

PORTFOLIO UPDATE

HNW Australian Equity Portfolio

Monthly Report July 2025

- July was a stronger month for equities globally and domestically. The key news over the month was the easing of inflation, which is likely to prompt the RBA to cut rates when it meets next Tuesday. Globally, Trump remained active on tariffs, releasing a flurry of deals, adjustments, backflips, and side-deals, all of which are now largely ignored by the markets, outside of the share prices of Swiss watchmakers. Similar pronouncements led to a panic and a sharp decline in the global equity market in March and April.
- The **HNW Australian Equity Portfolio** gained 2.74%, outperforming the benchmark return of 2.36%. As always, it is challenging in July to deviate from the index with most companies in blackout and share prices influenced by macroeconomic themes.
- Atlas is looking forward to the upcoming August reporting season. We expect the reporting season to continue showing the resilience of company earnings from the companies held in the Portfolio, and that management will guide us to higher profits and dividends over the coming year. In the last weeks of July, eight companies in the Portfolio gave production and guidance on their upcoming results. This guidance points to a positive reporting season.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	12m rolling	Incept annual
HNW Australian Equity Portfolio	-0.2%	1.7%	-1.8%	3.8%	-2.7%	4.1%	-2.7%	-3.2%	2.0%	3.9%	1.4%	2.7%	8.9%	9.7%
ASX 200 TR	0.5%	3.0%	-1.3%	3.8%	-3.2%	4.6%	-3.8%	-3.4%	3.6%	4.2%	1.4%	2.4%	11.8%	11.0%
Active return	-0.7%	-1.3%	-0.5%	0.0%	0.5%	-0.5%	1.1%	0.2%	-1.6%	-0.3%	0.0%	0.4%	-2.9%	-1.3%

Portfolio Objective

The objective is to build a portfolio of high-quality companies that will provide returns for a client in increased value and or dividends over time.

Portfolio Details

Index	S&P ASX 200 Total Return
Number of Stocks	15 - 30
Asset Allocation	100% Equity
Inception Date	30 th November 2022
Security Target	Within 5% of S&P ASX 200 weights
Sector Target	Within 10% of S&P GICS sector weights

Performance Update

There was minimal company-specific news during July, as companies were in blackout mode before releasing their six-month financial results in August. The key economic news over the month was the easing of inflation, which is likely to prompt the Reserve Bank to cut interest rates when it meets next Tuesday.

Top Ten Active Positions end July 2025

Positive

Transurban	BHP
QBE Insurance	NAB
Amcor	CBA
Macquarie Bank	Telstra
ANZ	Rio Tinto

Negative

Estimated portfolio metrics for FY25

	ASX 200	HNW AE
PE (x) fwd.	19.5	14.0
Dividend yield (net)	3.4%	4.9%
Est Franking	67%	82%
Grossed Up Yield	4.2%	6.5%
Number of stocks	200	23
Avg mcap \$B	11	69
Beta (3mth rolling)	1.0	0.93

Source: Bloomberg & UBS

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Portfolio Performance

In July, the **HNW Australian Equity Portfolio** gained by 2.7%, outperforming the benchmark return of 2.3% in a volatile month.

Over the month, positions in Mineral Resources (+33%), Whitehaven Coal (+19%), CSL (+13%), Woodside (+13%) and Deterra Royalties (+10%) added value.

On the negative side of the ledger, Bapcor (-23%), Macquarie Group (-5%), and Suncorp Insurance (-3%) detracted value.

Quarterly Updates:

During July, the Portfolio received quarterly updates from eight companies, with most results being positive.

Ampol (+6%) provided a trading update that was largely in line with market expectations, with retail sales continuing to grow earnings from a favourable mix of premium fuels and the refining margin recovering from higher oil prices globally.

Bapcor (-23%) provided a trading update that fell below market expectations, and three directors will be stepping down. Atlas has a meeting scheduled with management following its results in August.

Mineral Resources (+33%) provided a solid production update, which showed production was at the top end of guidance and costs were below guidance.

Atlas Arteria (+1%) provided a traffic update during July, showing that the average traffic across their road system increased by 3%. Pleasingly for shareholders, their revenues increased by 11% following the toll rate increases at the start of the year.

Deterra Royalties (+10%) provided a solid update following a \$20 million capacity payment from BHP, which was triggered by increased production at their flagship mine, now exceeding 128 million tonnes per annum.

Whitehaven (+19%) provided a positive production update, which was demonstrated by management's focus on

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.

operational excellence and cost reduction in their met coal mines.

Portfolio Trading

No trading was done this month.

Sector Exposure July 2025

GICS Sector	ASX200	AEP	ACTIVE
Consumer Discretionary	7.7%	10.7%	3.1%
Consumer Staples	4.8%	0.0%	-4.8%
Energy	6.9%	9.3%	2.5%
Banks	24.7%	26.7%	2.0%
Diversified Fins	4.7%	12.7%	7.9%
Health Care	9.6%	12.7%	3.0%
Industrials	5.5%	8.4%	2.9%
Materials	22.4%	14.6%	-7.9%
Telecommunication Services	2.5%	0.0%	-2.5%
Listed Property	5.5%	2.0%	-3.5%
Utilities	1.3%	3.9%	2.6%

- 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