

ASX ANNOUNCEMENT

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

September 2019 Monthly NTA Announcement

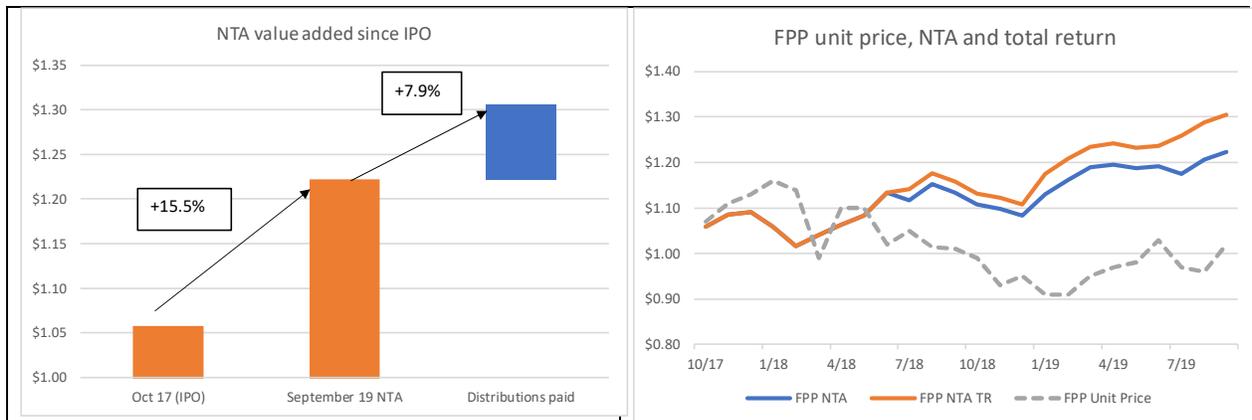
Dear Unitholders,

The Fund performance was again positive in September 2019, with the NTA increasing by another 1.5%. This elevates NTA to a new record high level since IPO of \$1.22 per unit. Demand for global REITs continues to be strong with major global regions ex Australia posting healthy local currency gains in September. Strength continues to be driven by low global interest rates and the resulting positive impact on commercial real estate capital values as investors chase yield.

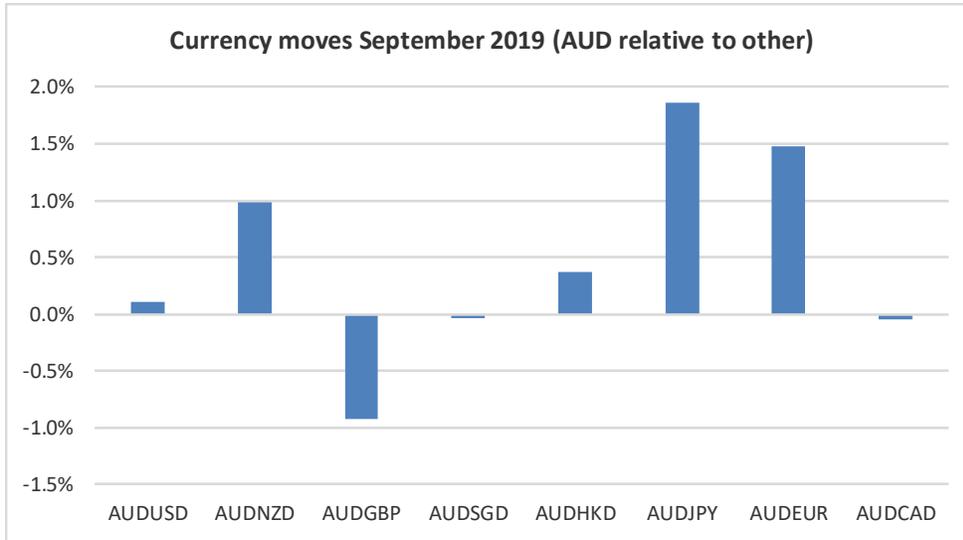
A summary of the change in NTA for the month of September is as follows;

	31-Aug-19	30-Sep-19	Change
Value per unit	\$1.2046	\$1.2223	1.47%

Total value since IPO of NTA increase and distributions paid is 23.4%. The current FPP unit price of \$1.02 at the end of September reflects a 20% discount to the underlying NTA.

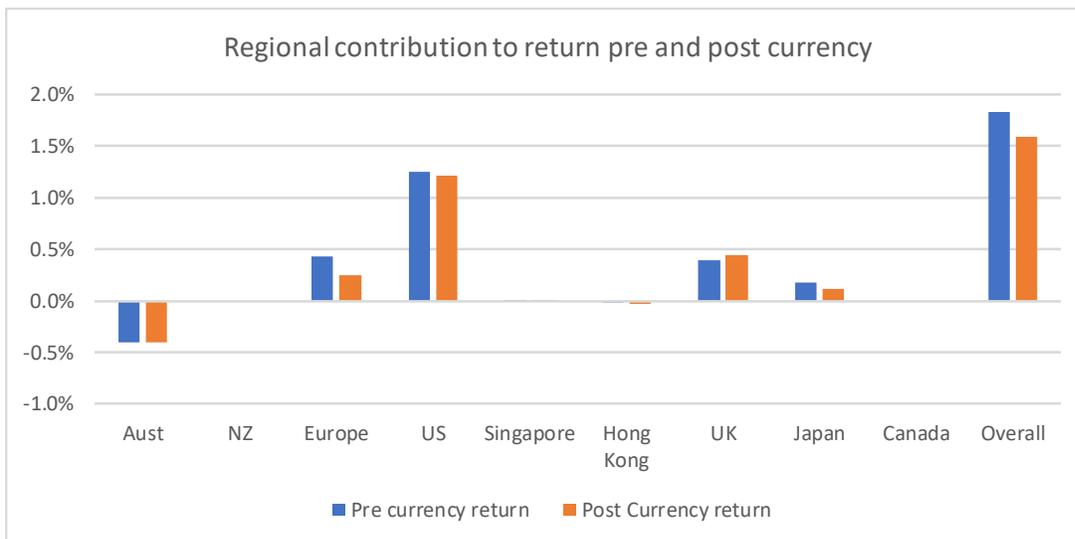


In contrast to recent past months, currency had a negligible impact on returns during September in the Funds largest exposure market of the USA. The Australian dollar strengthened mildly against all major markets with the exception of the British Pound.



The Fund entered September with a cash holding of 4.9%. This was reduced marginally to 3.9% cash holding at the end of September, leaving the Fund essentially fully invested.

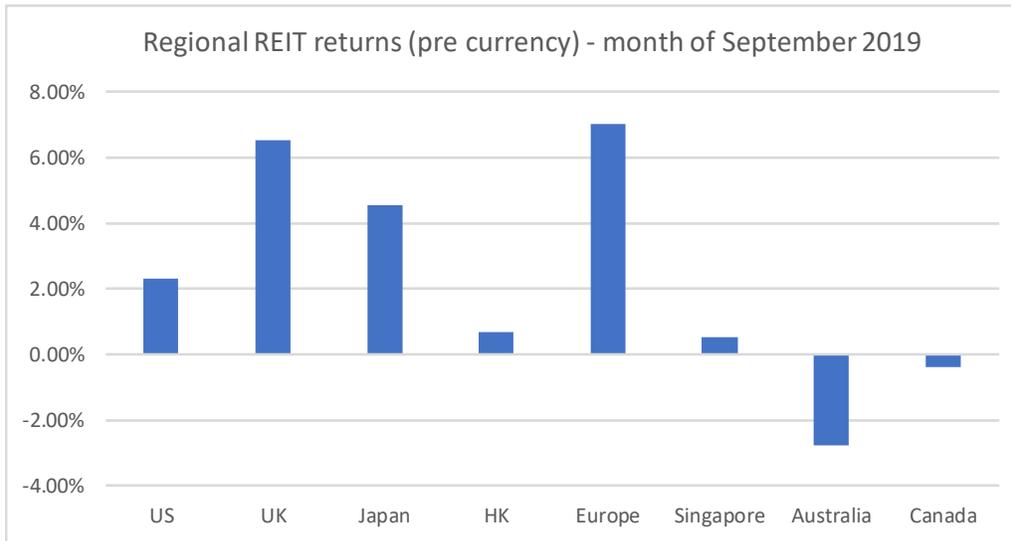
The performance contribution to return for the Fund by regions pre and post the impact of currency movements is demonstrated in the following chart and highlights that the US and European regions were the strongest areas with meaningful local currency rises during the month of September. Australia was the only region to be in the red. This was driven by weakness in several previously strongly performing big cap REITs including Dexus Property Group (DXS.AX), Charter Hall Group (CHC.AX) and Goodman Group (GMG.AX) with the latter falling out of a REIT index and seeing some associated index related selling. The Fat Prophets Global Property Fund capitalized on this, taking an investment stake in Goodman Group during the month.



Once again only a small number of investment holdings in the Fund went ex-distribution during the month.

Local currency index movements for Real Estate equities in various Global markets in September 2019 are highlighted in the following chart. After several months of Hong Kong suffering meaningful declines as a result of civil unrest, the Fund which was already meaningfully underweight has fully exited the Hong Kong market in September. The global index rose 2.5% in local currency terms and the UK and European markets

in particular each delivered another very strong monthly return exceeding 6%. There have now been five consecutive months of rises in the global REIT Index.

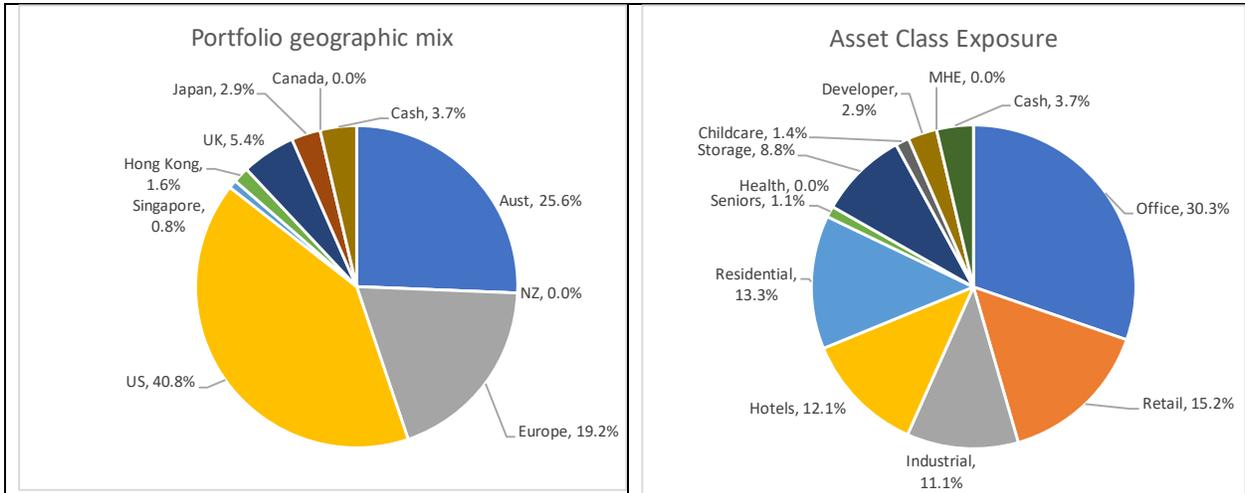


The Fund ended September with some meaningfully altered global geographic and sector allocations. As noted the Fund has now exited its position in Hong Kong completely, as we fear further fallout in asset and share price values from the ongoing protests against the government. These protests have become protracted and increasingly aggressive. We believe that there will be short and long term ramifications for property which include;

- Weak demand for office space and an associated decline in market rents as tenants move staff out of Hong Kong
- Poor retail sales due to the slump in tourism as well as the protester sit ins occurring in major CBD malls, and
- Very weak revenue from hotel operators who we believe are currently experiencing very low occupancy rates.

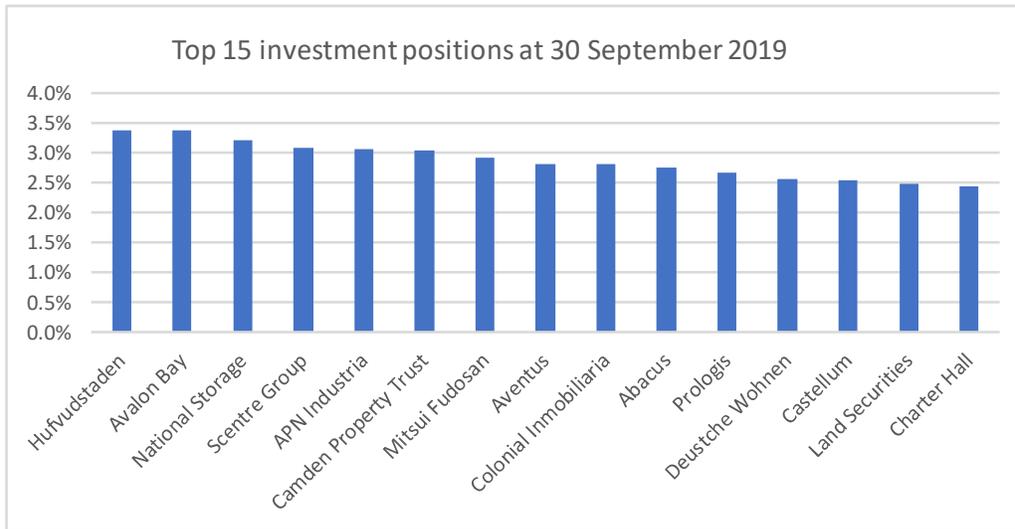
It is our expectation that the negative news on Hong Kong office rents, retail sales trends and hotel occupancy have not been fully disclosed as yet and that they will surprise on the downside when they do come out, further negatively impacting share prices of REITs and operating companies associated with them. There may be some offsetting benefit for other regions including Singapore as tourists and businesses relocate; we are analysing this as a potential opportunity.

The Fund continued to be substantially underweight to Japan but has reallocated some of the Hong Kong funds into Australia, maintaining the overall Asia Pacific regional allocation. The Fund continues to have no weighting to Canada or New Zealand, both of which are very small markets by investment weighting.



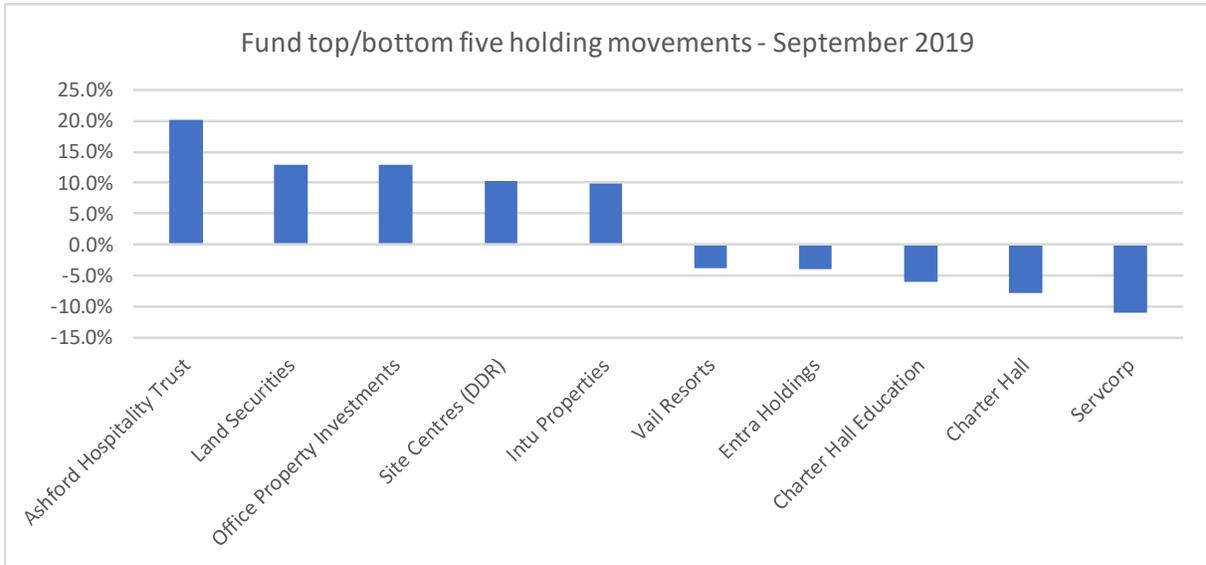
The number of investment positions held by the Fund was reduced to 50 holdings at the end of September. Top holdings in the Fund as at the end of the month are summarised in the following chart.

The top five holdings are unchanged from last month. Two Australian REITs are in the top 5 holdings. The strong rise in share price for Land Securities during the month moved it into the top 15 holdings.



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

Strong performing holdings in the Fund during the month of September tended to be smaller caps, or holdings which have been recent underperformers. This was the case with all five of the top performers listed in the chart below.



The strength in previously underperforming names was part of the ‘style rotation’ which was seen during the month in both REITs and equities globally, as some of the value spread between loved and out of favour stocks was arbitrated. This played to the Fund’s value or contrarian thesis to some degree. Several large cap REITs in Australia saw meaningful price weakness and we took advantage of this to add Goodman Group to the portfolio. Servcorp gave up most of the strong gains from last month as the IPO of WeWork faltered, bringing some questions to the theme of short term office space occupancy and demand. Servcorp also have three locations in Hong Kong and we expect weak short term office space demand in that location for the foreseeable future.

Outlook

The current backdrop of very low global interest and bond rates is maintaining support for REITs which have bond like characteristics and have a historically high correlation with bonds. Investor interest in seeking dependable yield is helping drive REIT pricing, and the prevailing environment low bond rate environment is resulting in lower discount rates for real estate asset valuations and as such asset values and NTA continue to rise. We still expect that NTA’s will continue to rise over the next twelve month which will continue to underpin further price growth for REITs.

Fat Prophets Global Property Fund

Chief Investment Advisor

Simon Wheatley

9 October 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.

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.

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