

# PORTFOLIO UPDATE

HNW Australian Equity Income Concentrated Portfolio

Monthly Report May 2026

- May was a tedious month watching markets predictably see-saw in Trump's 'Deal-or-No-Deal' negotiations, which still remain in limbo. Oil fell by 17% over the month, mainly in the last week, amid optimism about a solution. However, oil prices have rallied in June with new air strikes from Israel and the USA and signs that a peace deal remains elusive.
- The **HNW Australian Equity Income Focus Portfolio** gained by 0.4%, a pleasing outcome given the volatility in markets during the month.
- The month was also healthy for dividends in the Portfolio, with four companies declaring dividends, and Dyno announcing an on-market share buy-back.

	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	12m rolling	Incept annual
HNW Equity Income Concentrated Portfolio	0.4%	3.8%	3.8%	-2.8%	1.8%	0.4%	0.9%	0.4%	3.7%	-1.4%	1.3%	0.4%	13.4%	4.9%

## 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 <sup>th</sup> November 2022
Security Target	within 5% of S&P ASX 200 weights

## Market Update

The dominant theme was again confusion surrounding the Iran conflict, with energy prices gyrating wildly daily amid proclamations from Trump that the Iranians had already agreed to American terms and later fuming that they had not.

May is always an important month for investors, with the first week dominated by the banks' reporting season, which was overall positive, with low bad debts, higher dividends, and strong capital positions.

Domestically, the RBA hiked interest rates again for the third meeting in a row to 4.35%, an increase of 0.25%.

## Top Positions May 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.	17.5	15.0
Dividend yield (net)	3.4%	5.2%
Est Franking	67%	81%
<b>Grossed Up Yield</b>	<b>4.3%</b>	<b>6.8%</b>
Number of stocks	200	15
Avg mcap \$B	11	55
Beta (3mth rolling)	1.0	0.91

Source: Bloomberg & UBS

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## HNW Australian Equity Income Concentrated Portfolio

May 2026

### Portfolio Performance

In May, the **HNW Australian Equities Income Concentrated Portfolio** gained by 0.4%.

Over the month, positions in Dyno Nobel (+14%), Deterra (+9%), Transurban (+7%), and Amcor (+5%) added value.

On the negative side of the ledger, energy positions Woodside (-8.5%) and Ampol (-5%) hurt performance.

Atlas remains happy to have a large weight on energy, as we see that the full impacts of restricted energy flows are yet to be felt in global economies, and that a lasting peace process is unlikely to be achieved quickly.

### 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