

PORTFOLIO UPDATE

HNW Australian Equity Income Concentrated Portfolio

Monthly Report February 2026

- February was a very eventful month, mainly dominated by Australian corporate earnings, which largely showed that Australia's economy is doing well. Share price volatility over the month was high, with small earnings misses leading to strong share price declines and small earnings beats driving large share price gains.
- The **HNW Australian Equity Income Focus Portfolio** gained 3.7%, a strong outcome in a month, driven by a positive reporting season from companies within the Portfolio.
- It was pleasing to see the Portfolio companies, on average, increase dividends by +5% in the February reporting season. This is a pleasing outcome, with Portfolio income growing ahead of both inflation and the wider ASX 200. Atlas sees that increasing dividends is a better measure of a company's financial health than earnings per share or management guidance.

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	12m rolling	Incept annual
HNW Equity Income Concentrated Portfolio	-0.9%	1.1%	3.9%	0.4%	3.8%	3.8%	-2.8%	1.8%	0.4%	0.9%	0.4%	3.7%	17.6%	6.4%

Portfolio Objective

Investment decisions are determined by the ability of the companies to maintain or grow income to shareholders or that are likely to provide franking credits (including contemplation of possible off-market buybacks).

Appropriate Investors

Pensioners or otherwise low marginal tax rate investors who might have more limited resources or otherwise use other investments as a diversifier.

Portfolio Details

Benchmark	Not Aware
Number of Stocks	10-15
Asset Allocation	100% Equity
Inception Date	30 th November 2022
Security Target	within 5% of S&P ASX 200 weights

Market Update

As always, February is dominated by Australian corporate earnings, allowing investors to closely examine the financial accounts of large companies that dominate the Australian economy.

The February reporting season showed that Australian corporates were in good financial shape and had experienced minimal to no negative impact from geopolitical issues, such as rising US tariffs. A less pleasant feature from reporting season was extreme share price volatility, both positive and negative on results day, with the average move of 8%. We see this as the result of the increasing influence of momentum trading driven by computerised programs immediately after company results are released.

Top Positions February 2026 Yield (incl-franking)

Position	Yield
Woodside	9.1%
ANZ Bank	8.2%
Transurban	5.0%
Westpac	6.2%
Ampol	6.2%

Estimated portfolio metrics for FY26

	ASX 200	HNW Con
PE (x) fwd.	18.7	15.0
Dividend yield (net)	3.3%	5.2%
Est Franking	67%	81%
Grossed Up Yield	4.0%	6.8%
Number of stocks	200	15
Avg mcap \$B	11	55
Beta (3mth rolling)	1.0	0.91

Source: Bloomberg & UBS

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Portfolio Performance

In February, the **HNW Australian Equities Income Concentrated Portfolio** gained by 3.65%. Overall, Atlas was pleased with the Portfolio through the reporting season, with all companies profitable, paying dividends, and increasing income to shareholders above inflation.

Over the month, positions in Woodside (+12%), QBE Insurance (+10%), Amcor (+10%), Westpac (+10%), and ANZ (+9%) added value. All these companies delivered positive results and have a strong outlook for the coming year.

On the negative side of the ledger, Whitehaven (-11%), Dyno Nobel (-5%), and Arena REIT (-4%) detracted value.

Dividends signal a company's health.

When a company reports a result, one of the first things we look at is the dividend paid, as this is the best indicator of a company's actual health. A company's board is unlikely to raise dividends if business conditions are deteriorating. Also, earnings per share can be restated later due to "accounting opinions" or financial shenanigans from the CFO. However, once dividends are paid into investors' bank accounts, they cannot be returned.

During the reporting season, on a weighted average, Portfolio dividends increased by 5%.

Portfolio Trading

No trading was done over the month.

Performance Calculation Methodology

The following conventions have been adopted for calculating performance:

- Transaction expenses of 10bp are applied to Portfolio buy and sell. Transaction expenses are capitalised into the cost base. Rebalancing transactions incur transaction expenses.
- Cash-flow from dividends is credited on the ex-date rather than the pay date. Franking is not considered which is consistent with the calculation methodology of the benchmark. Cash flow from dividends is assumed to be reinvested in issuer stock at the closing price on the ex-date.
- The Portfolio can participate in entitlement-based capital raisings, however, cannot participate in institutional raisings. The Portfolio must fund the required amount by the sale of the equivalent amount of equity. In the event of a subsequent scale-back the Portfolio will also record the pro-rata amount of script issued.
- Performance does not include consideration of taxation including capital gains tax.

- Performance numbers are presented on an unaudited basis

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