

PORTFOLIO UPDATE

Atlas High Income Property Fund

Monthly Report October 2017



- The Fund posted a small gain of +0.8% over the month of October, trailing the S&P/ASX 200 A-REIT Accumulation index that was dragged upwards by the strong performance of the trusts with property development earnings. Following the McGrath profit warning in the first week of November (attributed to slowing off the plan apartment sales), we are happy with the Fund's focus on rent collectors rather than property developers.
- In the first week of October the Fund paid out a distribution to investors of 4.85 cents per unit.
- In October the Fund bought put protection out till March 2018 that will offset some of the impact of a significant fall over the next five months. In our opinion the market appears to be mispricing downside risk and we will look at add to this protection.

	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%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-1.1%
ASX 200 A-REIT TR Index	-1.3%	-4.8%	-0.1%	1.3%	0.5%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-2.3%
Active return	1.3%	1.7%	-0.2%	-1.2%	1.0%	-1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.3%

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 +2.2%, primarily due to the outperformance of trusts with property development earnings. Overall global markets were very strong in October, rallying on the combination of economic growth and benign inflation.

In October, the top performing trusts were Charter Hall (+8%), Mirvac (+5%) and Stockland (+3%). The bottom performing trusts were Lend Lease (-9%), Charter Hall Long WALE (-1%) and Westfield (-1%).

Portfolio Performance

The Fund posted a gain of +0.8% over the month; appropriate performance given the Fund's low beta and defensive positioning.

Stock selection in the Fund was mixed in October with positions in Lend Lease (-9%), Westfield (-1%) and Investa Office (-0.4%) hurting performance. Offsetting this was solid performance from positions in Industria (+5%), Stockland (+5%) and Shopping Centres of Australia (+3%). The fall in Lend Lease was offset to some degree by the fall in value of the Lend Lease calls that the Fund sold in late September. Additionally, this fall in October essentially erased the exuberance of September which saw Lend Lease gain the same amount.

Trading

Over the month, the Fund expanded a portion of the downside protection previously expiring in December 2017 out to March 2018. Whilst this comes at a cost to performance, we viewed that this was a prudent cause of action to take.

Top Portfolio Holdings as at October 2017

Stock

Westfield Corporation

Stockland

GPT Group

Scentre

Shopping Centres Australia

Portfolio Characteristics

	Index	Atlas High Income Prop Fund
Price Earnings Ratio	16.7x	15.2x
Premium to NTA	+18.1%	+4.1%
Recurring Income	82%	96%
Distribution Yield	5.2%	8.0%*
Beta	1.00	0.49

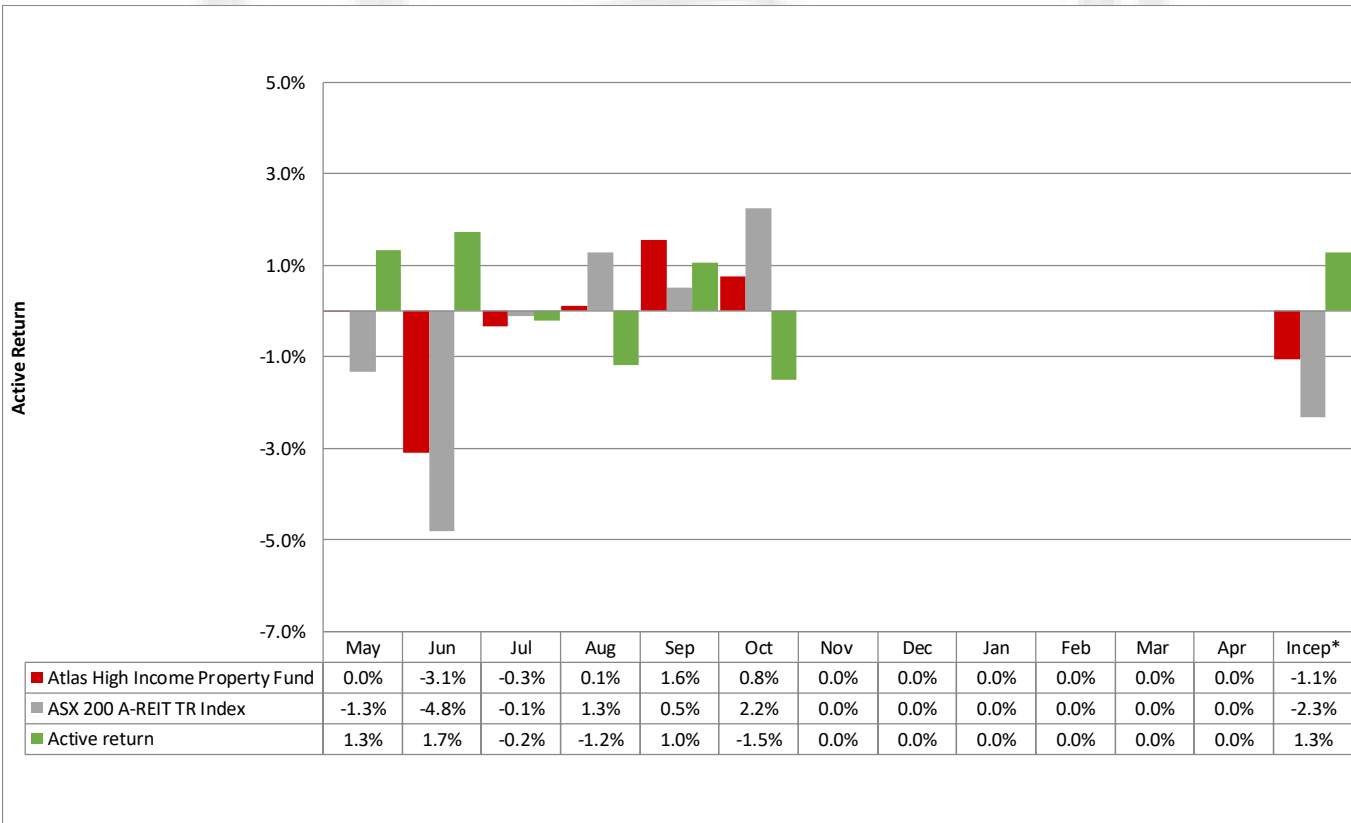
Fund Information

Unit Price	\$2.3946
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

PORTFOLIO UPDATE

Atlas High Income Property Fund

October 2017



One Managed Investment Funds Limited (ACN 117 400 987) (AFSL 297042) (OMIFL) is the Responsible Entity of the Atlas High Income Property Fund (Fund). The information contained in this document was not prepared by OMIFL but was prepared by other parties. While OMIFL has no reason to believe that the information is inaccurate, the truth or accuracy of the information contained in this document is not warranted or guaranteed by OMIFL. Anyone receiving this presentation must obtain and rely upon their own independent advice and enquiries. Investors should consider the Product Disclosure Statement (PDS) issued by OMIFL before making any decision regarding the Fund. The PDS contains important information about investing in the Fund and it is important investors obtain and read a copy of the PDS before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. You should also consult a licensed financial adviser before making an investment decision in relation to the Fund. Past performance is not indicative of future performance. Limitation of liability: Whilst all care has been taken in preparation of this report, to the maximum extent permitted by law, neither Atlas Funds Management (AFM) or OMIFL will be liable in any way for any loss or damage suffered by you through use or reliance on this information. AFM's and OMIFL's liability for negligence, breach of contract or contravention of any law, which cannot be lawfully excluded, is limited, at AFM's option and to the maximum extent permitted by law, to resupplying this information or any part of it to you, or to paying for the resupply of this information or any part of it to you.