

ASX ANNOUNCEMENT

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

Dear Unitholders,

April 2018 NTA

April provided mixed results for global REITs, with the sector declining early in the month around concerns of higher long-term US interest rates, and then rallying strongly later in the month as investors realised that real estate offers an inflation hedge and has opportunity for growth in higher inflation periods. Positive quarterly reporting assisted sentiment for the sector. The month of April ended up being a positive period with solid 2.1% growth in NAV for the Fat Prophets Global Property Fund (the **Fund**). This follows the 2.3% growth in NAV in the prior month of March.

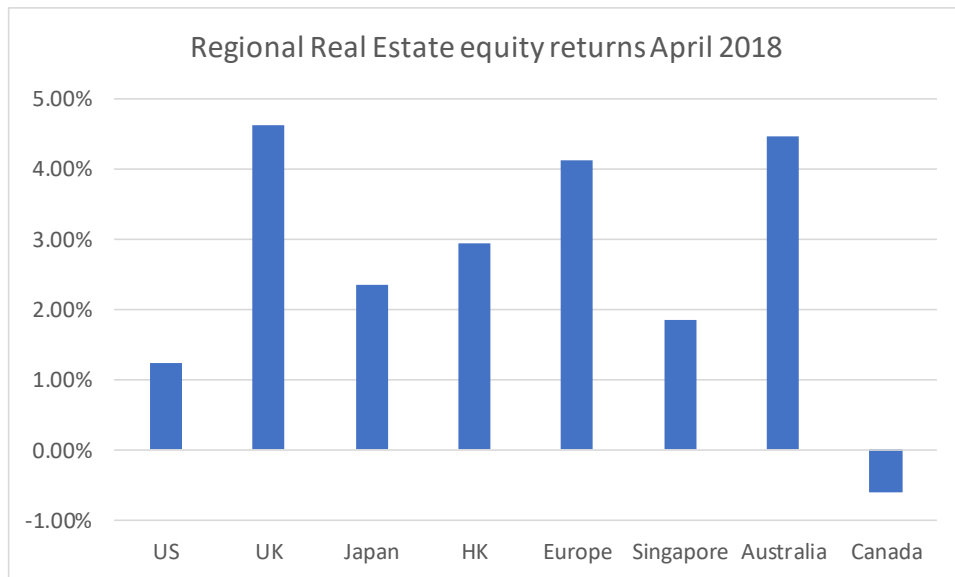
The Australian REIT Index which was relatively flat during March was an outperforming region during April. The Fund had an overweight position to Australian REITs in April.

	31-Mar-18	30-Apr-18	Change
NTA per unit	\$1.040	\$1.062	+2.1%

There was negligible contribution of dividends or distributions from REITs owned by the Fund during the month of April which is normal for this time of year. The manager continues to be very focused on growing the distribution reserve for the inaugural Fund distribution. As reported in the Fund's half yearly report to 31 December 2017, this first distribution will be for the 8.5 months to 30 June 2018. Thereafter, the Fund will be paying regular six-monthly distributions.

There were few global announcements of mergers and acquisitions during the month of April. The only one which impacted a holding in the Fund was the surprise announcement by the board of UK shopping centre REIT Hammerson PLC that it was no longer recommending its proposed takeover of smaller pan-European REIT, Intu Properties after the largest investor in Hammerson publicly stated it would vote against the takeover. The Fund exited its holding in Intu on this news.

In early May the Fund also exited its position in Westfield Group which is under takeover offer from Unibail Rodamco, after the wide spread in implied takeover pricing narrowed to less than 2% suggesting Westfield is now fully priced with a cap on further price upside.



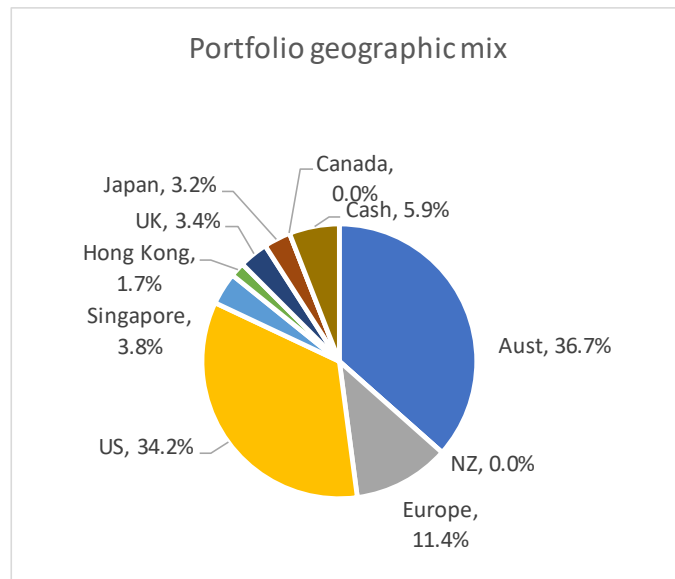
April was quarterly reporting season in a number of regions. This reporting period it was evident that earnings misses were harshly punished by investors. By and large, results and guidance surprised on the upside. The Fund has been overweight the retail (shopping centre) sector since IPO in 2017. Shopping centre REITs in Australia and US have reported strong retail sales growth trends in the Mar18 quarter which has gone against trends and expectations. This caused a rally in a number of retail REITs such as the largest REIT in the world (Simon Property Group) which is held by the Fund.

Investment activity during the month for the Fund was relatively active. The Fund reduced its exposure to US shopping centre REITs CBL, Seritage and DDR into strength late in the month. The Fund's underweight exposure to Japan was moved to overweight with addition of exposure to Sumitomo Realty. The underweight exposure to Hong Kong was reduced with the Fund's investment in Wharf Real Estate Investment Company. The Fund also liquidated exposures to small cap Australian REITs Cromwell Property Group and Shopping Centres Australasia at attractive levels to reduce the Australian sector overweight, and as previously noted, in early May the full exposure to Westfield Corporation was exited.

We remain of the view that shopping centre REITs offer significant value, representing a discount to net asset value. The reporting season period continues to highlight that high volatility revolves around results misses and beats. Through this we maintain our longer term view.

Regionally, the Fund ended April with a small underweight to the US, an overweight to Australia, and an underweight to Hong Kong and Japan. The Fund is broadly neutrally weighted to UK and Europe. The Fund remains zero weighted to Canada and New Zealand.

Currency benefitted the Fund mildly during the month with the value of the US dollar increasing relative to the A\$. The Fund's overweight exposure to the solidly performing Australian REIT market in April was offset by the consequent underweight to the stronger US\$ with the AUS/USD cross rate moving by nearly 1.5c during the month.



The Fund continues to hold around 50 investment positions. The top 10 positions are summarised in the following chart. We made a number of portfolio adjustments during the month, taking advantage of a bounce in retail REIT pricing in the US in particular to lower our exposure. These stocks have been under the weight of short sellers and had proven to deliver mixed results for the Fund so far. Strong retail sales and rent growth results from major REITs such as Simon Property Group have caused a resurgence of interest in the sector from investors. We have been interested in the shopping centre space for an extended period due to the significant discounts to net asset value at which some REITs are trading. While we have taken a little risk off the table we continue to be very firmly aligned with the theme and will look to reweight back in on any weakness. In this regard, the Fund's thesis of weighting the portfolio to REITs trading at below net asset value continues to be a core strategy.



Due to some position liquidations at the end of April and into early May the Fund has temporarily increased its cash holding. Reinvestment of this is expected to result in a reduced weighting to Australia and an increased weighting to the US.

The April/May quarterly reporting season is now over and near-term catalysts will be less prevalent. As such we expect a less volatile month in May and note that Real Estate indices have remained well supported into the beginning of the month.

Fat Prophets Global Property Fund

Chief Investment Officer

Simon Wheatley

7 May 2018

¹ 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 constitute financial product advice and does not take into account your investment objectives, tax or financial situation or needs.

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