

# PORTFOLIO UPDATE

## Atlas Australian Core Equity Portfolio

### Monthly Report January 2026



- January was a mostly positive month for equity markets, with macroeconomic news dominating headlines and bombarding investors with news such as the abduction of the President of Venezuela, tariff hikes on South Korea, threats by the US to seize Greenland and escalating tensions with Iran.
- The **Atlas Australian Core Equity Portfolio** gained by 0.71%, underperforming the benchmark return of 1.78%, a disappointing outcome in a month that was dominated by geopolitical headlines and global macroeconomic news, rather than changes to expected company profits and dividends.
- Atlas is looking forward to the February profit season and has been pleased with the quarterly updates given by Portfolio companies in January. We expect the reporting season to 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.

	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	12m rolling	Inception % p.a.
Atlas Concentrated Aust. Equity Portfolio	-3.6%	-3.1%	2.0%	4.0%	1.6%	2.7%	1.6%	-2.5%	1.2%	-1.2%	1.2%	0.7%	4.6%	9.0%
ASX 200 TR (ex LPT)	-3.8%	-3.3%	3.5%	4.2%	1.4%	2.3%	3.0%	-0.7%	0.4%	-2.7%	1.3%	1.8%	7.1%	8.5%
Active return	0.2%	0.3%	-1.5%	-0.2%	0.2%	0.5%	-1.4%	-1.8%	0.9%	1.5%	0.0%	-1.1%	-2.5%	0.5%

#### 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 news flow in January, with companies in a "blackout" before releasing their financial results in February. During January, the Portfolio's mining and toll road companies provided quarterly production and trading updates that were largely in line with our expectations.

Globally, US President Donald Trump placed higher tariffs on South Korea and announced the desire to purchase Greenland from Denmark. These heightened geopolitical events sent gold higher to \$4750 an ounce. Expectations of rate rises in Australia on higher inflation saw the AUD rise 4.4% over the month to \$69.7 US cents. Oil gained 16% to finish above US\$70/bl on heightened tensions with Iran.

#### Top Ten Active Positions as of January 2026

Positive	Negative
Mineral Resources	BHP
ANZ	NAB
Transurban	Rio Tinto
Amcor	Telstra
Ampol	Commonwealth Bank

#### Estimated portfolio metrics for FY26

	ASX 200	ACEP
PE (x) fwd.	18.3	15.8
Dividend yield net	3.4%	4.8%
Est Franking	67%	82%
<b>Grossed Up Yield</b>	<b>4.0%</b>	<b>6.3%</b>
Number of stocks	200	23
Avg mcap \$bn	11	69
Beta (3-month rolling)	1.0	0.97

Source: Bloomberg & UBS

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### Portfolio Performance

In January, the **Atlas Australian Core Equity Portfolio** gained 0.7%. Over the month, there was minimal company-specific news, with geopolitical events and global macroeconomic news driving markets.

Over the month, positions in Whitehaven Coal (+14%), Dyno Nobel (+9%), Woodside Energy (+8%), Mineral Resources (+5%) and CSL (+5%) added value.

On the negative side of the ledger, JB Hi-Fi (-16%), Ampol (-10%), and Lendlease (-7%) detracted value. Ampol's share price move was surprising in light of guiding in January that they expect to report 30% profit growth for the year.

### A noisier January than most

January historically is a quieter month on the ASX, with most companies in "blackout" until their results in February. This January was quite different, with macroeconomic news dominating headlines and moving markets on low-volume trading days.

Some events include Trump escalating his 'excellent adventure' in whole new directions – including abducting the President of Venezuela, seizing its oil, and appointing himself President of Venezuela. He also appointed himself head of the body to turn Gaza into a grand casino project, and he threatened to seize Greenland from Denmark. Trump also announced more tariff hikes and backflips and stepped up his war on the 'enemy within' on the streets of US cities, killing more citizens.

### Portfolio Trading

Over the month, we trimmed some of our position in Mineral Resources following a strong performance over 2025 (+59%) and the recent strength of lithium prices.

These funds were moved in JB Hi-Fi following a pullback in the share price due to concerns around consumer spending. Whilst a rate hike impacts consumer spending, historically, JB Hi-Fi's sales of consumer electronic devices have not been impacted by higher mortgage rates.

### Sector Exposure January 2026

GICS Sector	ASX200	ACEP	ACTIVE
Consumer Discretionary	8.6%	11.2%	2.6%
Consumer Staples	3.4%	0.0%	-3.4%
Energy	3.5%	7.6%	4.1%
Banks	26.8%	32.4%	5.6%
Diversified Fins	5.8%	12.0%	6.1%
Health Care	7.0%	10.8%	3.8%
Industrials	4.9%	1.3%	-3.6%
Materials	23.9%	14.4%	-9.5%
Telecommunication Services	4.4%	0.0%	-4.4%
Listed Property	6.3%	0.0%	-6.3%
Utilities	3.5%	8.9%	5.4%

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