

# PORTFOLIO UPDATE

## Atlas Australian Core Equity Portfolio

### Monthly Report March 2026



- March was a very volatile month dominated by Trump's ever-changing announcements on Iran, with markets falling on his plans to "blow up desalination plants in Iran if no deal reached" or "obliterate Iranian oil and energy sites if it refuses a deal to end the war". Conversely, we saw sharp albeit temporary rallies over the month when Trump announced that the "US was in serious discussions with the Iranian regime to end military operations" and that "Iran had sent the US a 'present' that was oil and gas-related".
- The **Atlas Australian Core Equity Portfolio** fell by -2.61%, outperforming the benchmark return of -7.15%, with the Portfolio proving quite defensive in a tough month where there were few places to hide outside of energy and insurance.
- March was another solid month for income for our investors, with six positions held by the Portfolio paying dividends. Atlas is looking forward to the banks' reporting season in May, which may shift the market's attention away from macroeconomic fears overseas and back to actual company earnings and dividends.

	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	12m rolling	Inception % p.a.
<b>Atlas Aust. Equity Portfolio</b>	2.0%	4.0%	1.6%	2.7%	1.6%	-2.5%	1.2%	-1.2%	1.2%	0.7%	2.8%	-2.6%	12.1%	8.9%
<b>ASX 200 TR (ex LPT)</b>	3.5%	4.2%	1.4%	2.3%	3.0%	-0.7%	0.4%	-2.7%	1.3%	1.8%	4.1%	-7.1%	11.3%	7.9%
<b>Active return</b>	-1.5%	-0.2%	0.2%	0.5%	-1.4%	-1.8%	0.9%	1.5%	0.0%	-1.1%	-1.3%	4.5%	0.7%	1.0%

#### 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/Macquarie Wrap
Code	ATL001

#### Market Update

Over the month, the news was dominated by macroeconomic events in the Middle East and the US military operation in Iran. These events saw oil prices rise by 51% to US\$118/bl, with natural gas, thermal coal, and refining spreads rising alongside. Over the month, the market saw temporary rallies following announcements by the US President, which later reversed when they proved not to be factually correct.

There was little stock-specific news in March, following the February reporting season. In March, the Reserve Bank increased the cash rate by 0.25% to 4.1%, marking the second rate increase this year.

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

##### Positive

Mineral Resources

ANZ

Transurban

Ampol

Whitehaven Coal

##### Negative

BHP

NAB

Rio Tinto

Telstra

Commonwealth Bank

#### Estimated portfolio metrics for FY26

	ASX 200	ACEP
PE (x) fwd.	17.6	15.5
Dividend yield net	3.5%	4.9%
Est Franking	67%	82%
<b>Grossed Up Yield</b>	<b>4.4%</b>	<b>6.5%</b>
Number of stocks	200	24
Avg mcap \$bn	11	69
Beta (3-month rolling)	1.0	0.96

Source: Bloomberg & UBS

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March 2026



### Portfolio Performance

In March, the **Atlas Australian Core Equity Portfolio** fell by -2.61%, outperforming the benchmark. Overall, Atlas was pleased with the Portfolio's performance during a very volatile month, with its defensive characteristics being a highlight.

Over the month, positions in Woodside (+24%), Ampol (+20%), Whitehaven (+19%), and Suncorp (+10%) added value. All these companies will benefit from higher energy prices and higher inflation.

On the negative side of the ledger, Amcor (-17%), Sonic Healthcare (-11%), and Mineral Resources (-12%) detracted value.

It was frustrating to see Amcor down (-17%) for the month after providing a solid quarterly result in February. Over the month, the price of resin, a major input cost for packaging, increased following the oil price shock. This is unlikely to impact Amcor's profits, as it has long-term contracts with customers that pass on increases in raw material costs.

### What does a higher energy cost mean?

Higher energy costs will impact every sector of the economy, including mining, agriculture, and transport, and will likely lead to stickier, higher inflation. Higher energy costs will likely lead to less consumer discretionary spending and business investment, as both hold off on discretionary spending decisions.

The Portfolio currently includes companies with contracts that shield them from inflation and focuses on owning lowly geared companies that will see minimal impact from rising interest rates.

### Portfolio Trading

Over the month, Newmont was added to the Portfolio following a pullback in its share price. Newmont provides portfolio access to both gold and copper mining across Australia, North America, and Papua New Guinea, and is the largest and lowest-cost gold miner globally. Additionally, Newmont has no debt with US\$7.6 billion in gold and cash sitting on its balance sheet. The purchase was funded by the sale of Lendlease out of the Portfolio last month.

### Sector Exposure March 2026

GICS Sector	ASX200	ACEP	ACTIVE
Consumer Discretionary	7.5%	11.2%	3.8%
Consumer Staples	3.7%	0.0%	-3.7%
Energy	4.6%	7.6%	3.0%
Banks	28.3%	32.4%	4.0%
Diversified Fins	5.8%	12.0%	6.2%
Health Care	6.0%	10.8%	4.8%
Industrials	4.6%	1.3%	-3.3%
Materials	23.7%	14.4%	-9.3%
Telecommunication Services	4.3%	0.0%	-4.3%
Listed Property	5.6%	0.0%	-5.6%
Utilities	3.8%	8.9%	5.1%

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