, Bapcor (-23%), Macquarie Group (-5%), and Suncorp Insurance (-3%) detracted value.

Quarterly Updates:

During July, the Portfolio received quarterly updates from eight companies, with most results being positive.

Ampol (+6%) provided a trading update that was largely in line with market expectations, with retail sales continuing to grow earnings from a favourable mix of premium fuels and the refining margin recovering from higher oil prices globally.

Bapcor (-23%) provided a trading update that was below market expectations and that three directors will be stepping down. Atlas has a meeting scheduled with management following its results in August.

Mineral Resources (+33%) provided a solid production update, which showed production was at the top end of guidance and costs were below guidance for both iron ore and lithium.

Atlas Arteria (+1%) provided a traffic update during July, showing that the average traffic across their road system increased by 3% but their revenues increased by 11% following increases in toll rates at the start of the year.

Deterra Royalties (+10%) provided a solid update following a \$20 million capacity payment from BHP, which was triggered by increased production at their flagship mine, now exceeding 128 million tonnes per annum.

Whitehaven (+19%) provided a positive production update, which was demonstrated by management's focus on operational excellence and cost reduction in their met coal mines.

Portfolio Trading

No trading was done this month.

Sector Exposure July 2025

| GICS Sector | ASX200 | ACEP | ACTIVE |
|----------------------------|--------|-------|--------|
| Consumer Discretionary | 9.4% | 11.2% | 1.8% |
| Consumer Staples | 3.6% | 0.0% | -3.6% |
| Energy | 3.7% | 7.6% | 3.9% |
| Banks | 27.0% | 32.4% | 5.2% |
| Diversified Fins | 6.8% | 12.0% | 5.2% |
| Health Care | 9.6% | 10.8% | 1.2% |
| Industrials | 5.3% | 1.3% | -4.0% |
| Materials | 18.1% | 14.4% | -3.8% |
| Telecommunication Services | 5.9% | 0.0% | -5.9% |
| Listed Property | 6.7% | 0.0% | -6.7% |
| Utilities | 3.6% | 8.9% | 5.3% |

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