

PORTFOLIO UPDATE

Atlas High Income Property Fund

Monthly Report September 2017



- The S&P/ASX 200 A-REIT index posted a small 0.5% gain over the month of September, slightly ahead of the wider ASX200 which was unchanged, as commodity prices and the AUD were weaker.
- The Fund gained had a solid month gaining +1.6%, outperforming the index as our strategy of preferring recurring rent collectors over developers was successful. Additionally, the bulk of the options sold last quarter ultimately expired worthless at the end of September. This strategy added value, as it converted uncertain future gains (which ultimately did not occur) into certain income.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Incep*
Atlas High Income Property Fund	0.0%	-3.1%	-0.3%	0.1%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.8%
ASX 200 A-REIT TR Index	-1.3%	-4.8%	-0.1%	1.3%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-4.5%
Active return	1.3%	1.7%	-0.2%	-1.2%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.7%

Portfolio Objective

Our approach to investing in Australian listed property is founded on the principles of quality, value and sensible risk management. The objective is to build a portfolio of high quality Property Trusts that are able to deliver consistent and growing distributions with easily forecastable earnings.

The Fund seeks to capture returns by investing in some of Australia's ASX listed property securities, with the objective of increasing the income generated by implementing a call option selling (writing) strategy. A proportion of the income received from selling the call options may be used to purchase put options to reduce capital risk.

Performance Update

The S&P/ASX 200 A-REIT Accumulation index gained +0.5% in a month where there was a large distribution of returns.

As all property trusts reported their profit results for the previous six months in August, September provided minimal new news flow.

In September, the top performing trusts were Abacus (+6%), Westfield (+6%) and Cromwell (+3%). The bottom performing trusts were those that have a degree of development earnings namely Charter Hall (-5%), Stockland (-3%) and Mirvac (-1%).

Portfolio Performance

The Fund posted a slight gain of +1.6% over the month, a pleasing outcome for a defensive income-focused portfolio.

Stock selection in the Fund was a highlight in September, with positions in Westfield (+6%) and SCA Property (+3%) adding value, as well as recent purchase Industria (+3%). The fund's income enhancement strategy of selling calls also contributed to performance over the month.

These gains were partially offset by weakness in Stockland (-3%) and the costs to protect capital in the event of significant market falls.

Trading

Over the month the Fund sold call options, generating income over positions held in GPT and Lend Lease. Downside protection for the next quarter was also purchased in September.

Top Portfolio Holdings as at September 2017

Stock

Westfield Corporation

Stockland

GPT Group

Scentre

Shopping Centres Australia

Portfolio Characteristics

	Index	Atlas High Income Prop Fund
Price Earnings Ratio	16.5x	15.2x
Premium to NTA	+17.8%	+1.9%
Recurring Income	82%	96%
Distribution Yield	5.2%	8.0%*
Beta	1.00	0.49

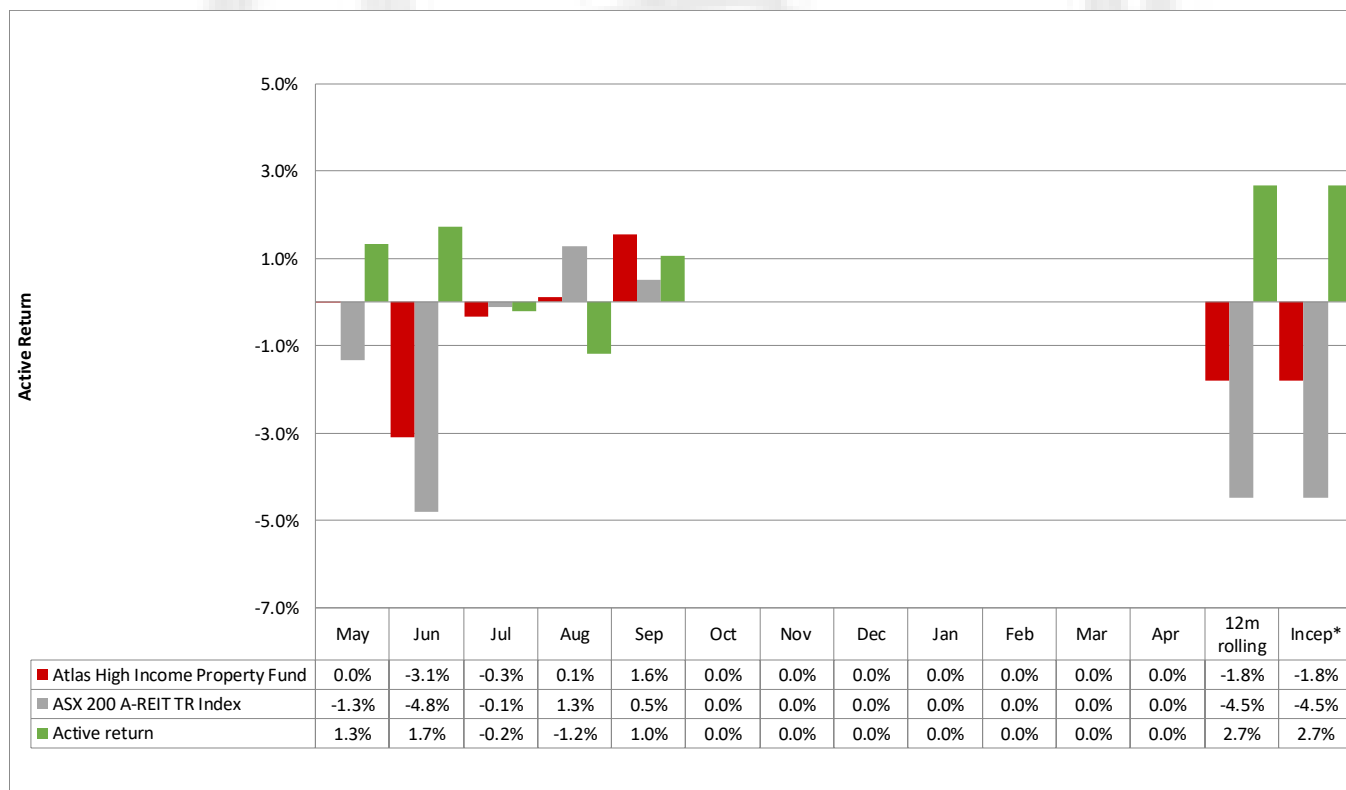
Fund Information

Unit Price	\$2.4252 (cum distribution)
APIR Code	OMF9290AU
ASX Code	AFM01
Inception	10 th May 2017
Responsible Entity	One Managed Investment Funds Limited
Index	S&P ASX 200 A-REIT Accumulation Index
Unit Pricing	Daily available on ASX website
Management Fee	0.95% per annum
Distributions*	Aim to deliver at least 2% per quarter
Buy/sell spread	+/- 0.2%
Applications	Units can be acquired by the current Product Disclosure Statement Or via ASX mFunds
Redemptions	Daily via the share registry or via ASX mFunds

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