

PORTFOLIO UPDATE

Atlas High Income Property Fund

Monthly Report December 2017



- The Fund posted a gain of +0.6% over the last month of 2017, ahead of the underlying ASX 200 A-REIT index. December was dominated by the news of the potential takeover of Westfield by Unibail-Rodamco. Outside of Westfield, the overall performance of the index was weak.
- The Fund remains positioned towards Trusts that offer recurring earnings streams from rental income rather than development profits, we see that this is likely to position us well going into 2018, as the property development market cools.
- In December the Fund paid a distribution of \$0.05; an increase of +2.9% over the September quarter distribution.

	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%	3.6%	0.6%	0.0%	0.0%	0.0%	0.0%	3.2%
ASX 200 A-REIT TR Index	-1.3%	-4.8%	-0.1%	1.3%	0.5%	2.2%	5.3%	0.2%	0.0%	0.0%	0.0%	0.0%	3.1%
Active return	1.3%	1.7%	-0.2%	-1.2%	1.0%	-1.5%	-1.6%	0.4%	0.0%	0.0%	0.0%	0.0%	0.1%

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 index gained +0.2% in December, taking a pause after strong gains in November. Over the month Westfield (+13%) was easily the top performing trust, allowing the index to finish in positive territory after virtually all of the other trusts in the sector were sold off.

In December, the top performing trusts were Westfield (+13%), Lend Lease (+3) and Vicinity (0%). The bottom performing trusts were Dexus (-4%), GPT (-3%) and Investa Office (-3%).

Portfolio Performance

The Fund posted a gain of +0.6% over the month, which was slightly disappointing, though in-line with expectations given our covered call strategy that converts uncertain future gains into income today. This strategy capped the upside from gains in the Fund's position in Westfield.

In December, positions in Westfield (+13%) and Lend Lease added value. On the negative side of the ledger, performance was hurt by positions in Investa Office (-3%), GPT (-3%) and Stockland (-2%).

Trading

Over the month we sold call options in GPT, Stockland and Scentre at levels above where these securities are currently trading in mid-January. These actions will support the March quarter distribution payment.

Top Portfolio Holdings as at December 2017

Stock

Westfield Corporation

Stockland

Scentre

Shopping Centres Australia

GPT

Portfolio Characteristics

	Index	Atlas High Income Prop Fund
Price Earnings Ratio	17.1x	14.3x
Premium to NTA (ex WFD)	+23%	+2.6%
Recurring Income	82%	96%
Distribution Yield	5.1%	8.0%*
Beta	1.00	0.51

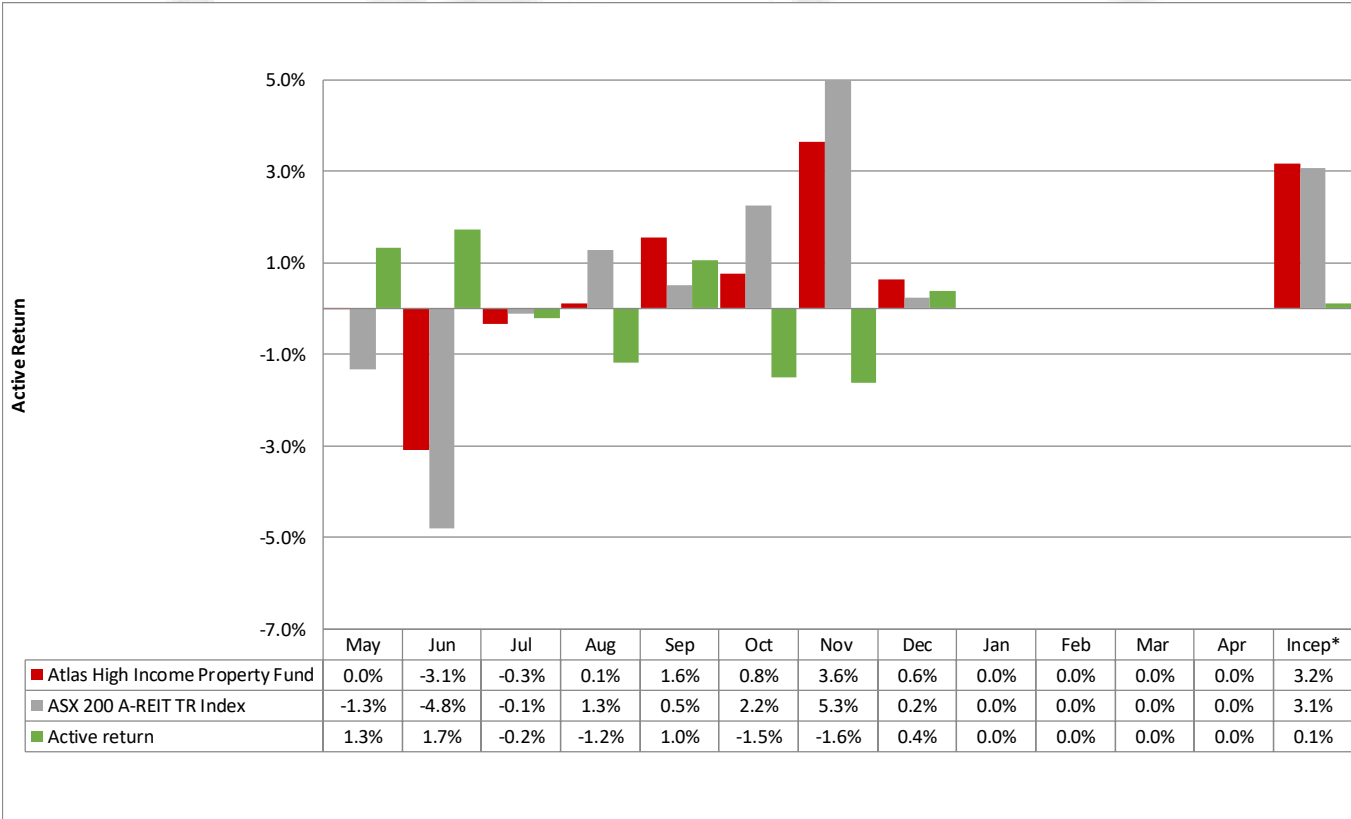
Fund Information

Unit Price	\$2.4471 (ex 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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