

# PORTFOLIO UPDATE

HNW Australian Equity Income Concentrated Portfolio

Monthly Report November 2024

- November was a strong month in global markets, with increases of +2% to +6%, boosted by Donald Trump's presidential election. This offset the losses seen in November when global markets fell between -1% and -3% as fear increased ahead of the US elections. Atlas holds several companies in the Portfolio with significant exposure to the USA; however, the demand for their non-discretionary goods and services produced by our companies is unlikely to change regardless of who sits in the Oval Office.
- The **HNW Australian Equity Income Concentrated Portfolio** gained by +2.7%, matching the ASX 200. The Portfolio had a solid November reporting season and positive AGM trading updates from companies held in the Portfolio.

	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	12m rolling	Incept annual
HNW Equity Income Concentrated Portfolio	4.8%	1.9%	2.5%	4.0%	-4.0%	-0.1%	-2.3%	4.5%	-1.5%	2.2%	-3.0%	2.7%	11.7%	3.7%

## 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 used with 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> October 2022
Security Target	within 5% of S&P ASX 200 weights

## Market Update

There was little stock-specific news in November, with global markets focused on the US election results. Since President Donald Trump was elected, US markets have rallied, driven by less competition for US business from higher tariffs and lower corporate taxes for US companies.

Domestically, the RBA kept interest rates at 4.35% for the 8th consecutive meeting, representing over a year since the last interest rate change. Over the month, oil and iron ore prices remained flat, whilst gold fell from all-time highs following the announcement of US election results.

## Top Positions November 2024 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 FY25

	ASX 200	HNW Con
PE (x) fwd.	18.1	13.1
Dividend yield (net)	3.5%	5.9%
Est Franking	67%	81%
<b>Grossed Up Yield</b>	<b>4.6%</b>	<b>7.5%</b>
Number of stocks	200	15
Avg mcap \$B	12	55
Beta (3mth rolling)	1.0	0.91

Source: Bloomberg & UBS

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## HNW Australian Equity Income Concentrated Portfolio

November 2024

### Portfolio Performance

In November, the **HNW Australian Equity Income Concentrated Portfolio** gained by 2.7%. The bank reporting season and trading updates across November have shown that the Portfolio is in a strong position heading into 2025.

Over the month, positions in QBE Insurance (+16%), Wesfarmers (+7%), Incitec Pivot (+7%) and Ampol (+4%) added value. On the negative side of the ledger, Mineral Resources (-15%), Atlas Arteria (-2%), and Amcor (-1%) detracted value.

### Portfolio Trading

No significant 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 sells. 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