

PORTFOLIO UPDATE

Atlas High Income Property Fund

Monthly Report January 2018



- January was a weak month as the listed property sector was sold off -3.3%, due to rising bond yields weighed on income stocks globally.
- The Atlas Fund returned -2.7% in a month where there were few places for investors to hide with all trusts sold down with little regard to the quality of their property assets nor their earnings outlook.
- The Fund remains positioned towards Trusts that offer recurring earnings streams from rental income rather than development profits, as we see choppy markets throughout the rest of 2018.

	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%	-2.7%	0.0%	0.0%	0.0%	0.4%
ASX 200 A-REIT TR Index	-1.3%	-4.8%	-0.1%	1.3%	0.5%	2.2%	5.3%	0.2%	-3.3%	0.0%	0.0%	0.0%	-0.3%
Active return	1.3%	1.7%	-0.2%	-1.2%	1.0%	-1.5%	-1.6%	0.4%	0.6%	0.0%	0.0%	0.0%	0.7%

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 fell -3.3% in January and there were few places for investors to hide in what was a broad-based sell off. There was minimal news as company management teams are in blackout prior to the release of their profit results in February.

In January, the top performing trusts were Scentre (-1%), Vicinity (-1%) and GPT (-2%). The bottom performing trusts were Iron Mountain (-13%), Abacus (-10%) and Charter Hall Retail (-8%).

Portfolio Performance

The Fund declined by -2.7% over the month, which was disappointing and due to a combination of stock selection and the full impact of our derivative protection strategy not helping performance. As the Fund sells call and buys put options before the start of every quarter, the Fund tends to see the full value of these positions only as they move towards expiry (which in our case is in March 2018).

In January, positions in Arena (+1%) and Industria (0%) added value. On the negative side of the ledger, performance was hurt by positions in Charter Hall Retail (-8%), Westfield (-4%) and Stockland (-6%).

Trading

Over the month we sold call options in Lend Lease and bought back some shares in GPT that were called away from the Fund at much higher prices in late December.

Top Portfolio Holdings as at January 2017

Stock

Westfield Corporation

Scentre

Stockland

GPT

Shopping Centres Australia

Portfolio Characteristics

	Index	Atlas High Income Prop Fund
Price Earnings Ratio	16.6x	14.0x
Premium to NTA (ex WFD)	+25%	0%
Recurring Income	82%	96%
Distribution Yield	5.2%	8.0%*
Beta	1.00	0.54

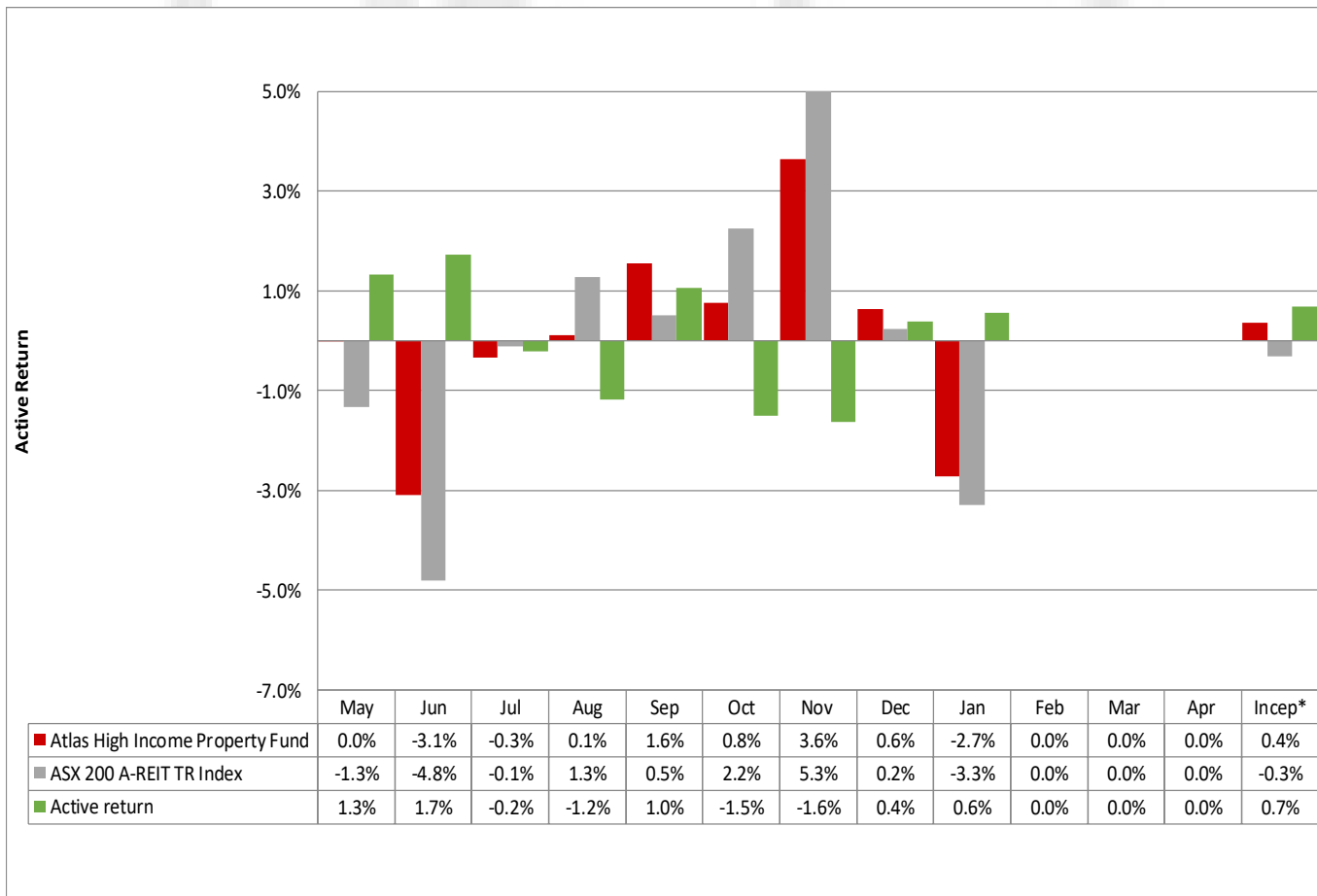
Fund Information

Unit Price	\$2.3806 (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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