

Atlas High Income Property Fund
ARSN 618 658 567

Interim report for the half-year ended 31 December 2023

Index to the financial statements

| | Page |
|---|------|
| Directors' Report | 2 |
| Auditor's Independence Declaration | 5 |
| Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2023 | 6 |
| Statement of Financial Position for the half-year ended 31 December 2023 | 7 |
| Statement of Changes in Equity for the half-year ended 31 December 2023 | 8 |
| Statement of Cash Flows for the half-year ended 31 December 2023 | 9 |
| Directors' Declaration | 16 |
| Independent Auditor's Report | 17 |
| Notes to the financial statements | |
| 1. General information | 10 |
| 2. Adoption of New and Revised Accounting Standards | 10 |
| 3. Basis of preparation | 11 |
| 4. Investments in Financial Instruments | 11 |
| 5. Net gains/(losses) on financial instruments at fair value through profit or loss | 13 |
| 6. Net assets attributable to unitholders | 13 |
| 7. Distributions to unitholders | 14 |
| 8. Related party transactions | 14 |
| 9. Commitments and Contingents | 15 |
| 10. Subsequent Events | 15 |

Directors' Report

The directors of One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"), the Responsible Entity of Atlas High Income Property Fund (ARSN 618 658 567) (the "Fund"), submit their interim report together with the financial statements for the Fund for the half-year ended 31 December 2023.

Responsible Entity

The Responsible Entity of the Fund is OMIFL.

The registered office and principal place of business of the Responsible Entity is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney 2000, Australia.

Investment Manager

The Investment Manager of the Fund is Atlas Funds Management Pty Ltd (ARSN 618 658 567; AFSL 491 395) ("Investment Manager").

The principal place of business of the Investment Manager is Suite 218, 165 Phillip Street, Sydney NSW 2000, Australia.

Directors and Senior Management

The names of the directors and company secretaries of the Responsible Entity, during the financial half-year and up to the date of this report are:

| Name | Title |
|--------------------|--|
| Frank Tearle | Executive Director & Company Secretary |
| Sarah Wiesener | Executive Director & Company Secretary |
| Michael Sutherland | Executive Director |

Principal activities

The Fund is a registered managed investment scheme, domiciled in Australia. The Fund was constituted on 9 March 2017, commenced operation on 20 March 2017, and was registered as a managed investment scheme on 3 May 2017.

The principal activity of the Fund during the period was to invest in accordance with the provisions of the Fund's Constitution dated 9 March 2017, as amended from time to time, and its most recent Product Disclosure Statement dated 29 September 2022.

The Fund aims to provide investors with income primarily through the acquisition of securities in the ASX A-REIT 200 Index. There is an overlay of an active strategy of selling call options over a portfolio of ASX-listed property securities. A portion of the additional income may be used to sell call options to reduce capital risk. Atlas uses its quantitative and qualitative analysis to identify property securities within the ASX listed property sector that can be expected to: 1) deliver a consistently higher than average distribution yield; and 2) allow the fund manager to generate additional income by writing call options over the property securities held.

The Fund did not have any employees during the half-year.

Directors' Report (continued)

Review of Operations

Results

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income included in the financial statements. The net profit attributable to unitholders for the half-year ended 31 December 2023 was \$850,899 (half-year ended 31 December 2022 profit \$95,412).

Distributions

In respect of the half-year ended 31 December 2023 distributions of \$518,883 (half-year ended 31 December 2022: \$517,318) were declared and distribution of \$274,460 (31 December 2022 \$273,740) was payable for the half-year ended 31 December 2023.

Units Issued and Fair Value

The following units of the Fund were on issue as at 31 December 2023 and as at 30 June 2023:

| | 31 December 2023 | | 30 June 2023 | |
|--------------|-------------------------|------------------------|---------------------|------------------------|
| | No. of Units | Fair value (\$) | No. of Units | Fair value (\$) |
| | 9,149,488 | 15,388,152 | 8,995,591 | 14,814,349 |
| Total | 9,149,488 | 15,388,152 | 8,995,591 | 14,814,349 |

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the half-year and as at 31 December 2023.

Significant Changes in State of Affairs

There were no significant changes in the state of affairs in the Fund.

Subsequent Events

There has been no matter or circumstances occurring subsequent to the end of the half-year that has significantly affected, or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial periods.

Likely Developments and Expected Results of Operations

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in its most recent Product Disclosure Statement dated 29 September 2022.

Environmental Regulation and Performance

The operations of the Fund are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

Directors' Report (continued)

Indemnification of Directors, Officers and Auditors

During the half-year, the Fund has not indemnified or made a relevant agreement to indemnify an officer of the Responsible Entity or auditor of the Fund or any related corporate body against a liability incurred by an officer of the Responsible Entity or auditor of the Fund. In addition, the Fund has not paid, or agreed to pay, a premium in respect of a contract insuring against a liability incurred by an officer of the Responsible Entity or auditor of the Fund.

Auditor

ESV Business Advice and Accounting was appointed as auditor of the Fund and continues in that office in accordance with *Section 327* of the *Corporations Act 2001*.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under *section 307C* of the *Corporations Act 2001* is set out on page 5.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Sarah Wiesener
Director
01 March 2024

ESV

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

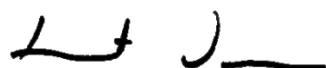
As auditor for the review of the half year financial report of Atlas High Income Property Fund for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

Dated at Sydney on the 1st of March 2024



ESV Business Advice and Accounting



Hemant Nisar
Client Director

Statement of Profit or Loss and Other Comprehensive Income for the half-year ended 31 December 2023

| | Note | Half-Year ended 31 December 2023 | Half-Year ended 31 December 2022 |
|--|------|-------------------------------------|-------------------------------------|
| | | \$ | \$ |
| Income | | | |
| Net gains/(losses) on financial assets at fair value through profit or loss | 5 | 487,156 | (310,411) |
| Dividend income | | 435,753 | 480,957 |
| Interest income | | 735 | 482 |
| Total Income | | 923,644 | 171,028 |
| Expenses | | | |
| General fund expenses | | 2,485 | 1,593 |
| Management fee expenses | | 70,260 | 74,023 |
| Total expenses | | 72,745 | 75,616 |
| Profit/(loss) attributable to unitholders | | 850,899 | 95,412 |
| Finance costs attributable to unitholders | | | |
| Distributions to unitholders | | (518,883) | (517,318) |
| (Increase)/decrease in net assets attributable to unitholders | 6 | (332,016) | 421,906 |
| Profit/(loss) for the half-year | | - | - |
| Comprehensive income | | | |
| Other comprehensive income | | - | - |
| Total comprehensive income for the period attributable to unitholders of the Fund | | - | - |

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position as at 31 December 2023

| | Note | As at 31 December 2023 \$ | As at 30 June 2023 \$ |
|---|------|---------------------------------|-----------------------------|
| Assets | | | |
| Cash and cash equivalents | | 289,864 | 203,446 |
| Receivables | | 41 | 14 |
| Other assets | | 297,124 | 316,637 |
| Financial assets at fair value through profit or loss | 4 | 15,088,705 | 14,570,662 |
| Total assets | | 15,675,734 | 15,090,759 |
| Liabilities | | | |
| Management fees payable | | 13,122 | 12,538 |
| Distribution payable | | 274,460 | 263,872 |
| Total liabilities | | 287,582 | 276,410 |
| Net assets attributable to unitholders | 6 | 15,388,152 | 14,814,349 |

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity for the half-year ended 31 December 2023

| | Half-Year ended 31 December 2023 | Half-Year ended 31 December 2022 |
|--|-------------------------------------|-------------------------------------|
| | \$ | \$ |
| Total equity at the beginning of the half-year | - | - |
| Comprehensive income for the period | | |
| Profit/(loss) for the half-year | - | - |
| Other comprehensive income for the half-year | - | - |
| Total comprehensive income for the half-year | - | - |
| Transactions with owners in their capacity as equity holders | - | - |
| Total equity at the end of the financial half-year | - | - |

Under Australian Accounting Standards, net assets attributable to unitholders are classified as a liability rather than equity. As a result, there was no equity at the start or end of the financial period.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows for the half-year ended 31 December 2023

| | Note | Half-Year ended 31 December 2023 | Half-Year ended 31 December 2022 |
|---|------|-------------------------------------|-------------------------------------|
| | | \$ | \$ |
| Cash flows from operating activities | | | |
| Net payments for purchase and sale of financial instruments held at fair value through profit or loss | | (30,943) | (172,514) |
| Management fees paid | | (69,676) | (73,582) |
| Dividends received | | 454,970 | 451,549 |
| GST received | | 296 | 122 |
| General fund expenses paid | | (2,429) | (1,442) |
| Prepaid expenses | | - | (926) |
| Net cash provided by operating activities | | 352,218 | 203,207 |
| Cash flows from financing activities | | | |
| Interest received | | 708 | 528 |
| Proceeds from unitholder applications | 6 | 298,047 | 427,272 |
| Distributions paid | | (508,295) | (517,288) |
| Redemptions paid | | (56,260) | (4,010) |
| Net cash provided used in financing activities | | (265,800) | (93,498) |
| Net increase in cash and cash equivalents | | 86,418 | 109,709 |
| Cash and cash equivalents at the beginning of the half-year | | 203,446 | 211,419 |
| Cash and cash equivalents at the end of the half-year | | 289,864 | 321,128 |
| Non-cash financing activities | | - | - |

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. General information

These financial statements cover Atlas High Income Property Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme, and was constituted on 9 March 2017, registered as a managed investment scheme on 3 May 2017, and commenced operations on 20 March 2017. These financial statements cover the half-year ended 31 December 2023.

The Responsible Entity of the Fund is One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) (the 'Responsible Entity'). The Responsible Entity's registered office is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney, 2000.

The Investment Manager of the Fund is Atlas Funds Management Pty Ltd (ACN 612 499 528, AFSL 491 395) ("Investment Manager").

The Fund invests in securities in the ASX A-REIT 200 Index, and aims to provide income to investors through these holdings together with an overlay of an active strategy of selling call options over a portfolio of ASX-listed property securities. A portion of the additional income may be used to purchase put options to reduce capital risk. Atlas uses its quantitative and qualitative analysis to identify property securities within the ASX listed property sector that can be expected to: 1) deliver a consistently higher than average distribution yield; and 2) allow the fund manager to generate additional income via writing call options over the property securities held.

The financial statements were authorised for issue by the directors on the date the Directors' Declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

2. Adoption of New and Revised Accounting Standards

New or amended Accounting Standard and Interpretations adopted in the current period

The Fund has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

New standards and interpretations not yet adopted

There are no new standards or interpretations applicable that would have a material impact for the Fund.

3. Basis of preparation

These interim financial statements have been prepared in accordance with AASB 134 *“Interim Financial Reporting”* and the Corporations Act 2001. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *“Interim Financial Reporting”*.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Fund as the full year financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2023 and any public announcements made by the Fund during the half-year reporting period and up to the date of these financial statements in accordance with the continuous disclosure requirements of the Corporations Act 2001.

These interim financial statements are presented in Australian dollars.

a) Significant accounting policies

The accounting policies applied in these interim financial statements are the same as those applied to the Fund’s financial statements for the year ended 30 June 2023.

b) Going concern basis

The financial report has been prepared on a going concern basis.

4. Investments in Financial Instruments

a) Financial assets at fair value through profit or loss

| | 31 December 2023 | 30 June 2023 |
|--|-------------------|-------------------|
| | \$ | \$ |
| Designated at fair value through profit or loss | | |
| Investments in listed equities | 15,088,705 | 14,570,662 |
| Total financial assets at fair value through profit or loss | 15,088,705 | 14,570,662 |

b) Fair value hierarchy

The Fund measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis. The Fund has no assets and liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

4. Investments in Financial Instruments (continued)

b) Fair value hierarchy (continued)

Level 1:

Financial instruments are valued by reference to quoted prices in an active market(s) for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2:

Financial instruments are valued using inputs other than quoted prices covered in Level 1. These other inputs include quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The inputs included in this level encompass quoted prices in active markets for similar assets or liabilities, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities. Financial instruments that are valued using other inputs that are not quoted prices but are observable for the assets or liabilities also fall into this categorisation.

Level 3:

Financial instruments that have been valued, in whole or in part, by using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Unobservable valuation inputs are determined based on the best information available, which might include the entity's own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

The following table shows an analysis of financial instruments held at 31 December 2023 and 30 June 2023 recorded at fair value and presented by level of the fair value hierarchy:

| | 31 December 2023 | | | |
|---|-------------------|----------|----------|-------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| Investments in listed securities | 15,088,705 | - | - | 15,088,705 |
| Total financial assets held at fair value through profit or loss | 15,088,705 | - | - | 15,088,705 |

4. Investments in Financial Instruments (continued)

b) Fair value hierarchy (continued)

| | 30 June 2023 | | | Total |
|---|-------------------|----------|----------|-------------------|
| | Level 1 | Level 2 | Level 3 | |
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| Investments in listed securities | 14,570,662 | - | - | 14,570,662 |
| Total financial assets held at fair value through profit or loss | 14,570,662 | - | - | 14,570,662 |

Transfer between levels

There have been no transfers between levels for the half-year ended 31 December 2023.

5. Net gains/(losses) on financial instruments at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and financial liabilities at fair value through profit or loss:

| | Half-Year ended 31 December 2023 | Half-Year ended 31 December 2022 |
|--|-------------------------------------|-------------------------------------|
| | \$ | \$ |
| Unrealised gains/(losses) on financial instruments at fair value through profit or loss | 511,131 | (193,213) |
| Realised (losses)/gains on financial instruments at fair value through profit or loss | (23,975) | (117,198) |
| Net gains/(losses) on financial instruments designated at fair value through profit or loss | 487,156 | (310,411) |

6. Net assets attributable to unitholders

Movements in the number of units and net assets attributable to unitholders during the half-year were as follows:

Net assets attributable to unitholders

| | Half-Year ended 31 December 2023 | | Year ended 30 June 2023 | |
|--|-------------------------------------|-------------------|----------------------------|-------------------|
| | No. of Units | \$ | No. of Units | \$ |
| Opening balance | 8,995,591 | 14,814,349 | 8,595,622 | 15,366,815 |
| Applications for units by unitholders | 188,595 | 298,047 | 489,593 | 833,691 |
| Redemptions of units by unitholders | (34,699) | (56,260) | (89,624) | (153,437) |
| Decrease in net assets attributable to unitholders | - | 332,016 | - | (1,232,720) |
| Closing balance | 9,149,487 | 15,388,152 | 8,995,591 | 14,814,349 |

As stipulated within the Fund's Constitution, each unit represents a right to an individual share in the Fund and does not extend to a right to the underlying assets of the Fund.

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

7. Distributions to unitholders

It is intended that distributions of at least 1.75% of the Net Asset Value ("NAV") per unit are made each quarter. Should the Fund not generate sufficient net income to cover the distribution in any financial year, then part or all of any distribution may be a return of capital. Interim distributions of 1.75% of the NAV will generally be made within 30 days following the quarters ending September, December and March each year. As such distributions of \$518,883 (half-year ended 31 December 2022: \$517,318) were declared for the half-year ended 31 December 2023 with \$274,460 (31 December 2022: \$273,740) payable at half-year end. Part or all of the distribution may comprise a return of capital.

8. Related party transactions

The Responsible Entity of the Fund is OMIFL.

a) Management fees paid and payable to the investment manager

Management fees are the fees charged by the Investment Manager to provide investment management services to the Fund.

The Investment Manager charges 0.95% per annum (inclusive of GST and less any reduced input tax credits) of the gross asset value of the Fund's assets. For the half-year ended 31 December 2023, the management fees expenses incurred by the Fund was \$70,260 (half-year ended 31 December 2022: \$74,023). The management fee payable at 31 December 2023 was \$13,122 (30 June 2023: \$12,538).

b) Other fees paid to related parties

The Responsible Entity has appointed third party service providers to the Fund, some of whom are related parties of the Responsible Entity. The following entities, which are related parties of the Responsible Entity, have provided services to the Fund during the half-year ended 31 December 2023.

One Registry Services Pty Limited (ACN 141 757 360) - unit registry services

Related party transactions (continued)

b) Other fees paid to related parties (continued)

OMIFL also acts as custodian for the Fund and receives a fee for doing so.

Unity Fund Services Pty Limited ("UFS"), an associated entity of OIG has been appointed for the provision of administration and tax services to the Fund.

None of the above have received any remuneration directly from the Fund in relation to these services and are remunerated out of the management fee. To the extent there is a short fall to these expenses, they will be paid by the Investment Manager.

9. Commitments and Contingents

There are no commitments or contingencies as at 31 December 2023 (30 June 2023: \$nil).

10. Subsequent Events

There has been no matter or circumstances occurring subsequent to the end of the half-year that has significantly affected, or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial periods.

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) The interim financial statements and notes set out on pages 6 to 15 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards AASB 134 interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - (ii) giving a true and fair view of the Fund's financial position as at 31 December 2023 and of its performance for the financial period ended on that date,
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and

Signed in accordance with a resolution of the directors of the Responsible Entity.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Sarah Wiesener
Director
01 March 2024



INDEPENDENT REVIEW REPORT TO THE UNITHOLDERS OF ATLAS HIGH INCOME PROPERTY FUND

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Atlas High Income Property Fund ("the Fund"), which comprises the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, statement of changes in net assets attributable to unitholders and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matters that makes us believe that the accompanying half-year financial report of Atlas High Income Property Fund is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the Directors for the Financial Report

The directors of the One Managed Investment Funds Limited ("the Responsible Entity") are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

INDEPENDENT REVIEW REPORT TO THE UNITHOLDERS OF ATLAS HIGH INCOME PROPERTY FUND

Auditor's Responsibilities

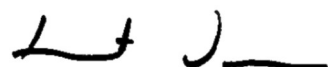
Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the financial position of the Fund as at 31 December 2023 and of its financial performance and its cash flows for the half-year ended on that date, in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year ended financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Dated at Sydney on the 1st of March 2024



ESV Business Advice and Accounting



Hemant Nisar
Client Director