

Fat Prophets Global Property Fund

ARSN: 619 970 786

Interim Report for the half-year ended 31 December 2018

Results for Announcement to the Market

Appendix 4D

31 December 2018

	% change	6 months ended 31 December 2018 \$	Period from 23 June 2017 to 31 December 2017 \$
Results			
Investment income / (loss)	Down 153%	(284,519)	537,790
Change in net assets attributable to unit holders (excluding capital returns)	Down 183%	(393,719)	475,672
(Loss) / profit attributable to unit holders	Down 183%	(393,719)	475,672
Commentary on Results			
Discussion and analysis of the Trust's results is contained in the Interim Report.			
The Trust proposes to pay an interim distribution for the period			
Interim distribution payable (\$'000)		328	-
Interim distribution payable (cents per unit)		2.16	-
Basic and diluted earnings (cents per unit)		-2.60	3.14
Distribution reinvestment plan price (cents per unit)		-	-
		31 December 2018	31 December 2017
Net Tangible Assets			
Total net tangible assets attributable to unit holders		\$16,108,432	\$16,543,132
Units on issue		15,166,056	15,166,056
Net tangible assets attributable to unit holders per unit		\$1.06	\$1.09

Fat Prophets Global Property Fund

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Interim report for the half-year ended 31 December 2018

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Directors' Report

The directors of One Managed Investment Funds Limited (ABN: 47 117 400 987; AFSL: 297042) ("OMIFL" or the "Responsible Entity"), the responsible entity of Fat Prophets Global Property Fund (ARSN 619 970 786) (the "Fund"), submit their report together with the interim financial report for the Fund for the half-year ended 31 December 2018.

Responsible Entity

The responsible entity of the Fund is OMIFL.

The registered office and principal place of business of the Responsible Entity is Level 11, 20 Hunter Street, Sydney NSW 2000.

Investment Manager

The investment manager of the Fund is Fat Prophets Funds Management Pty Ltd (ACN 615 545 536) (the "Investment Manager").

The principal place of business of the Investment Manager is Level 3, 22 Market Street, Sydney NSW 2000.

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 and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director (resigned 26 October 2018)
Sarah Wiesener	Executive Director (appointed 26 October 2018) and Company Secretary

Principal Activities

The Fund is a registered managed investments scheme domiciled and registered in Australia and listed on the Australian Stock Exchange ("ASX"). The Fund was constituted on 23 June 2017 and commenced operations on 10 October 2017.

The principal activity of the Fund during the period was to invest in accordance with the provisions of the Fund's constitution and the Product Disclosure Statement ("PDS") dated 11 July 2017 as varied by the supplementary PDSs dated 28 July 2017 and 21 September 2017.

The Fund invests primarily in a diversified but high conviction portfolio of global real estate securities. The Fund only invests in equities in developed markets and the Fund will not use leverage, shorting or derivatives and as such is simple in structure, targeting capital growth and distributions.

The Fund did not have any employees during the period.

Review of Operations

Results

The results of the operations of the Fund are disclosed in the Condensed Statement of Profit or Loss and Other Comprehensive Income included in these financial statements. The net loss attributable to unitholders for the period ended 31 December 2018 was \$393,719 (31 December 2017: profit \$475,672).

Distributions

A distribution of \$327,570 for the period ended 31 December 2018 (31 December 2017: nil) has been declared in December 2018. The final amount was confirmed in February 2019.

Directors' Report (continued)***Value of Assets and Units Issued***

The following units of the Fund were on issue as at 31 December 2018:

	As at 31 December 2018	
	No. of Units	Fair value (\$)
	15,166,056	16,108,433
Total	15,166,056	16,108,433

Significant Changes in State of Affairs

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

Subsequent Events

There has been no matter or circumstance occurring subsequent to the end of the period 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 years.

Likely Developments

The Fund will be managed in accordance with the Constitution and investment objectives as detailed in the Product Disclosure Statement ("PDS") dated 11 July 2017 as varied by the supplementary PDSs dated 28 July 2017 and 21 September 2017 and any public announcements made in respect of the Fund during the interim reporting period.

Environmental Regulation and Performance

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

Indemnification of Directors, Officers and Auditors

During the financial period, the Responsible Entity paid premiums in respect of contracts insuring the directors of the Responsible Entity against a liability incurred as a director or executive officer to the extent permitted by the Corporations Act 2001. The contracts of insurance prohibit disclosure of the nature of the liability and the amount of the premiums.

The Fund has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Fund or of any related body corporate against a liability as such an officer or auditor.

Rounding

The amounts contained in this report and in the financial statements have not been rounded to the nearest thousand dollars under the option available to the Fund under ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191. The Fund is an entity to which the legislative instrument applies.

Auditor

PKF (NS) Audit & Assurance Limited Partnership was appointed as auditor of the Fund and continues in that office in accordance with *Section 327 of the Corporations Act 2001*.

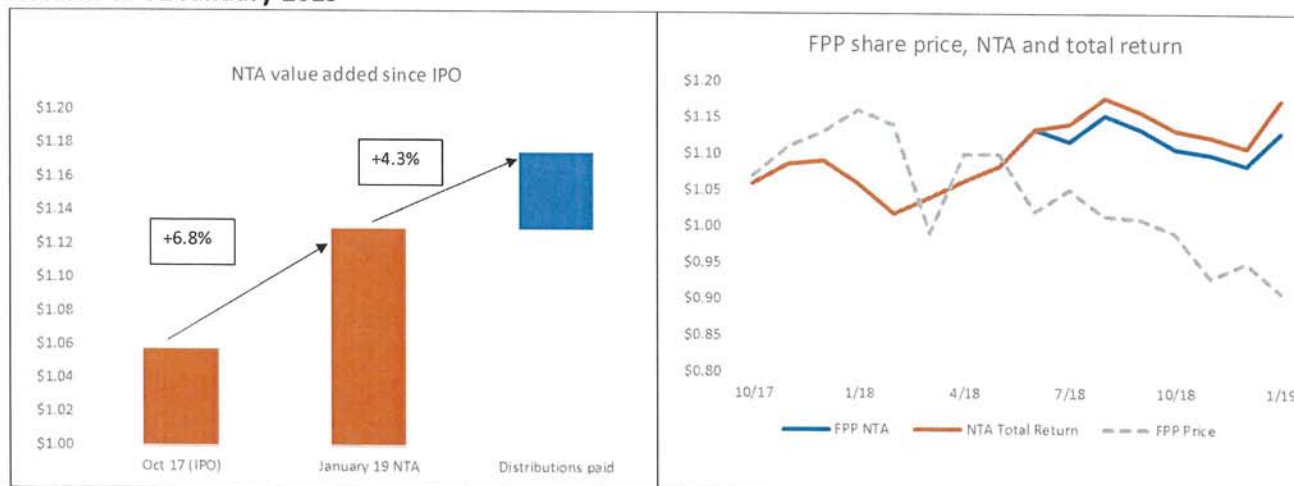
Dear Unitholders,

Half Year Results – period to 31 December 2018

We are pleased to report the half year results for the Fat Prophets Global Property Fund (**the Fund**) to 31 December 2018. The Fund commenced trading on the ASX on 10th October 2017, investing in listed global REITs (Real Estate Investment Trusts). The Fund NTA at the end of December was \$1.0621 after allowing for the half yearly distribution of 2.16 cents per unit (cpu). The total distributions paid to investors since IPO amounts to 4.55 cpu for just over the one year period.

December 2018 ended a volatile and negative few months in global equity markets. Global REITs held up well in the face of this weakness, and the relatively low decline in the Fund NTA from September to December 2018 demonstrated this. The Fund enjoyed a strong 6.3% rally in NTA in January 2019 as equity markets recovered. As at the end of January 2019, total NTA and distribution returns to investors from IPO totalled 11.1%, and NTA stood at \$1.1291 per unit.

Returns to 31 January 2019



When the Fund was listed in October 2017, the investment strategy was to provide investors with access to an actively managed global REIT fund which is based in Australia and overweighted to Australia. This is a unique strategy and one which we believe will continue to deliver results.

Listed REITs are unit trusts which own physical real estate assets across various asset classes. Some are focussed on asset specific strategies while others are diversified. The net assets of the REIT (typically the value of its real estate assets less any debt) per unit in some markets are publicly disclosed while in other markets

are estimated by investors and analysts. Movements in the value of the real estate assets held by the REITs causes the NTA or NAV per unit to rise or fall, and REITs typically are required to distribute the majority of the rental income they derive after costs.

A key focus of the Investment Manager in execution of the investment strategy is to identify and invest in REITs which are trading at discounts to their underlying net asset value. Historically these discounted REITs outperform as their under valuation relative to asset value normalises. The strategy of investing in undervalued REITs has paid mixed dividends. The overweight positioning to the shopping centre sectors in the US in particular, and the avoidance of the relatively expensive industrial property REITs has in some cases worked well but as an overarching strategy has proven challenging. That said, a meaningful number of REITs the Fund owns have been subject to takeover over the past year since the Fund's IPO. This has accounted for more than ten percent of the stocks held by the Fund. This validates the undervaluation investment model.

We remain committed to our investment strategy however and this has paid dividends early into 2019. We believe that over the longer term this strategy will generate excess returns.

Real estate asset values have continued to climb in all countries across most asset classes during 2018, with the exception of shopping centres where values appear to have peaked. In turn, REIT NAV growth has typically been positive through 2018.

The Fund holds around 50 investment positions across developed markets in Australia, Singapore, Hong Kong, Japan, UK, Europe, and USA.

Over the past six months the Fund has moved from a US underweight to mild overweight position, has moved slightly underweight Australia, and remained overweight Europe. Investment exposure to Asia markets of Japan, Hong Kong and Singapore has been underweight.

The Fund does not hedge currency, in line with both the Fund's stated strategy and the global benchmark against which the Fund's return is measured. The US dollar strengthened through the second half of 2018 and has moved from 0.7402 AUD/USD to 0.704 at 31 December 2018. This was positive for returns for the Fund, at a time when stock prices were declining, providing a partial offset.

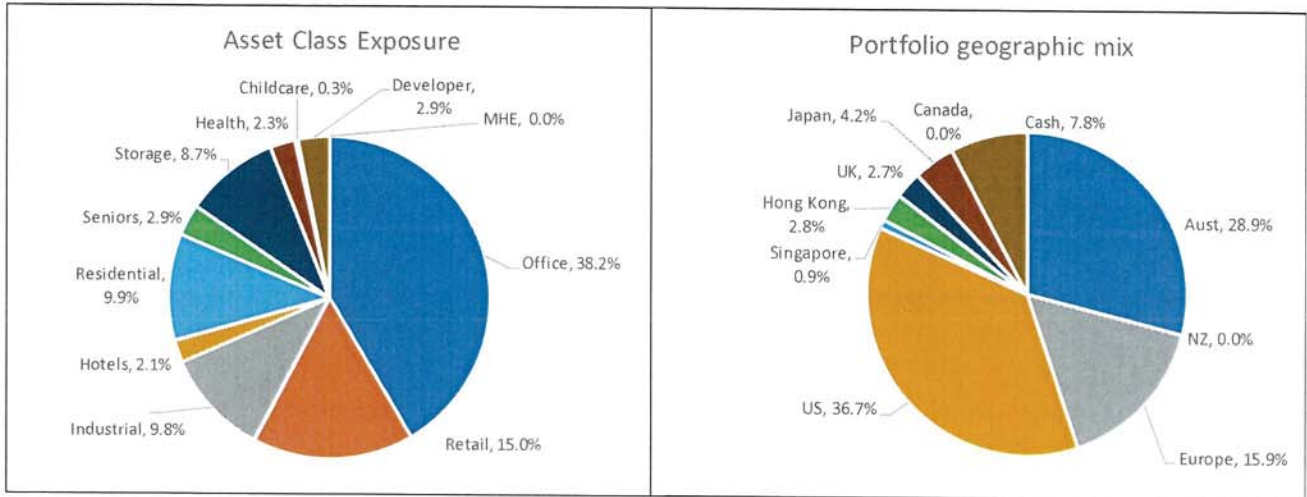
Loyalty options

At listing, each investor was issued a 1 for 1 loyalty option to acquire additional units in the Fund at a price of \$1.10 per unit during the 12 month period following vesting in October 2018. The number of options vesting was determined by the number of units held by the original investor at vesting date (not exceeding the allotted units at IPO). While the current NTA is above the option exercise price, the Unit price is below the option price at the time of writing and no options have yet been converted.

Portfolio review

The Fund has continued to be actively managed. The geographic weighting of the Fund as at 31 December is shown on the following page.

Australia continues to make up around one third of the portfolio weighting, in line with the benchmark initially set up for the Fund which is 75% weighted to the global index and 25% weighted to the Australian REIT Index. This uniquely differentiated strategy was designed to provide Australian investors access to a global REIT portfolio, which is anchored by a meaningful investment in Australian REITs owning local office, retail and industrial real estate typically well known to Australian residents. This strategy also insulates investors in the Fund to some degree from currency risk.



A number of ‘value’ REITs despite their apparent value, have not been subject to takeover and have posted weak results which has not caused them to rebound. We have tended to reduce our global investment weighting to shopping centres as weak consumer spending combined with continuing growth in internet retailing prove to be a long term trend continuing to impact shopping centre rents.

An additional target of the Fund is to provide an attractive yield for investors by passing through 100% of distributable income from the Fund to investors on a six monthly basis. The Fund has paid two distributions totalling 4.55 cents per unit since IPO.

Finally, we put in place the foundations for establishment of a distribution reinvestment program (DRP) for the distribution to 31 December 2018, however we ultimately determined that the prevailing unit price discount to NTA would result in NTA dilution for any DPR takeup which would potentially disadvantage some investors. We expect to introduce the DRP in the future.

We look forward to executing the Fund’s unique strategy and remain positive about the prospects for global real estate returns over the next twelve months.



Fat Prophets Global Property Fund
 Chief Investment Officer
 Simon Wheatley



Fat Prophets Funds Management
 Chief Executive Officer
 Angus Geddes

26 February 2019

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 8.

This directors' report is signed in accordance with a resolution of directors of the Fund made pursuant to Section 306(3) of the Corporations Act 2001.



Frank Tearle

Director

28 February 2019

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) The interim financial statements and notes set out on pages 11 to 20 are in accordance with the *Corporations Act 2001*, including:
- compliance with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - giving a true and fair view of the Fund's financial position as at 31 December 2018 and its performance for the financial half-year 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.

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.



Frank Tearle
Director
28 February 2019

Auditors' Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of One Managed Investment Funds Limited

I declare that, to the best of my knowledge and belief, during the period ended 31 December 2018, there have been:

- (i) no contraventions of the auditor 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.



PKF



PAUL PEARMAN
PARTNER

28 FEBRUARY 2019
SYDNEY

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE UNITHOLDERS OF FAT PROPHETS GLOBAL PROPERTY FUND

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Fat Prophets Global Property Fund (the Fund), which comprises the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Fat Prophets Global 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 2018, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the Directors of the Responsible Entity a written Auditor's Independence Declaration.

Directors' Responsibility for the Half-Year Financial Report

The Directors' of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 Fund's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Fat Prophets Global Property Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Auditor's Responsibility (cont'd)

A review of a half-year 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.



PKF



PAUL PEARMAN
PARTNER

28 FEBRUARY 2019
SYDNEY

Condensed Statement of Profit or Loss and Other Comprehensive Income for half-year ended 31 December 2018

	Note	Half-year ended 31 December 2018 \$	Period from 23 June 2017 to 31 December 2017 \$
Income			
Net (losses) / gains on financial instruments held at fair value through profit or loss	4	(1,261,623)	349,189
Foreign exchange gains / (losses)		18,306	(61,672)
Interest income		822	23,559
Dividend income		935,976	226,714
Other income		22,000	-
Total income		(284,519)	537,790
Expenses			
Administration fees		-	(9,225)
Management fees	8	(87,672)	(41,950)
Other expenses		(21,528)	(10,943)
Total operating expenses		(109,200)	(62,118)
Operating (loss) / gain attributable to unitholders		(393,719)	475,672
Distributions to unitholders	6	(327,570)	-
Increase / (decrease) in net assets attributable to unitholders	5	721,289	(475,672)
Profit / (loss) for the period		-	-
Other comprehensive income		-	-
Total comprehensive income for the period attributable to unitholders of the Fund		-	-
Basic and diluted earnings per unit (cents per unit)		(2.60)	3.14

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

Condensed Statement of Financial Position as at 31 December 2018

	Note	31 December 2018 \$	30 June 2018 \$
Assets			
Cash and cash equivalents		1,302,278	346,335
Dividend receivables		144,343	167,893
GST receivables		6,833	7,585
Other receivables		5,229	-
Financial assets at fair value through profit or loss	3	15,020,356	16,741,073
Total assets		16,479,039	17,262,886
Liabilities			
Distribution payable	6	309,228	330,351
Management fees payable		36,196	16,260
Other management fees payable		-	12,840
Auditor's remuneration payable		-	22,000
Other payables		25,183	51,714
Total liabilities (excluding net assets attributable to unitholders)		370,607	433,165
Net assets attributable to unitholders - liability	5	16,108,432	16,829,721
NTA per unit		1.06	1.11

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

Condensed Statement of Changes in Equity for half-year ended 31 December 2018

	Half-year ended 31 December 2018	Period from 23 June 2017 to 31 December 2017
	\$	\$
Total equity at the beginning of the period		
Profit / (loss) for the period	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as equity holders	-	-
Total equity at the end of the financial period	-	-

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

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

Condensed Statement of Cash Flows for half-year ended 31 December 2018

	Note	Half-year ended 31 December 2018	Period from 23 June 2017 to 31 December 2017
		\$	\$
Cash flows from operating activities			
Dividends received		966,367	12,054
Interest received		822	23,559
Management fees paid		(67,736)	(22,761)
Other payments		(59,359)	(27,034)
Other receipts		752	25,035
Net cash provided by operating activities		840,846	10,853
Cash flows from investing activities			
Payments for purchase of investments		(3,547,324)	(16,227,128)
Proceeds from sale of investments		4,014,780	853,309
Payments from spot FX trades		(4,305)	(22,193)
Net cash provided by / (used in) investing activities		463,151	(15,396,012)
Cash flows from financing activities			
Proceeds from issue of units to unitholders	5	-	16,682,662
Payments related to the initial public offering	5	-	(615,202)
Distribution paid to unitholders		(362,339)	-
Net cash (used in) / provided by financing activities		(362,339)	16,067,460
Net increase in cash and cash equivalents		941,658	682,301
Cash and cash equivalents at the beginning of the period		346,335	-
Effects of exchange rate changes on the balance of cash held in foreign currencies		14,285	(1,591)
Cash and cash equivalents at the end of the period		1,302,278	680,710
Non cash activities		-	-

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

Notes to the Financial Statements

General Information

Fat Prophets Global Property Fund (the "Fund") is a listed real estate investment trust ("REIT") and its units are listed on the Australian Stock Exchange (ASX: FPP) registered and domiciled in Australia. The Fund was constituted on 23 June 2017 and commenced operations on 10 October 2017.

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 11, 20 Hunter Street Sydney NSW 2000.

Fat Prophets Funds Management Limited (the "Investment Manager") is the investment manager of the Fund.

The financial statements were authorised for issue by the directors on 28 February 2019. The directors of the Responsible Entity have the power to amend and reissue the interim financial statements.

1. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these condensed financial statements are set out below.

a) Basis of Preparation

This general purpose interim financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and interpretations of the Australian Accounting Standards Board (the "AASB"), and the Corporations Act 2001 in Australia. For the purposes of preparing financial statements, the Fund is a for-profit entity.

This general purpose interim financial report has been prepared on an accruals basis using historical cost convention, except for the revaluation of investments in financial assets and liabilities, which have been measured at fair value through profit and loss.

The condensed Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity.

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources.

Other than the items detailed in the accounting policies below there are no differences in actual and estimated results.

b) Statement of Compliance

The interim report is a general purpose financial report in accordance with the Corporations Act 2001 and AASB 134 "*Interim Financial reporting*". Compliance with AASB 134 ensures compliance with International Financial Reporting Standards ("IFRS") IAS 34 "*Interim Financial reporting*".

c) Reporting Currency

All amounts are presented in Australian dollars as the functional and presentational currency of the Fund. All the global investments are converted to AUD.

d) Going Concern Basis

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

Notes to the Financial Statements

2. Adoption of New and Revised Accounting Standards

Except as disclosed below, the accounting policies in these interim financial statements are the same as those applied in the Fund's financial statements for the year ended 30 June 2018.

The Fund had to change some of its accounting policies as a result of new and revised accounting standards which became effective for the first time in the current reporting period. The affected policies are:

- AASB 9 Financial Instruments (and applicable amendments)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The adoption of the amendment does not have a significant impact on the recognition, classification and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules does not have a material impact on the Fund.

- AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue which covers contracts for goods and services and AASB 111 Construction Contracts which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Fund's main sources of income are interest, dividends and distributions, and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the adoption of AASB 15 does not have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements.

3. Investments in Financial Instruments

a) Financial Assets at Fair Value through Profit or Loss

	31 December 2018	30 June 2018
	\$	\$
Investment in listed equity securities	15,020,356	16,741,073
Total financial assets at fair value through profit or loss	15,020,356	16,741,073

b) Disclosed fair values

For all financial instruments their carrying value approximates fair value.

c) Fair Value Hierarchy

AASB 7 "Financial Instruments Disclosures" requires entities to provide disclosures in their financial report that enable users to evaluate the significance of financial instruments for the entity, and the nature and extent of risks arising from financial instruments to which the entity is exposed to. Below is an analysis of the financial instruments of the Fund.

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.

Notes to the Financial Statements

3. Investments in Financial Instruments (continued)**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, recorded at fair value and presented by level of the fair value hierarchy:

Financial Assets at Fair Value through Profit or Loss

	31 December 2018			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Financial assets				
Investment in listed equity securities	15,020,356	-	-	15,020,356
Total financial assets designated at fair value through profit or loss	15,020,356	-	-	15,020,356
	30 June 2018			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Financial assets				
Investment in listed equity securities	16,741,073	-	-	16,741,073
Total financial assets designated at fair value through profit or loss	16,741,073	-	-	16,741,073

There were no transfers between levels 1, 2 and 3 during the period ended 31 December 2018. The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Notes to the Financial Statements

3. Investments in Financial Instruments (continued)

c) Fair Value Hierarchy (continued)

Valuation techniques used to derive level 1 fair values

Level 1

The fair value of financial instruments that are traded in an active market (for example, listed equities) is determined using the last traded quoted price in an active market. As at 31 December 2018 the Fund had \$15,020,356 (30 June 2018: \$16,741,073) financial assets held at fair value through profit or loss included in level 1.

4. Net (Losses) / Gains on Financial Instruments Held at Fair Value through Profit or Loss

	Half-year ended 31 December 2018	Period from 23 June 2017 to 31 December 2017
	\$	\$
Unrealised (losses) / gains on financial instruments designated at fair value through profit or loss	(697,813)	235,460
Realised (losses) / gains on financial instruments designated at fair value through profit or loss	(563,810)	113,729
Net (losses) / gains on financial instruments designated at fair value through profit or loss	(1,261,623)	349,189

5. Net Assets Attributable to Unitholders

	Half-year ended 31 December 2018		Period from 23 June 2017 to 30 June 2018	
	No. of Units	\$	No. of Units	\$
Opening balance	15,166,056	16,829,721	-	-
Proceeds from issue of units to unitholders	-	-	15,166,056	16,682,662
Cost of initial public offering	-	-	-	(615,202)
Increase / (decrease) in net assets attributable to unitholders	-	(721,289)	-	762,261
Closing balance	15,166,056	16,108,432	15,166,056	16,829,721

Loyalty Options

	Half-year ended 31 December 2018		Period from 23 June 2017 to 30 June 2018	
	No. of Units		No. of Units	
Opening balance	15,166,056		-	
Options issued	-		15,166,056	
Options forfeited	4,208,250		-	
Closing balance	10,957,806		15,166,056	

Notes to the Financial Statements

5. Net Assets Attributable to Unitholders (continued)

The options were structured on a loyalty basis. This means that investors who participated in the IPO were eligible for options at the Vesting Date which reflect how many units they continued to own at Vesting Date up to a maximum of their IPO allocation.

For every 1 unit in the Fund, the unitholder receives an entitlement to 1 loyalty option. The option vesting period commenced in October 2018 and will lapse in October 2019. No options were exercised as at 31st December 2018.

6. Distribution

The Fund will seek to pay ongoing half-yearly distributions reflecting up to a 100% payout ratio of the distributable income of the Fund, derived from distributions it received from its investments.

A distribution of 2.16c (net of taxes: 2.07c) was declared for the half year. Out of the distribution amount of AUD\$ 327,570 declared during the half year, there is a distribution payable of AUD\$ 309,228 payable to unitholders and WHT payable of AUD\$ 18,342 as at 31 December 2018.

7. Segment Information

The Fund has only one reportable segment. The Fund operates predominantly in Australia and in one industry being the securities industry, deriving revenue from dividend income, interest income and from the investment portfolio.

8. Related Party Transactions

The responsible entity of the Fund is OMIFL.

The Fat Prophets Global Contrarian Fund is one of the investors in the Fund.

a) Management fees paid and payable to the investment manager

In return for the performance of its duties as investment manager of the Fund, the Investment Manager is entitled to be paid a management fee payable monthly in arrears, equivalent to 1.0% per annum (plus GST) of the net asset value calculated at the end of the month. As at 31 December 2018, the management fee expense incurred by the Fund was \$87,672 (2017: \$41,950).

b) Other fees paid to related parties

OMIFL also acts as custodian for the Fund and receives a fee for doing so. OMIFL has not 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. If the Manager doesn't pay, the RE can and will recover them from the Fund.

c) Key management personnel

(i) Directors

The key management personnel of the Responsible Entity, during the period and up to the date of this report are:

Name	Title
Frank Tearle	Executive Director and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director (resigned 26 October 2018)
Sarah Wiesener	Executive Director (appointed 26 October 2018) and Company Secretary

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the period ended at 31 December 2018.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel at any time during the period ended at 31 December 2018.

Notes to the Financial Statements

8. Related Party Transactions (continued)

c) Key management personnel (continued)

(ii) Key Management Compensation

Key management personnel of the Responsible Entity have not been compensated out of the Fund for the period ended 31 December 2018.

No key management personnel have entered into any other transactions with the Fund during the financial period and there were no material balances involving key management personnel's interests outstanding at the end of the financial half-year.

d) Other Key Management Personnel

The key management personnel of the Investment Manager during the period and up to the date of this report are:

Name	Title
Simon Wheatley	Chief Investment Officer
Angus Geddes	Portfolio Manager
Richard Fabricius	Compliance Officer

(i) Other Key Management Personnel Unitholdings

Unitholder	Number of Units held opening	Number of units acquired	Number of units disposed	Number of Units held closing	Fair value of investment (\$)	% Interest held	Distributions paid/payable by the Fund
Simon Wheatley	23,000	-	-	23,000	24,429	0.15%	264
The Fat Prophets Global Contrarian Fund	736,806	-	-	736,806	782,589	4.86%	15,914
Total	759,806	-	-	759,806	807,018	5.01%	16,178

Except as disclosed above, no key management personnel have entered into any other transactions with the Fund during the financial half-year and there were no material balances involving key management personnel's interests outstanding at the end of the financial half-year.

(ii) Other Key Management Compensation

Key management personnel of the Investment Manager have not been compensated out of the Fund for the half-year ended 31 December 2018.

9. Commitments and Contingencies

There are no commitments or contingencies at 31 December 2018.

10. Subsequent Events

There has been no matter or circumstance occurring subsequent to the end of the period 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 years.

Notes to the Financial Statements

Corporate Information

Directors

Frank Tearle (Executive Director)
Sarah Wiesener (Executive Director)
Justin Epstein (Executive Director)

Registered Office

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