PORTFOLIO UPDATE

Atlas High Income Property Fund

Monthly Report May 2021

ATLAS FUNDS MANAGEMENT

- The **Atlas High Income Property Fund** had a steady month in May, gaining +1.2% as Fund holdings were buoyed by a Federal Budget that provided additional stimulus measures and the release of economic data showing that the Australian economy is recovering quicker than expected.
- Concerns about inflation continued to influence markets over May, which was negative for companies with minimal to no earnings today, but with the promise of large profits in the distant future. As the Fund is populated with Trusts that deliver stable earnings today and can increase revenue in line with inflation, rising inflation should have a minimal impact on the Portfolio. Concerns about inflation are unlikely to swiftly flow through to increases in term deposit rates which remain close to zero as the banks are incentivised to limit rises in this important funding source.

	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	12m rolling	Since Inception % p.a.
Atlas High Income Property Fund	-1.0%	-2.4%	5.3%	-0.3%	0.0%	12.0%	-0.4%	-2.1%	0.7%	3.7%	0.7%	1.2%	17.8%	-0.4%
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%	3.9%
Active return	-1.4%	-2.8%	4.9%	-0.7%	-0.4%	11.6%	-0.7%	-2.5%	0.4%	3.4%	0.4%	0.9%	13.4%	-4.4%

Portfolio Objective

Our approach to investing in Australian listed property is founded on quality, value, and sensible risk management principles. 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 and infrastructure securities and to increase the income generated by implementing a covered 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

In May, the key news was the roll-out of the Covid-19 vaccine that saw 14% of the Australian population receive at least one dose. Additionally, May saw a further decline in the unemployment rate to 5.5%, a 3.5% monthly increase in Sydney house prices, and continued strength in retail sales. May saw a flurry of deals in real estate, with Charter Hall paying $780 million for a portfolio of office buildings and strong international demand for premium Australian property.

Portfolio Performance

The Fund gained by +1.2% in May, with positions in Arena REIT (+6%), APN Industrial (+3%), and Atlas Arteria (+2%) adding value. On the negative side of the ledger, performance was hurt by holdings in Transurban (-2%) and SCA Property (0%).

In May, APN Industrial had several of their properties revalued, which saw a 12% increase in their value. Despite collecting 99.5% of the rent due in 2020 from industrial tenants, APN Industrial's share price fell -31% in March 2020! This shows the inefficiency and emotions of markets.

Trading

Over the month, the Fund sold call positions in GPT (0%) and Scentre (0%). These call options were sold with a 2% premium for three months, generating additional income for the next three months.

Trust Distribution History

Period	Cash	Annualised Yield at NAV
CY 2017	$0.128	8.0%
CY 2018	$0.189	8.2%
CY 2019	$0.172	8.2%
CY 2020	$0.115	7.0%
Mar -21	$0.032	7.0%

Fund Information

Unit Price (NAV)	$1.8315
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 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 Product Disclosure Statement Or via ASX mFunds
Redemptions	Daily via the share registry or via ASX mFunds
Platform Availability	ASX mFunds and Hub24

PORTFOLIO UPDATE

Atlas High Income Property Fund

May 2021

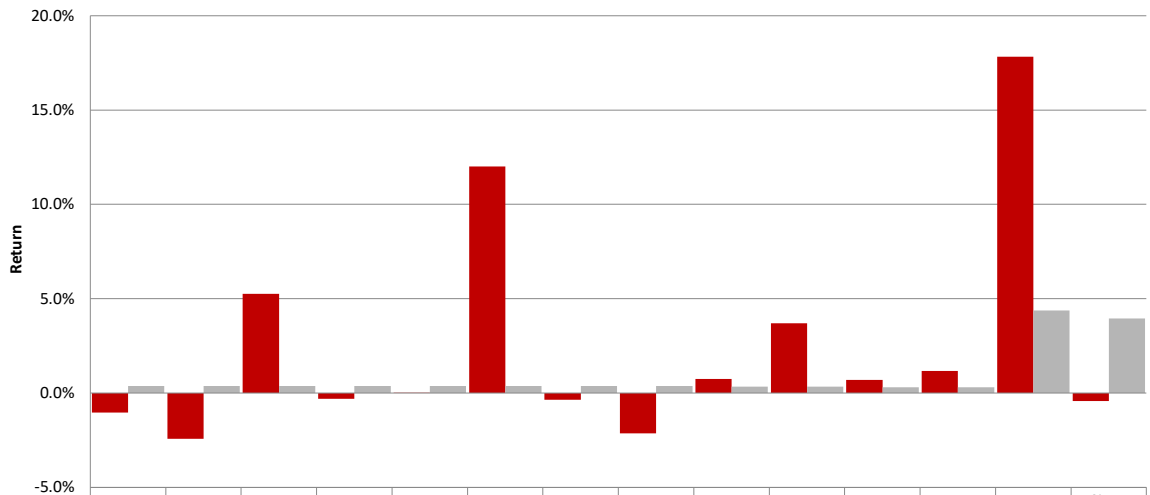
ATLAS FUNDS MANAGEMENT

Portfolio Characteristics

	Property Index	Fund
Price Earnings Ratio	19.1x	14.7x
Premium/discount to NTA	+70%	+3%
Recurring Income	70%	100%
Distribution Yield	3.8%	7.0%
Beta	1.00	0.70

Top 5 Portfolio Holdings May 2021

SCA Property
Charter Hall Retail
Arena REIT
GPT
APN Industrial



	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	12m rolling	Since Inception % p.a.
Atlas High Income Property Fund	-1.0%	-2.4%	5.3%	-0.3%	0.0%	12.0%	-0.4%	-2.1%	0.7%	3.7%	0.7%	1.2%	17.8%	-0.4%
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%	3.9%

One Managed Investment Funds Limited (ACN 117 400 987) (AFSL 297042) (OMIFL) is the Responsible Entity of the Atlas High Income Property Fund (Fund). The information contained in this document was not prepared by OMIFL but was prepared by other parties. While OMIFL has no reason to believe that the information is inaccurate, the truth or accuracy of the information contained in this document is not warranted or guaranteed by OMIFL. Anyone receiving this presentation must obtain and rely upon their own independent advice and enquiries. Investors should consider the Product Disclosure Statement (PDS) issued by OMIFL before making any decision regarding the Fund. The PDS contains important information about investing in the Fund and it is important investors obtain and read a copy of the PDS before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. You should also consult a licensed financial adviser before making an investment decision in relation to the Fund. Past performance is not indicative of future performance. Limitation of liability: Whilst all care has been taken in preparation of this report, to the maximum extent permitted by law, neither Atlas Funds Management (AFM) or OMIFL will be liable in any way for any loss or damage suffered by you through use or reliance on this information. AFM's and OMIFL's liability for negligence, breach of contract or contravention of any law, which cannot be lawfully excluded, is limited, at AFM's option and to the maximum extent permitted by law, to resupplying this information or any part of it to you, or to paying for the resupply of this information or any part of it to you.