

PORTFOLIO UPDATE

Atlas High Income Property Fund

Monthly Report March 2019



- The S&P/ASX 200 A-REIT index had a very strong month in March returning +6.2%, a significantly better outcome than the overall ASX200 that gained 0.7%, aided by falling bond yields globally and once again large price gains in the stock prices of the developers.
- The Atlas High Income Property Fund gained 4.9% in March which was ahead of our expectations given the Fund's conservative stance and low beta compared to the index. Over the last three months the Fund has gained +7.3%, which we believe is close to the maximum achievable through a buy-write strategy utilising capital protection.
- For comparative purposes this month we have compared the returns against RBA cash rate +3% (see table below), as the Fund is primarily managed towards delivering consistent quarterly income with lower volatility to investors, rather than mimicking an index which is increasingly being dominated by trusts with characteristics outside the Fund's investment strategy.

	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	12m rolling	Incep*
Atlas High Income Property Fund	3.4%	3.0%	1.4%	0.7%	0.8%	-0.5%	-2.4%	-0.5%	-0.3%	4.3%	-2.0%	4.9%	13.2%	10.3%
ASX200 A-REIT TR Index	4.5%	3.1%	2.2%	0.9%	2.8%	-1.8%	-3.1%	-0.4%	1.7%	6.2%	1.8%	6.2%	26.2%	21.7%
Active return	-1.1%	-0.1%	-0.8%	-0.2%	-2.0%	1.3%	0.8%	-0.1%	-2.0%	-1.8%	-3.8%	-1.3%	-12.9%	-11.4%
RBA Cash +3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	4.5%	8.9%

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 can deliver consistent and growing distributions with easily forecastable earnings.

The Fund seeks to capture returns by investing in selected Australian listed property securities, to increase the income generated by implementing a call option selling (writing) strategy. A portion 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 had one of its best months since the GFC, benefiting from falling global bond yields. The key news over the month was Stockland (+10%) selling two shopping centres for \$143 million and buying back their stock on-market.

In March, the top performing Trusts were Charter Hall Group (+17%), Stockland (+10%) and SCA Property (+10%). The bottom performing trusts were Cromwell (+1%), Bunnings Trust (+1%) and Charter Hall Retail (+2%).

Portfolio Performance

The Fund gained +4.9% over the month, benefiting from positions in Stockland (+10%), SCA Property (+10%) and Arena REIT (+8%). Positions in Charter Hall Retail (+2%) and Industria (+3%) detracted from the Fund's relative performance. Call options sold in December over GPT (+6%) limited our upside gain from rises in GPT's share price, but we were pleased to see other options that we sold expire worthless at the end of March.

Trading

Over the month the Fund sold call options to generate income over the June quarter.

Top Portfolio Holdings as at March 2019

Stock

Scentre

Stockland

SCA Property

GPT

UNIBAIL-RODAMCO-WESTFIELD

Portfolio Characteristics

	Index	Fund
Price Earnings Ratio	19.4x	14.5x
Premium/discount to NTA	+43%	2%
Recurring Income	82%	96%
Distribution Yield	4.7%	8.0%*
Beta	1.00	0.61

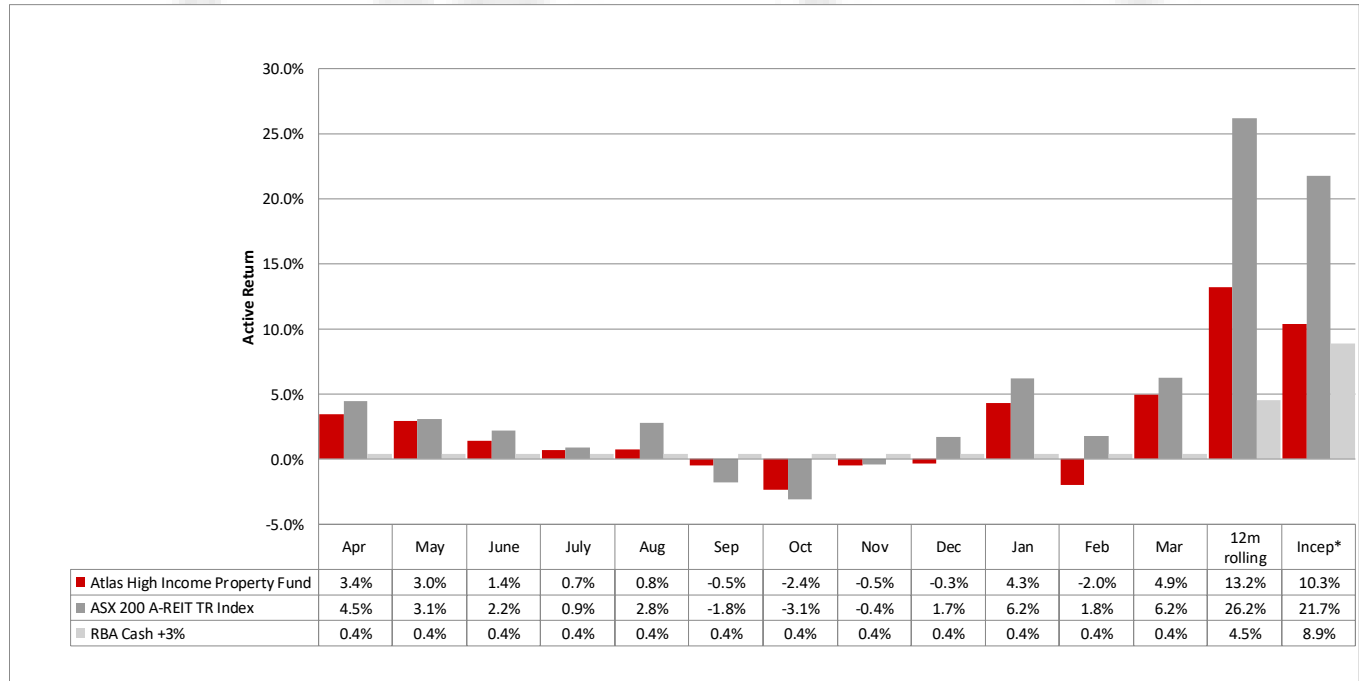
Fund Information

Unit Price (NAV)	\$2.366 (ex March distribution 4.82 cents)
APIR Code	OMF9290AU
ASX Code	AFM01
Inception	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
Platform Availability	ASX mFunds and Hub24

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