

PORTFOLIO UPDATE

Atlas High Income Property Fund

Monthly Report July 2019



- The Atlas High Income Property Fund gained by +2.5% over the month of July in a quiet month that had limited news flow with the majority of listed companies in "blackout" prior to the release of their half-yearly results in August.
- The key news over the month was the RBA cutting the cash rate by 0.25% to a record low of 1%. The falling official cash rate has seen the major banks cut their benchmark 180-day term deposit rates fall to 1.4%. While this looks grim for savers, the situation is likely to get worse with six-month interest rate futures at 0.78% which points towards further cuts.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	12m rolling	Incep*
Atlas High Income Property Fund	0.8%	-0.5%	-2.4%	-0.5%	-0.3%	4.3%	-2.0%	4.9%	-1.2%	-0.7%	0.4%	2.5%	5.2%	11.5%
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%	0.3%	4.5%	10.4%
Active return	0.4%	-0.9%	-2.7%	-0.9%	-0.7%	3.9%	-2.4%	4.6%	-1.5%	-1.1%	0.0%	2.2%	0.7%	1.1%

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 can deliver consistent and growing distributions with easily forecastable earnings.

The Fund seeks to capture returns by investing in selected Australian listed property securities and 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

Global equity markets were up modestly in July, with the key news being the US Federal Reserve's decision to cut the official rate for the first time since the GFC. The modest cut of 0.25% to give a target range of 2% to 2.25% disappointed both the market and President Trump which were looking for a bigger cut and concrete signs of an easing cycle for interest rates.

In July, the top-performing Trusts were Stockland (+9%), Growthpoint (+6%) and Vicinity (+6%). The bottom performing trusts were National Storage (-6%), Goodman (-2%) and GPT (+1%).

Portfolio Performance

The Fund gained +2.5% over July. Positions in Lendlease (+11%), Scentre (+4%) and Charter Hall Retail (+3%) added value.

On the negative side of the ledger, APN Industrial REIT (-1%) detracted from performance as well as the Fund's put option protection put in place to reduce the impact of market falls.

Trading

Over the month the Fund sold call options over positions in Lend Lease (+11%) and Scentre Group (+4%) and received attractive premiums.

Trust Distributions

Period	Cash	Yield at NAV
Jun-17	\$0.029	4.9%
Sep-17	\$0.049	8.2%
Dec-17	\$0.050	8.2%
Mar-18	\$0.046	8.2%
Jun-18	\$0.049	8.2%
Sep-18	\$0.048	8.2%
Dec-18	\$0.046	8.2%
Mar-19	\$0.048	8.2%
Jun-19	\$0.041	7.1%

Fund Information

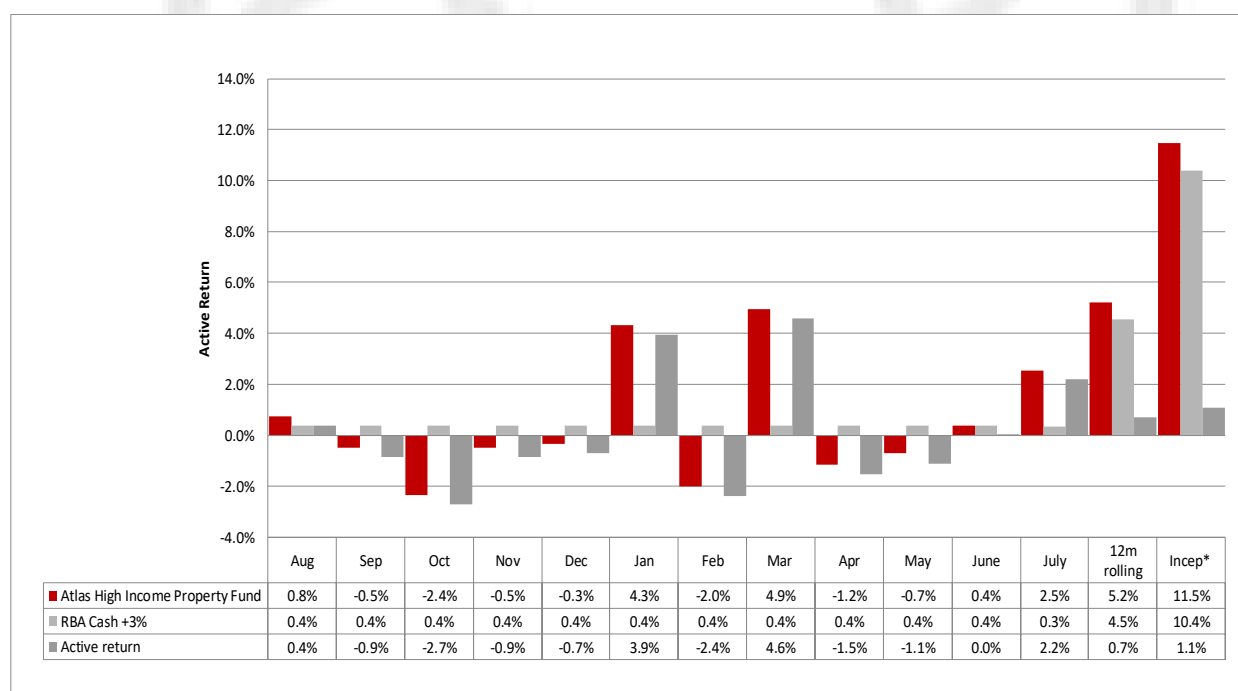
Unit Price (NAV)	\$2.35
APIR Code	OMF9290AU
ASX Code	AFM01
Inception	July 2017
Responsible Entity	One Managed Investment Funds Limited
Index	RBA Cash Rate +3%
Unit Pricing	Daily available on ASX website
Management Fee	0.95% per annum
Distributions*	Aim to deliver at least 1.75% per quarter
Buy/sell spread	+/- 0.15%
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

Top Portfolio Holdings as at July 2019

Stock
Scentre
SCA Property
UNIBAIL-RODAMCO-WESTFIELD
Vicinity
Charter Hall Retail

Portfolio Characteristics

	Index	Fund
Price Earnings Ratio	19.6x	13.7x
Premium/discount to NTA	+56%	0%
Recurring Income	80%	96%
Distribution Yield	3.9%	7.0%*
Beta	1.00	0.63



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