

PORTFOLIO UPDATE

Atlas High Income Property Fund

Monthly Report August 2019



- The Atlas High Income Property Fund gained by +1.7% during August in a month where all of the Trusts held by the portfolio reported their profit results for the first six months of 2019. Due to our positioning towards higher-yielding rent collectors with recurring income and away from Trusts relying on development profits, the August reporting season provided few surprises.
- Over the past year, a new source of volatility has crept into the market – outrageous Trump tweets, often designed to influence ongoing trade negotiations. Atlas believes that trying to manage a portfolio based on expected Trump tweets would surely result in poor outcomes for investors. What we can control is building a portfolio with trusts that are growing their dividends at a rate both greater than inflation. We were pleased to see that the companies owned by the Fund on average grew distributions by 3% compared with the first six months of 2018.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	12m rolling	Incep*
Atlas High Income Property Fund	-0.5%	-2.4%	-0.5%	-0.3%	4.3%	-2.0%	4.9%	-1.2%	-0.7%	0.4%	2.5%	1.7%	6.2%	13.3%
RBA Cash +3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%	4.5%	10.8%
Active return	-0.9%	-2.7%	-0.9%	-0.7%	3.9%	-2.4%	4.6%	-1.5%	-1.1%	0.0%	2.2%	1.3%	1.7%	2.6%

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

The biggest impact on the sector over the past year continues to be falling bond rates. In August the benchmark Government 10 year bond yield fell below 1% for the first time in Australia's history. Falling bond rates tend to cause bond proxies or high dividend-paying stocks such as listed property trusts, utilities and infrastructure stocks to be rated higher by those looking for yield in the market.

In August, the top-performing Trusts were National Storage (+12%), Charter Hall (+12%) and Viva Energy (+11%). The bottom performing trusts were Abacus (-4%), Charter Hall Retail (-4%) and Goodman Group (-2%).

Portfolio Performance

The Fund gained +1.7% in August, aided by our positions in SCA Property (+8%), Scentre Group (+4%) and APN Industrial (+3%).

On the negative side of the ledger, Charter Hall Retail (-4%) and Unibal-Westfield (-1%) detracted from performance.

Trading

Over the month the Fund sold our position in Lend Lease (+19%) and added to our holdings in Charter Hall Retail on weakness.

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

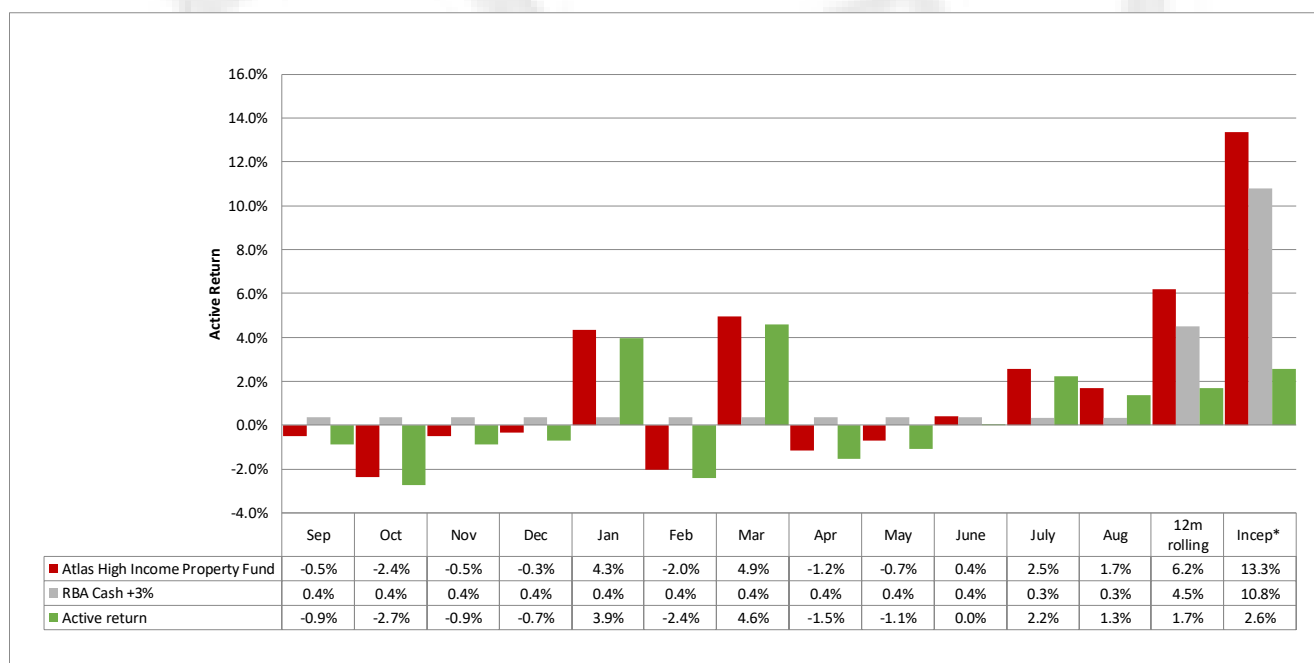
Unit Price (NAV)	\$2.3875
APIR Code	OMF9290AU
ASX Code	AFM01
Inception	May 2017
Responsible Entity	One Managed Investment Funds Limited
Index	RBA Cash Rate +3%
Unit Pricing	Daily available on ASX website
Management Fee	0.95% per annum
Distributions*	Aim to deliver at least 1.75% per quarter
Buy/sell 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

Portfolio Characteristics

	Index	Fund
Price Earnings Ratio	19.4x	14.8x
Premium/discount to NTA	+52%	0%
Recurring Income	70%	100%
Distribution Yield	4.5%	7.0%*
Beta	1.00	0.61

Top Portfolio Holdings as at August 2019

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



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