

# PORTFOLIO UPDATE

## Atlas High Income Property Fund

### Monthly Report September 2020



- September saw global markets fall between -2% and -4% in a month dominated by geopolitical concerns such as the US presidential debate and rising Covid-19 cases in Europe. The Australian market fell by close to 4% over the month despite several states recording zero active cases of Covid-19 and restrictions being eased in Victoria.
- The Atlas High Income Property Fund declined slightly by -0.3% in September, a disappointing outcome as the Fund was in positive territory until the last day of September which unfortunately coincided with the US Presidential debate. The chaotic spectacle saw a broad-based sell-off on the Australian market that has since been recovered in October.
- The Fund declared a quarterly distribution of \$0.029 per unit for the September Quarter. The distribution will be paid to investors in early October.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	12m rolling	Annual Return
Atlas High Income Property Fund	1.2%	1.7%	-2.1%	3.6%	-4.0%	-37.5%	13.1%	4.4%	-1.0%	-2.4%	5.3%	-0.3%	-25.0%	-4.8%
RBA Cash +3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.3%	0.3%	0.3%	0.3%	4.4%	4.2%
Active return	0.9%	1.3%	-2.5%	3.3%	-4.4%	-37.9%	12.8%	4.0%	-1.4%	-2.8%	5.0%	-0.6%	-29.4%	-9.0%

#### 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.

#### Market Update

The key news flow in September was several Australian states reporting zero active cases of Covid-19 and restrictions in Victoria being eased. The benchmark Australian Government 10-year bond rate fell to 0.79% as markets began pricing in a rate cut by the RBA.

In September, the top-performing Trusts were APN Industrial (+10%), Abacus (+5%) and Mirvac (+3%). The bottom performing trusts were Unibal-Westfield (-27%), ALE Property (-13%) and Lend Lease (-5%).

#### Portfolio Performance

The Fund declined by 0.3%, a frustrating outcome after being in positive territory until the final day of September when the US Presidential debate caused a broad-based sell-off on the ASX. Positions in APN Industrial (+10%), Arena REIT (+7%) and Transurban (+5%) added value. On the negative side of the ledger, performance was hurt by Atlas Arteria (-5%) and SCA Property (-5%). All of the call options sold for expiry in late September expired out of the money which added value.

#### Trading

Over the month the Fund sold call options over positions in GPT (+2%) and Transurban (+5%) generating income to be paid out in the upcoming distribution. Market volatility continues to offer the Fund very attractive premiums when we sell call options to generate additional income.

#### Trust Distribution History

Period	Cash	Yield at NAV
CY 2017	\$0.128	8.0%
CY 2018	\$0.189	8.2%
Mar-19	\$0.048	8.2%
Jun-19	\$0.041	7.1%
Sep-19	\$0.042	7.0%
Dec-19	\$0.041	7.0%
Mar-20	\$0.025	7.0%
Jun-20	\$0.029	7.0%
Sept-20	\$0.029	7.0%

#### Fund Information

Unit Price (NAV)	\$1.6307 (ex the distribution of 2.9 cents)
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 <a href="#">ASX website</a>
Management Fee	0.95% per annum incl GST
Distributions*	Aim to deliver at least 1.75% per quarter
Buy/sell spread	+/- 0.15%
Applications	Units can be acquired by the current <a href="#">Product Disclosure Statement</a> Or via <a href="#">ASX mFunds</a>
Redemptions	Daily via the share registry or via ASX mFunds
Platform Availability	ASX mFunds and Hub24

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September 2020



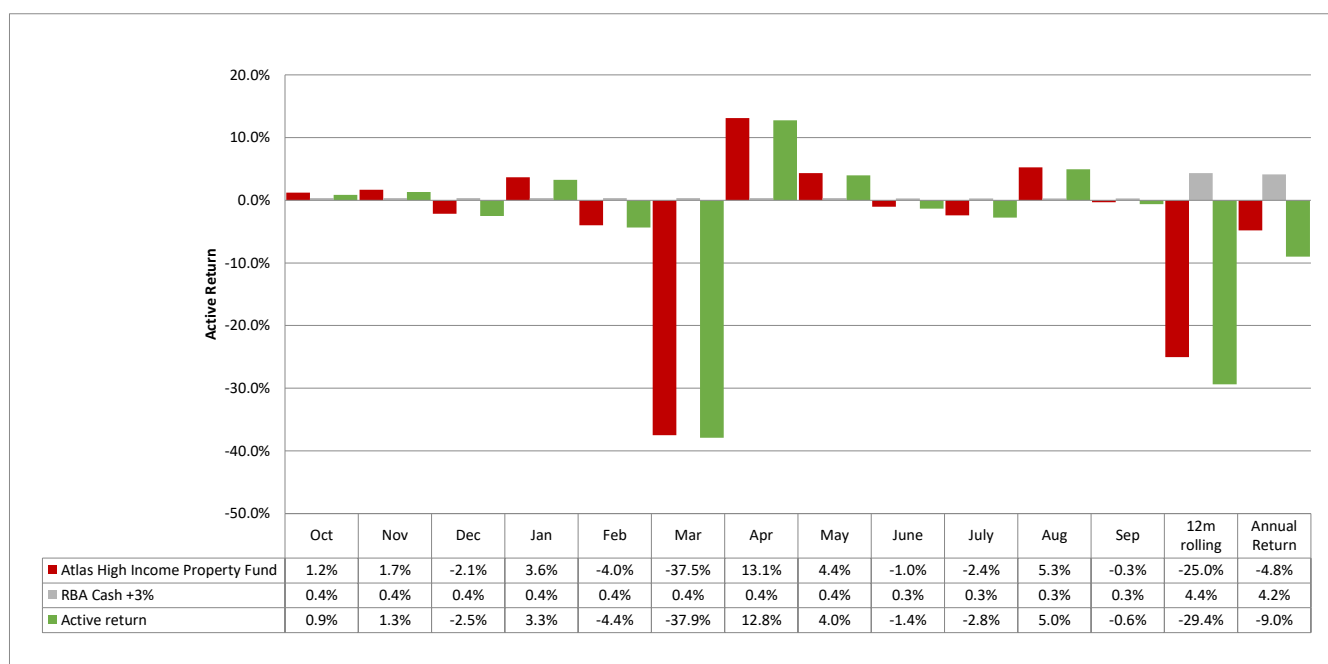
### Portfolio Characteristics

	Property Index	Fund
Price Earnings Ratio	17.9	13.5x
Premium/discount to NTA	+64%	-7%
Recurring Income	65%	100%
Distribution Yield	4.6%	7.0%
Beta	1.00	0.7

### Top Portfolio Holdings as at September 2020

#### Stock

SCA Property
Charter Hall Retail
Arena REIT
GPT
APN Convenience



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