

ASX ANNOUNCEMENT

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

September 2018 Monthly NTA Announcement

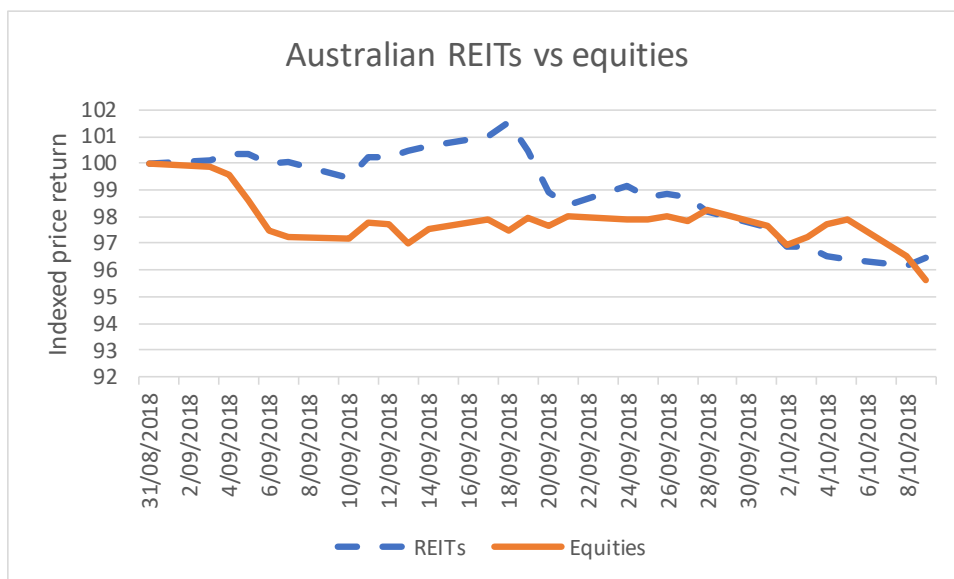
Dear Unitholders,

Following a broad global weakness in equities during the month, the Fund also recorded a small correction, with the NTA declining 1.7% to \$1.133 per unit. The performance was driven by a retracing in share prices across both equities and REITs in most global markets, and a mild strengthening of the Australian dollar creating a negative currency headwind.

The retracement in NTA is the first decline the Fund has recorded in the past seven months.

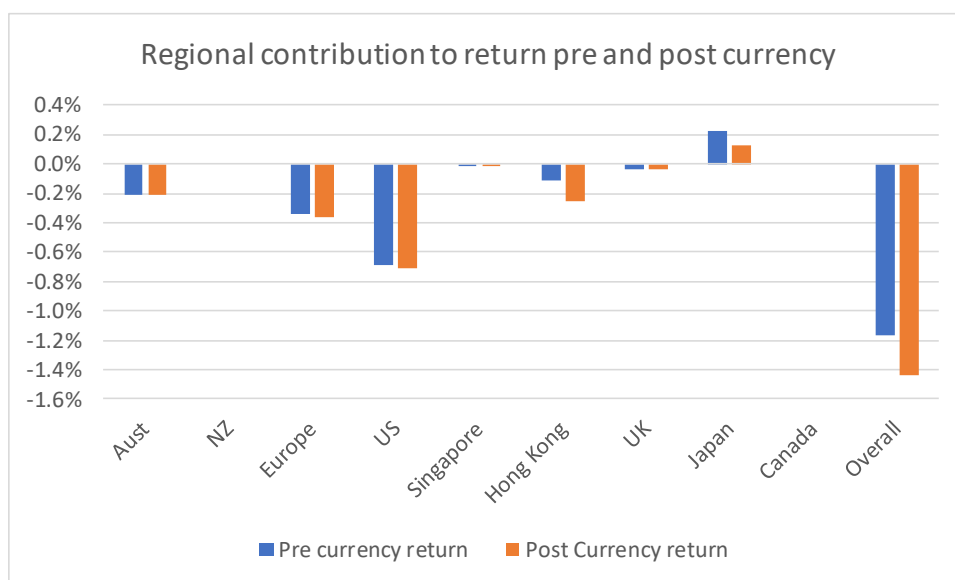
	31-Aug-18	30-Sep-18	Change
Value per unit	\$1.1526	\$1.1325	-1.7%

The month of September recorded a meaningful amount of volatility in markets, particularly toward the end of the month. REITs have historically provided downside protection in times of equity market declines reflecting the sectors lower beta. The following chart highlights returns by regions for REITs and equities showing Australian REITs holding their value initially in early September while equities declined, and showing mild outperformance against equities from the beginning of September through to October 9.



M&A activity ramped up in September, and again this played to the advantage of the Fund. As we noted in our last monthly report, US office REIT Columbia Property Trust (CXP) appointed advisors in September after being approached on a takeover basis. Columbia is a top 15 investment position in the Fund. Additionally during September Select Income REIT (SIR) in the US announced it was proposing to merge with its sister REIT Government Properties Income Trust (GOV) causing SIR to rally and GOV to decline. The Fund has a holding in SIR but no holding in GOV. In Australia, Propertylink announced a takeover proposal for the Fund's top 3 holding Centuria Industrial REIT. A takeover offer was subsequently made for Propertylink by Asian investor Eshang Redwood which specified that its proposal was subject to Propertylink not proceeding with the Centuria takeover proposal. FPP exited its meaningful position in Centuria Industrial REIT post this announcement. While we were not able to exit at the top, an attractive return from the investment was nonetheless locked in.

The Fund also owns an investment position in Propertylink meaning that it also benefitted from the new proposal. We have not exited the Propertylink holding as at the date of this report, expecting risk of an improved offer to be forthcoming. The continued holding is also providing an element of capital protection during the current market weakness.



The Fund started the month of September with a relatively high cash balance reflecting a rotation of several top stocks in the portfolio and the takeover of the Fund's largest holding; GGP Inc. The Fund held a relatively high 6.5% cash position at the end of September, and this will increase as the 2.3% position in Gateway Lifestyle is converted to cash in the current all cash takeover. This high cash balance is providing some protection during current equity market weakness, and providing opportunity to take advantage of the sell off.

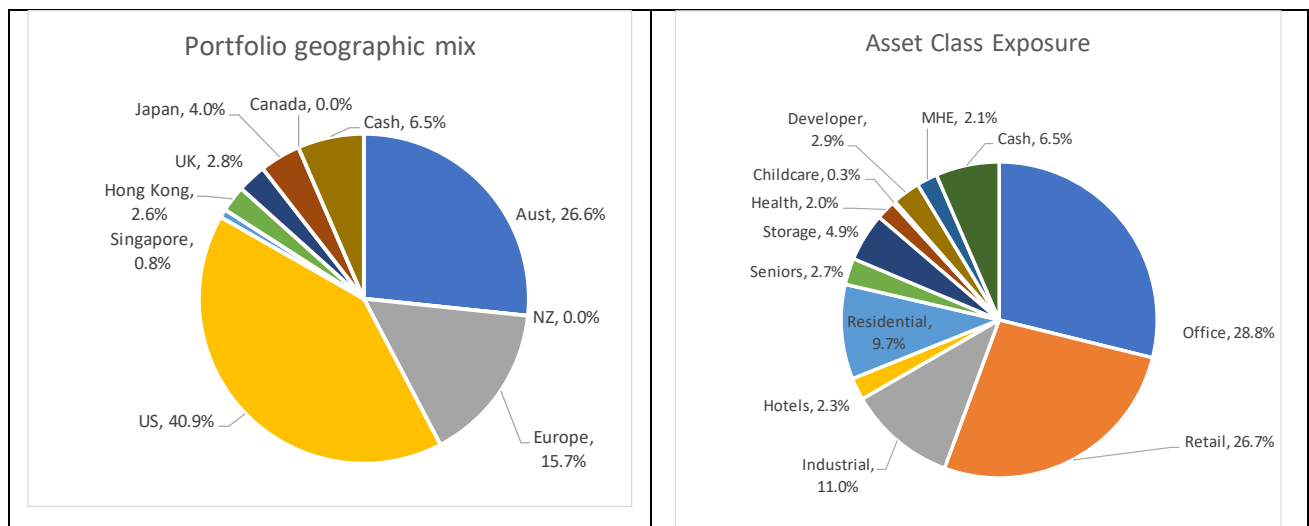
Regionally, performance was benign or negative in most markets with the exception of mild gains in Japan. Reversing last months gains, the US exposure was the largest headwind to performance in September. As demonstrated in the chart above, the US market return for the Fund was further marginally impacted from the brief weakening in the US dollar relative to the Australian dollar in September.

The Fund ended September with a neutral weight exposure to Australia and to America, and an underweight to Singapore, Hong Kong and Japan. The Fund remains broadly neutrally weighted to UK and overweight Europe. We actively downweighted exposure to Singapore during the month. The reinvestment of cash is anticipated to largely retain this geographic relative positioning.

The Fund continues to have no weighting to Canada or New Zealand, both of which are very small markets by investment weighting.

As noted, currency had a slightly negative impact on the Fund during the month with the value of the US dollar relative to the A\$ (AUD/USD) weakening briefly as investors increased risk appetite by seeking emerging market currency exposure despite the rise in US interest rates.

US long interest rates have been broadly edging upward, but snapped higher at the beginning of October which brought strength back to the US dollar once again. The higher rates had a short term negative impact on REIT pricing which is sensitive to interest rates. We believe that the underlying strength in the US economy will offset the interest rate sentiment by driving real estate demand higher, resulting in lower vacancy rates, increased rents and ultimately increased asset values.

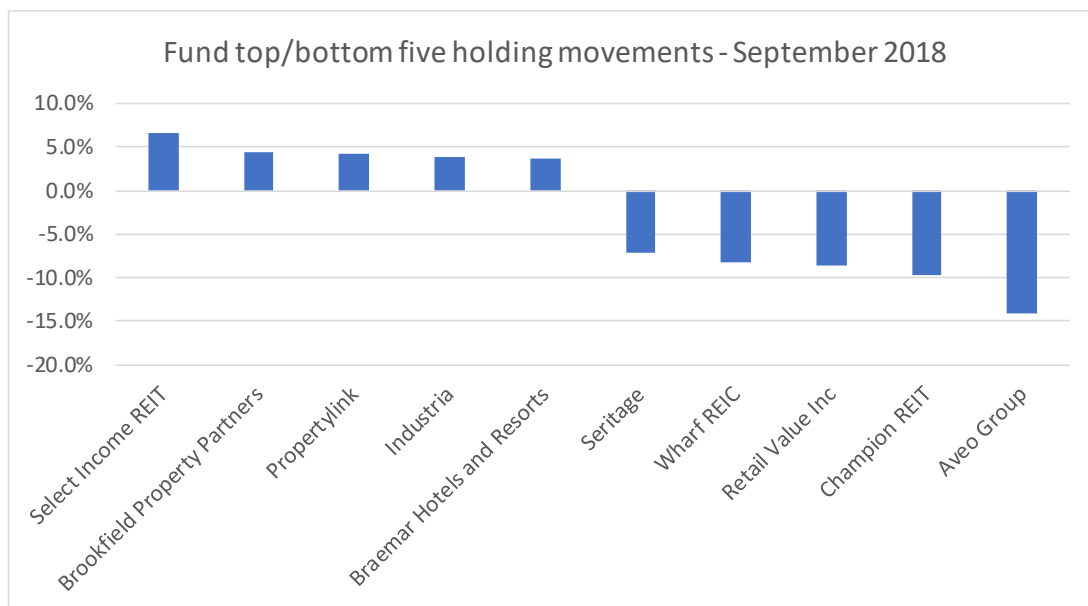


The Fund held 49 investment positions globally at the end of September. Top holdings in the Fund as at the end of September are summarised in the following chart. There was meaningful change in the top REITs held by the Fund over the past six weeks, with three of the five largest holdings being sold, primarily taking advantage of takeover pricing. The largest overall investment stake at the end of September was Charter Hall Retail REIT which owns predominantly community based convenience shopping centres anchored by supermarkets. As at the end of September, four of the top five largest investment positions were in Australian REITs, evidencing a concentration of regional investment positions.



Deeper value US REITs where the Fund maintains a holding was the segment which recorded most weakness in September. This included the likes of US REITS such as Seritage, DDR Corp and CBL Properties; all exposed to retailing and shopping centres. In Australia, the weakest holdings were in Serviced office operator Servcorp, and retirement village REIT Aveo which was impacted alongside other aged care operators by the announcement of a royal commission into aged care. Aveo was already trading at more than a 40% discount to NTA before the announcement and has declined further.

In terms of the best contributors to performance, these were dominated by Japanese investments Mitsui Fudosan and Sumitomo Realty, while Australian REITs in the M&A spotlight including Propertylink Group and Centuria Industrial REIT were also positive contributors.



Loyalty options

The 10th October marks one year since the 2017 Initial Public Offering (IPO) of the Fat Prophets Global Property Fund. This also marks the date when the Loyalty Options for eligible investors will vest (Vesting Date). The options are issued on a 1 for 1 basis and structured on a loyalty basis. This means that investors who participated in the IPO will be eligible for options at the Vesting Date which reflect how many units they continue to own at Vesting Date up to a maximum of their IPO allocation. Upon Vesting each Loyalty Option entitles the holder to be issued one Unit in FPP for each Loyalty Option vested and exercised.

The exercise price of the Loyalty Options is \$1.10 each.

The process for assessing and notifying investors regarding the Loyalty Options will commence from 10 October 2018 as follows:

- The registry provider Link Market Services Ltd will undertake a register analysis and comparison
- Option entitlements will be determined
- Investors will be notified of their entitlement and allocation by mail or email

Completed Option exercise forms, together with your cheque or your payment via BPay must be received by Link Market Services Ltd in order for your Options to be exercised.

Full details of the terms of the loyalty options can be found in Section 11.4.f of the original PDS at: <http://fpproperty.com.au/wp-content/uploads/2017/10/Second-SUPP-FPP-25.09.2017.pdf>

Outlook

The Fund will continue to be actively managed to take advantage of opportunities which may arise from the mid October market volatility, and set the portfolio for the best opportunity for income distributions and capital growth. We view our relatively high cash holding entering this malais is an asset in this period. Our value investment bias targeting REITs at discounts to fundamental value (discount to NTA) is paying off, with an extraordinary 20% of the portfolio by number already having been subject to takeover proposals or approaches in just 12 months.

Fat Prophets Global Property Fund

Chief Investment Officer

Simon Wheatley

12 October 2018

About Fat Prophet Global Property Fund (FPP.AX)

The Fat Prophets Global Property Fund is an investment trust listed on the Australian stock exchange and managed by Fat Prophets. It invests its capital into Real Estate Investment Trusts (REITs) listed on stock exchanges in developed markets around the world. REITs own real estate assets and generate the majority of their income from rents on their properties, and capital growth from the real estate investments results in increased NTA. FPP's investment weighting benchmark allocation to Australia REITs is around 30%, with the

balance in international markets. FPP aims to generate capital growth and distribution income from its investments and has a value bias to its investment strategy.

ⁱ Fat Prophets Funds Management Pty Limited (FPPM) (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.

Anyone receiving this information 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.