fatPROPHETS GLOBAL PROPERTY FUND

One Investment Group

ASX ANNOUNCEMENT

Fat Prophets Global Property Fund (FPP) announces its NTA pursuant to ASX Listing Rule 4.12[i]

Dear Unitholders,

February 2018 NTA

February saw significant volatility in equity markets globally, triggered by increasing US interest rates. This impact was also felt across the REIT sector, and was broadly a global thematic, with all regional real estate indices declining.

The global developed REIT index in US dollars declined a substantial 6.7% in February, and by a lesser 1.8% on an Australian dollar basis as the US dollar recovered. The Australian REIT Index declined 2.7%. Against this the Fat Prophets Global Property Fund (the **Fund**) recorded a 3.98% decline in NTA during the month.

	31-Jan-18	28-Feb-18	Change
NTA per unit	$1.0591	$1.017	-3.98%

February also marked a period during which most companies and REITs reported their financial results for the period to December 2017. This introduced some additional volatility into the reporting season. The results from reporting season saw several holdings negatively impacted as weak operating trends were discounted such as CBL Properties, DDR Corp, Wereldhave, and Brookdale Senior Living.

These are deep value stocks the Fund is holding where we believe that there is a meaningful share price discount to the underlying NTA. Typically over the long term these stocks see a share price reversion to NTA offering excess return opportunity while delivering high yield in the meantime. During recent stock market volatility there was aversion to these recovery themed equities resulting in some short term weakness. The strategy of the Fund is to continue to invest in a mix of holdings which include discount to NTA opportunities.

Key thematics from reporting season include:

- Demand for office space in Hong Kong remains an attractive investment theme driven by limited new supply and increasing demand as tenants diversify away from typical finance, insurance and real estate (FIRE) occupiers.
- In the US, reporting season saw earnings estimates for storage, office and apartments raised while REITs owning malls, shopping centres and retail outlets had the largest negative earnings revisions.
- In Europe a solid average 7% underlying EPS growth was reported, driven by a number of office landlords reporting over 15% growth. An average 9% NAV/share growth was reported and this would have been higher at 13% if retail landlords were excluded.

- Australian real estate demonstrated broadly positive results with the most notable strength being in office property where low vacancy rates in a number of markets including Sydney are driving rental growth. Shopping centres remain under pressure as retailers move to an online presence. Discounts to NTA for various REITs in Australia and New Zealand is prompting likelihood of an increase in buybacks.

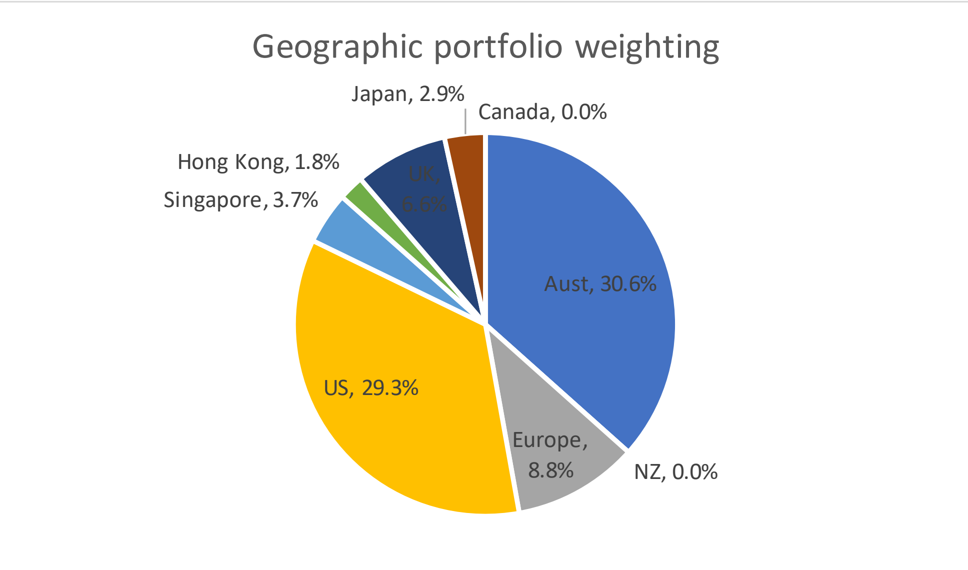
Industrial real estate which was excessively priced globally in our view going into the February markets downturn was benign through reporting season and we saw minimal catalysts for shifting the underweight position to the sub sector.

In terms of portfolio activity during the month, we closed out our overweight exposure to Spain with positive returns. The Fund also switched exposure from European shopping centres (Wereldhave) to Swedish office (Castellum) and German apartments (Vonovia).

The cash levels in the Fund remained relatively high in February, partly offsetting the market weakness.

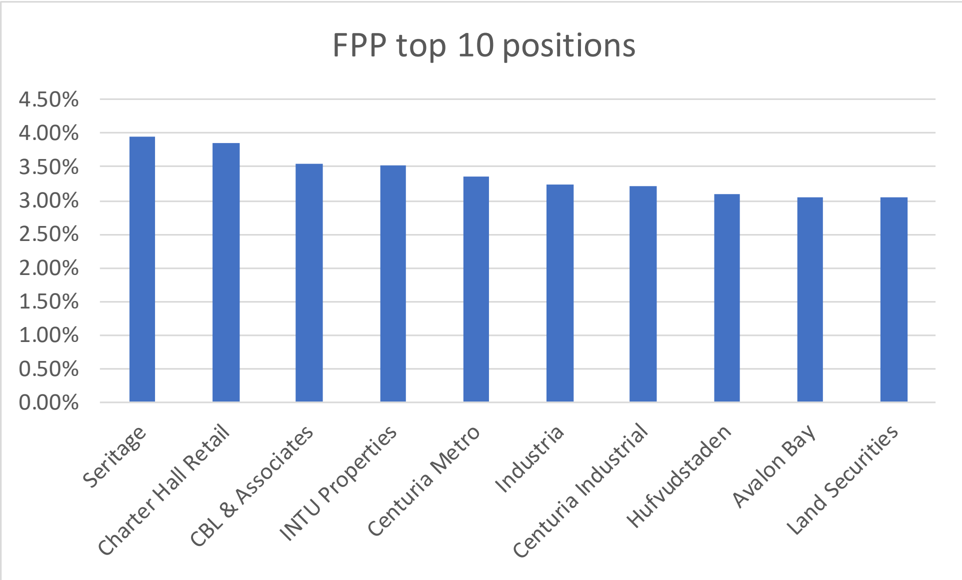
Thematically, the Fund remains invested strongly in shopping centre REITs and has been reallocating its storage REIT exposure into office exposure across global markets.

Regionally, the Fund ended February with an underweight position to the US, mild overweight to Australia after a healthy overweight was reduced in February, and underweight to Hong Kong. The Fund remains zero weighted to Canada however opportunities are being assessed for March to take advantage of discounts to NTA and attractive yields.



There was negligible mergers and acquisitions activity globally during February which is normal as suitors typically wait for targets to report results so they can assess an approach on the most up to date earnings and balance sheet information. We expect that there will be an increase in M&A activity in March and April, taking advantage of REITs trading below NTA which will favour the investment positioning of the Fund.

The Fund continues to hold around 50 investment positions. The top 10 positions are highlighted in the following chart and continue to demonstrate an overweight to shopping centre REITs and retail exposure. The largest position remains at slightly less than 4% at the end of February. The top positions reflect a diversified mix of investments across US, Australia, Europe and UK, and a mix of undervalued themes combined with growth opportunities and a mix of value investments combined with investments angled toward growth.



A focus on accumulating dividends for payout to Fund investors will continue and the investment style of the Fund results in a number of higher yielding opportunities continuing to be held.

Fat Prophets Global Property Fund
Chief Investment Officer
Simon Wheatley
13 March 2018

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[i] Fat Prophets Funds Management Pty Limited (FPFM) (ACN 615 545 536) has prepared the information in this announcement. One Managed Investment Funds Limited (ACN 117 400 987) (AFSL 297042) (OMIFL) is the Responsible Entity of the Fund. While OMIFL has no reason to believe that the information is inaccurate, the truth or accuracy of the information in this document cannot be warranted or guaranteed by OMIFL. This announcement has been prepared for the purposes of providing general information only and does not constitute an offer, solicitation or recommendation with respect to the purchase or sale of any units in the Fund nor does it constitution financial product advice and does not take into account your investment objectives, tax or financial situation or needs.

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