

## ASX ANNOUNCEMENT

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

### March 2019 Monthly NTA Announcement

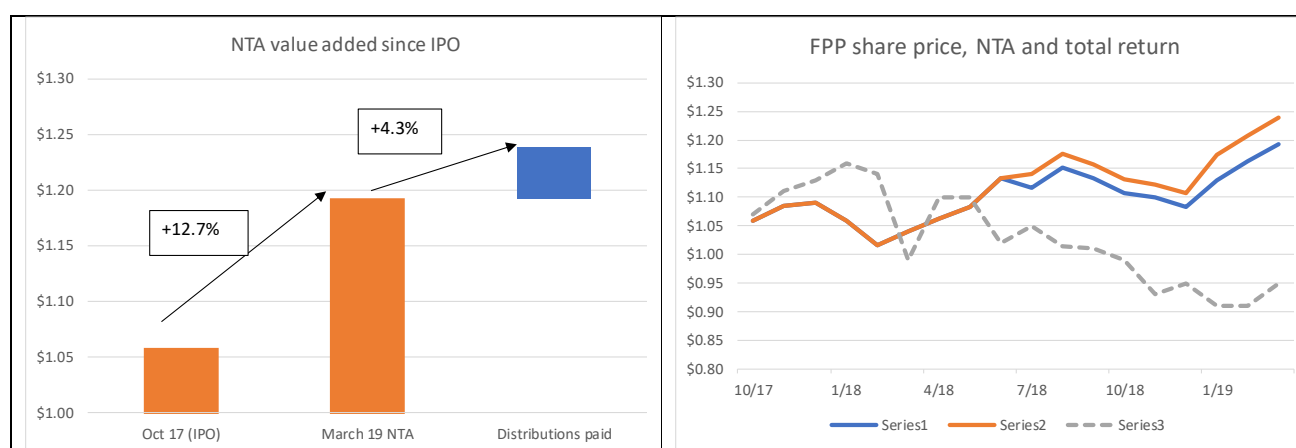
Dear Unitholders,

The Fund had a continued period of strength in March 2019, carrying the NTA to a new all-time high for the Fund NTA since IPO. As at the end of March the NTA was sitting at \$1.1893 per unit, compared to the Fund unit price of \$0.95.

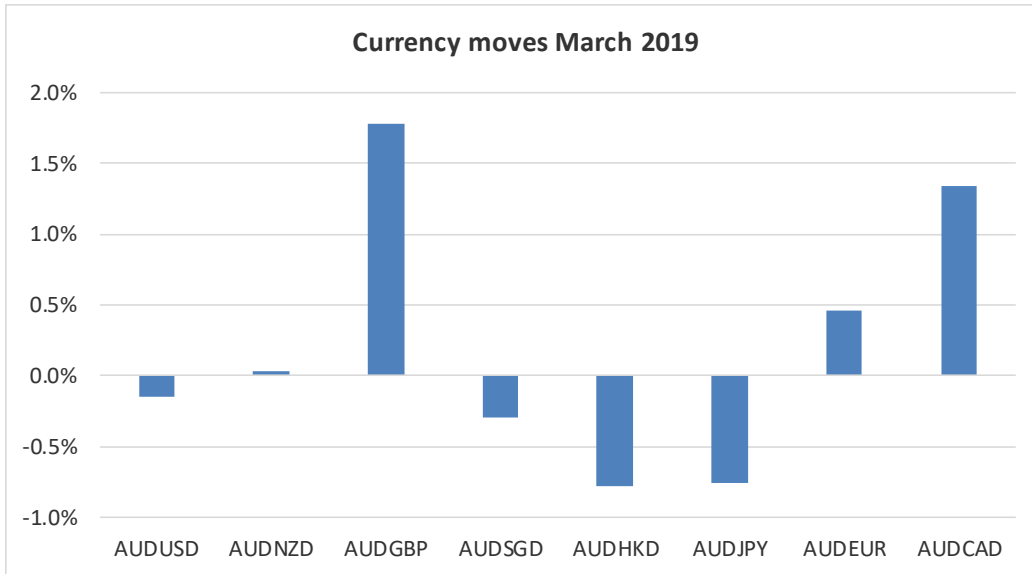
A summary of the change in NTA for the month of March is as follows;

	28-Feb-19	31-Mar-19	Change
<b>NTA per unit</b>	\$1.1612	\$1.1893	+2.4%

Over the period since IPO the Fund has delivered over a 17% return from the IPO NTA, through a combination of distributions and NTA growth. As at the time of writing the discount to NTA was a substantial 20%.



Currency had a negligible impact on global returns for the Fund during March. The Australian dollar (AUD) strengthened against the British Pound as Brexit turmoil continued. The Fund is underweight UK, overweight Europe and overweight US in currency terms.

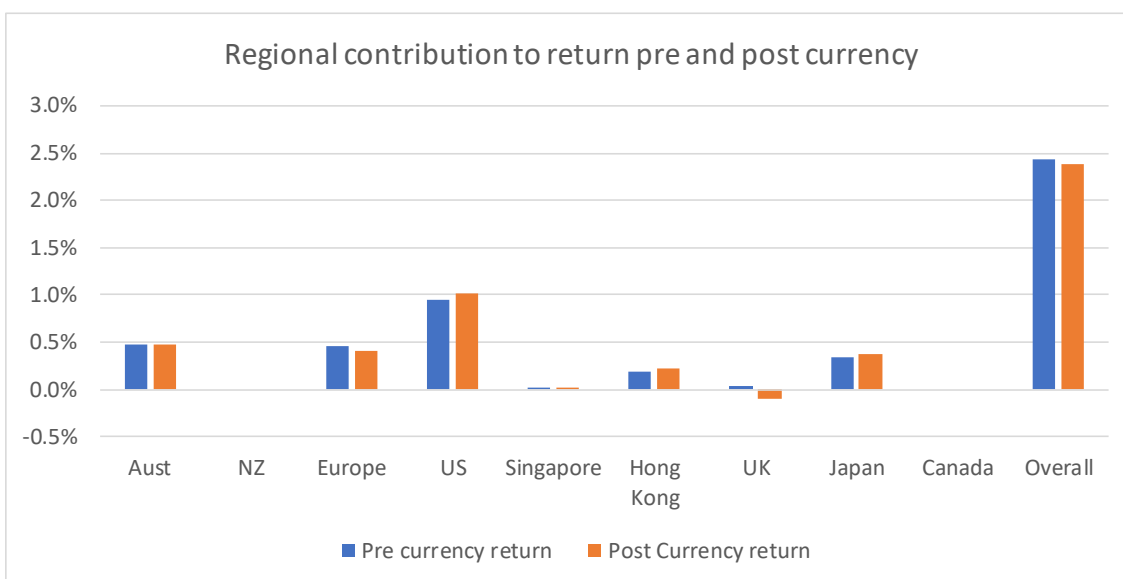


The Fund entered March with a meaningful cash holding – this was reduced slightly with some changes in investment positions, however cash levels remained high at 11% at the end of March. The anticipated end of 2019 rally in the global REIT sector has not occurred, and the holding of cash for investment into this weakness offered no strategic benefit and was drag on returns.

**Fund activity during March included**

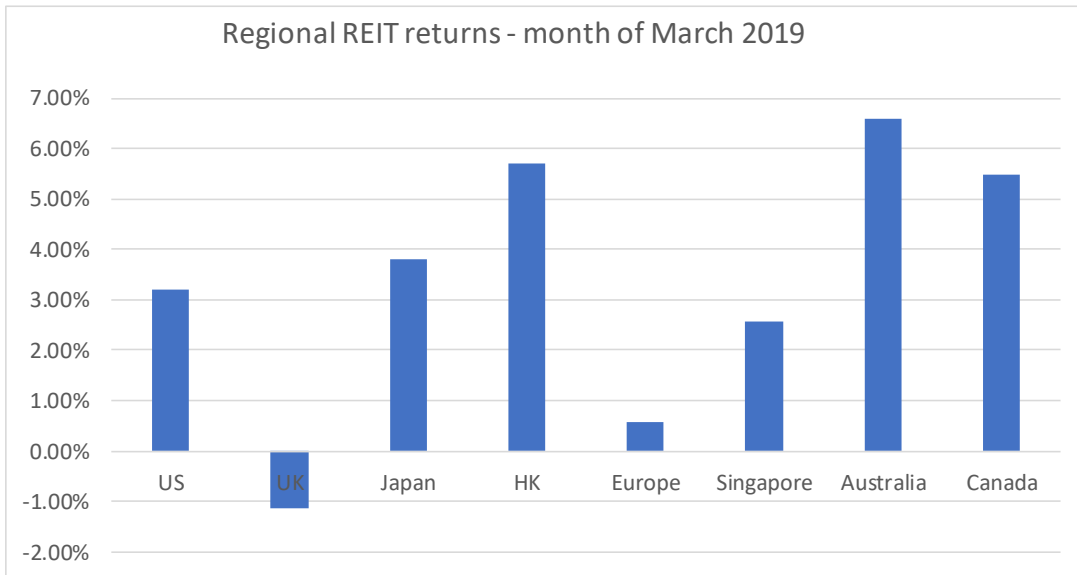
- divesting over half the Fund’s holding in Aveo Group (AOG.AX) after the intra month rally on news that a process for strategic transaction was gaining momentum,
- divesting half the Fund’s exposure in Champion REIT in Hong Kong on price strength,
- divesting Sumitomo R&D in Japan on price strength,
- Acquiring investment stakes in Extended Stay America and Ashford Hospitality Trust in the US

As demonstrated in the following chart, the performance for contribution to return for the Fund in various regions pre and post the impact of currency movements was negligible this month and again most evident in the US.

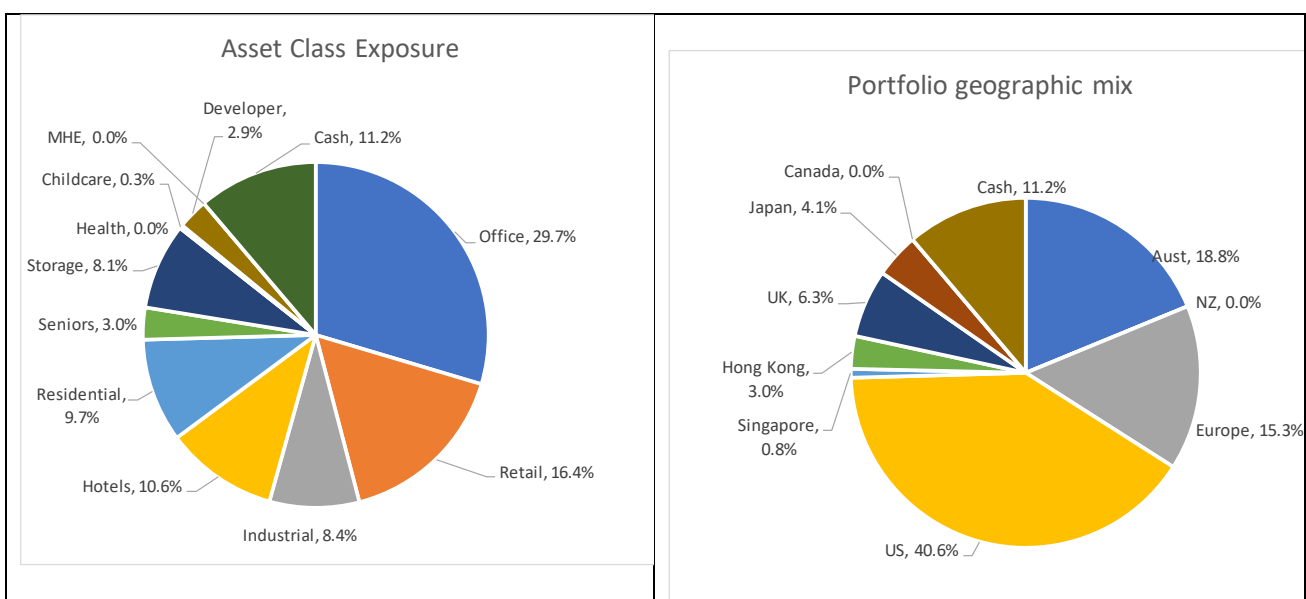


A meaningful number of investment holdings in the Fund went ex distribution during March, contributing gross pre tax estimated income to the fund of A\$120,000. We continue to monitor opportunities for the Fund to receive distributions from investments which will build toward the six monthly distribution the Fund will pay to investors.

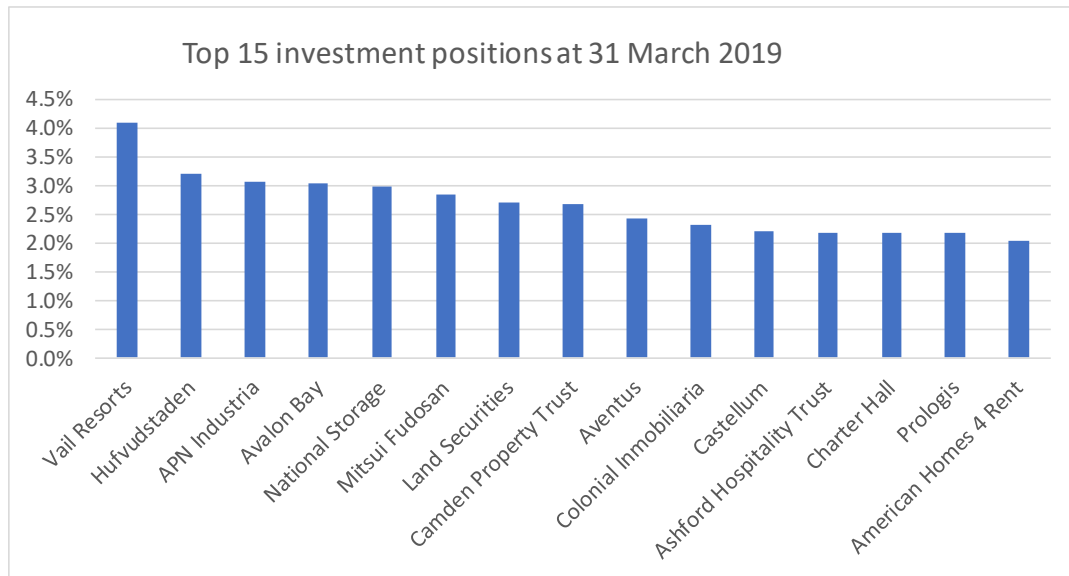
The following chart demonstrates the local currency index movements for Real Estate equities in various Global markets in March 2019. Strong regional returns were enjoyed in a number of markets, including Australia.



The Fund ended March with a more overweight exposure to US by investment holding and a larger underweight to Australia. The Fund continued to be substantially underweight to Japan and Hong Kong. The Fund continues to have no weighting to Canada or New Zealand, both of which are very small markets by investment weighting. Cash levels continued to be relatively high.

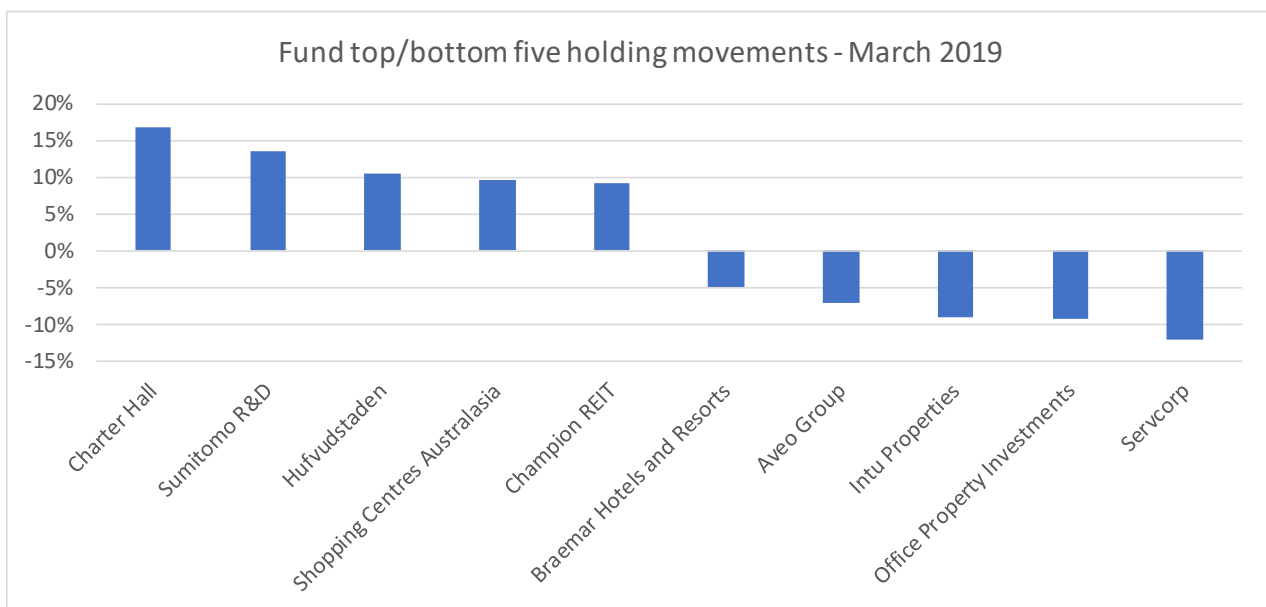


The number of investment positions held by the Fund was unchanged at 49 holdings at the end of March. Top holdings in the Fund as at the end of the month are summarised in the following chart. US listed Vail Resorts remains the top holding. We continue to see some value in the stock and the strong North American ski season is supportive to near term quarterly results.



The best returns during March for the Fund were again from Charter Hall which was also the top performing position in February. The ASX listed real estate owner and fund manager has risen by 34% in the three months to date of CY2019. Sumitomo Realty in Japan was the second best performer in March and the Fund divested its holding into this strength. Similarly Champion REIT in Hong Kong was a top 5 Fund performer and the Fund halved its investment position in the stock.

The best and worst five performers for the past month are highlighted in the following chart.



Aveo Group was a weak performer after rallying more than 25% off its lows a month earlier. The Fund effectively increased its holdings in Aveo during the dip and lightened exposure into strength proving the active management approach.

## Outlook

Quarterly reporting for the Fund's holdings will commence toward the back end of April and will no doubt drive catalysts for various stocks, particularly in the US market. We will be monitoring this closely.

We will continue to actively monitor investment positions and manage the portfolio accordingly. REITs have historically range traded at between twenty percent premium to asset value and twenty percent discount to asset value. As the Fund's investment holdings move into this upper range we will typically trim them and seek to reinvest into discount opportunities and likewise at the lower end.

The strength in the Australian market was surprising given we believed it was already fully valued. The Australia REIT rally was driven by a combination of demand for funds management exposure through the likes of Charter Hall Group, as well as buying into some value opportunities including the likes of residential developer REIT Stockland Group.

Since the inception of the Fund in October 2017, we have executed effectively on strategy. Two distributions have been paid, and NTA has grown steadily with low volatility and currently stands at all-time highs. We have maintained our value focus and we remain focussed on seeking to derive investment returns (capital growth) from portfolio investments, as well as accessing distributions from investments which will be passed on to FPP investors through the Fund's policy of paying out 100% of distributable earnings every six months.

### Fat Prophets Global Property Fund

Chief Investment Advisor

Simon Wheatley

10 April 2019

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.

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<sup>i</sup> 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.

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

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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.