



Fat Prophets Global Property Fund ARSN 619 970 786

Underwritten Non-Renounceable Rights Issue Offer Document

An offer to raise approximately \$6.98 million before costs by way of a non-renounceable pro rata offer of 1 New Unit for every 2 Units held at a price of \$0.92 per New Unit

The Offer opens on Tuesday, 3 December 2019

Valid acceptances must be received by 5.00pm on Tuesday, 24 December 2019

If you are an Eligible Unitholder, this important document requires your immediate attention. It should be read in its entirety. If, after reading this document you have any questions, either about the securities being offered under this document or any other matter, you should contact your stockbroker, solicitor, accountant or other professional adviser.

IMPORTANT NOTICES

This Offer Document is dated 25 November 2019 and was lodged with the ASX on that date. This Offer Document has not been lodged with ASIC. ASIC and the ASX do not take any responsibility for the contents of this Offer Document.

The offer made pursuant to this Offer Document is for a rights issue of continuously quoted securities (as defined in the *Corporations Act 2001* (Cth) (**Corporations Act**)) of the Fat Prophets Global Property Fund (ARSN 619 970 786) (**FPP** or the **Fund**). This rights issue Offer Document is not a product disclosure statement for the purposes of Part 7.9 Division 2 of the Corporations Act.

The issuer under this Offer Document is One Managed Investment Funds Limited (ACN 117 400 987) (**Responsible Entity**) as responsible entity of the Fund. The Responsible Entity is offering the securities under this Offer Document without disclosure to investors under Part 7.9 Division 2 of the Corporations Act pursuant to section 1012DAA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). Accordingly, the level of disclosure contained in this Offer Document is significantly less than that required under a product disclosure statement and Eligible Unitholders should consider all relevant facts and circumstances, including their knowledge of the Responsible Entity, the Fund and disclosures made to the ASX and should consult their professional advisers before deciding whether to accept the Offer.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set forth in this Offer Document.

As at the date of this Offer Document, the Responsible Entity has complied with:

- the provisions of Chapter 2M of the Corporations Act, as they apply to the Responsible Entity; and
- section 674 of the Corporations Act.

Eligibility

Applications for New Units by Eligible Unitholders may only be made on an original Acceptance Form as sent out with this Offer Document. The Acceptance Form sets out an Eligible Unitholder's right to participate in this Offer.

Privacy

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth), the Corporations Act and certain rules such as the ASX Settlement Operating Rules.

The Responsible Entity and the Unit Registry provider each collect information about each Applicant provided on an Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's unitholding in the Fund.

By submitting an Acceptance Form, you will be providing personal information to the Responsible Entity directly or through the Unit Registry (together, the **Collector**). The Collector collects, holds and will use that information to assess your Application. The Collector collects your personal information to process and administer your Application and Unitholding in the Fund and to provide related services to you. If you do not complete the Acceptance Form in full, the Responsible Entity may reject your Application. The Responsible Entity may disclose your personal information for purposes related to your Application and unitholding, including to the Unit Registry, the Responsible Entity's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to the ASX and regulatory bodies. The Collector will only collect, use and disclose your personal information in accordance with their privacy policies. You can obtain access to personal information that the Responsible Entity holds about you. To make a request for access to your personal information held by (or on behalf of) the Responsible Entity, please contact the Responsible Entity either directly or through the Unit Registry.

Foreign Unitholders

This Offer Document does not constitute an offer in any place in which, or to any person to whom it would not be lawful to make such an offer. The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe those restrictions. Any failure to comply with restrictions might constitute a violation of applicable securities laws.

The Offer may only be accepted by Eligible Unitholders and does not constitute an offer in any place in which or to any person to whom, it would be unlawful to make such an offer. As at

the date of this Offer Document, the Fund does not have any Ineligible Unitholders.

New Zealand

In making this offer to Eligible Unitholders in New Zealand, the Responsible Entity is relying on the *Securities Act (Incidental Offers) Exemption Notice 2016* by virtue of which this Offer Document is not required to be registered in New Zealand.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Offer Document. Any information or representation in connection with the Offer not contained in this Offer Document may not be relied on as having been authorised by the Responsible Entity or its officers. This Offer Document does not provide investment advice or advice on the taxation consequences of accepting the Offer. The Offer and the information in this Offer Document do not take into account your investment objectives, financial situation and particular needs (including financial and tax issues) as an investor.

Deciding to accept the Offer

No person named in this Offer Document, nor any other person, guarantees the performance of the Fund, the repayment of capital or the payment of a return on the New Units.

Please read this document carefully before you make a decision to invest. An investment in the Fund has a number of specific risks which you should consider before making a decision to invest. Some of these risks are summarised in Section 5. This Offer Document is an important document and you should read it in full before deciding whether to invest pursuant to the Offer. You should also have regard to other publicly available information about the Fund, including ASX announcements, which can be found at the Fund's and ASX's websites at:

- <https://fpproperty.com.au/>
- <https://www.asx.com.au/asx/share-price-research/company/FPP>

Forward looking statements

This Offer Document contains certain forward looking statements and statements of current intention. Such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which the Fund is invested as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement and such deviations are both normal and to be expected. None of the Responsible Entity, any of its officers or the Investment Manager or any person involved in the preparation of this Offer Document makes any representation or warranty (either express or implied) as to the accuracy or likelihood in any forward looking statement, and you should not place undue reliance on these statements. Forward looking statements in this Offer Document reflect views held only as at the date of this Offer Document.

Governing law

This Offer Document, the Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in New South Wales, Australia. Each Applicant submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

Miscellaneous

A number of terms and abbreviations used in this Offer Document have defined meanings, which are explained in the Definitions in Section 7.

Money as expressed in this Offer Document is in Australian dollars or else as indicated.

Questions

If you have any questions in relation to the Offer, please contact your stockbroker, solicitor, accountant or other professional adviser. If you have any questions with respect to completing the Application Form, please contact the Unit Registry (refer to back page for contact details).

Letter from the Investment Manager

25 November 2019

Dear Unitholder

Pro rata non-renounceable rights issue

As the investment manager of the Fat Prophets Global Property Fund (**FPP** or **Fund**), we are pleased to announce a rights offer of 1 New Unit for every 2 Units held to FPP unitholders (**Offer**).

The equity raising is fully underwritten, meaning the proposed increase in capital is guaranteed, and the top two Unitholders, which account for a combined 17.9% of the register, have committed to take up their full entitlement to support the raising.

Since initial public offering of Units, the Fund has delivered on its strategy, paying three regular distributions to investors and increasing NTA from \$1.058 to \$1.221 during the 24-month period from listing for total returns at the NTA level of over 23% including distributions. Low global interest rates have been favourable to the real estate investment trust (REIT) sector globally as investors seek yield and capital appreciation backed by real estate assets.

Real estate capitalisation rates have continued to firm, driving asset values higher, which in turn has driven REIT net asset values higher. While the NTA and distribution returns have been positive, the Unit price has traded below NTA. The Fund also benefitted from a fee cap on certain management costs for the first two years post quotation of the units of the Fund on ASX, which expired in October 2019.

The purpose of the Offer is to increase the size of the Fund and to apply the proceeds to investment opportunities consistent with the Fund's investment strategy. The Offer will have the dual benefit of lowering the management expense ratio following the fee cap expiry, which will improve the outlook for distributions, as well as increasing liquidity. It is being structured as a pro rata entitlement issue to allow all existing unitholders to participate on equal terms.

Eligible Unitholders may apply for all or part of the Entitlement under the Rights Offer and may also apply for additional Units under the Shortfall Offer. You may apply for any number of additional New Units so long as your eventual holding will not cause your voting power in the Fund to exceed 19.9%. To participate in the Shortfall Offer for additional units, you must apply at the same time as you apply for your Entitlement under the Rights Offer. In the event of oversubscriptions for the Shortfall Offer, the Responsible Entity reserves the right to scale back any applications for Additional Units, at its sole discretion. Any New Units not taken up in the Offer will be issued to the Underwriter.

This Offer Document includes:

- instructions on how to participate in the Offer;
- a personalised Acceptance Form which details your Entitlement; and
- instructions on how to take up all or part of your Entitlement via BPAY® or cheque.

The Offer closes at 5:00pm AEDT on Tuesday, 24 December 2019. Please read in full the details on how to submit your Acceptance Form.

You should also consult your stockbroker, solicitor, accountant or other professional adviser if you have any questions regarding whether or not to participate in the Offer. In particular, you should read and carefully consider Section 5, which outlines some of the key risks associated with an investment in the Fund.

Thank you for your ongoing support and interest.

Yours sincerely,

Angus Geddes

CEO

Fat Prophets Funds Management Pty Ltd

INDICATIVE TIMETABLE

Event	Date
Announcement of the Offer	Before commencement of trading on 25 November 2019
Lodgment of Appendix 3B, Offer Document and notice under section 1012DAA(2)(f) of the Corporations Act with ASX	Before commencement of trading on 25 November 2019
Notices to Unitholders setting out Appendix 3B information and timetable	25 November 2019
Ex date	28 November 2019
Record Date for determining Entitlements	29 November 2019
Offer opens – despatch of Offer Document and Acceptance Form	3 December 2019
Last date to extend the Closing Date	19 December 2019
Closing Date	24 December 2019
Units quoted on deferred settlement basis	27 December 2019
Notify the ASX of undersubscriptions	30 December 2019
Allotment and issue of New Units	2 January 2020
Despatch of holding statements	3 January 2020
Trading of New Units on ASX expected to commence	3 January 2020

The dates set out in this table are subject to change and are indicative only. The Responsible Entity reserves the right to alter this timetable at any time, subject to the Corporations Act and the Listing Rules, without notice. In addition, the Responsible Entity, subject to the requirements of the Listing Rules and the Corporations Act, reserves the right to:

- withdraw the Offer without prior notice; or
- vary any of the important dates set out in this Offer, including extending the Offer.

1 DESCRIPTION OF THE OFFER

1.1 The Offer

This Offer Document is for an underwritten non-renounceable rights issue offer of approximately 7,592,778 New Units at the issue price of \$0.92 per New Unit (**Issue Price**), on the basis of 1 New Unit for every 2 Units held by Eligible Unitholders as at the Record Date, to raise approximately \$6,985,356 (**Offer**). Fractional Entitlements will be rounded up to the nearest whole number of new Units.

The Issue Price is equivalent to a 24.6% discount to the latest published monthly NTA backing per Unit as at 31 October 2019.

The Issue Price also reflects an 8.2% discount to the 2 week VWAP (volume weighted average price) up to 18 November 2019.

On the same date as announcing the Offer, the Responsible Entity applied to the ASX for the New Units to be granted official quotation on the ASX. Official quotation of the New Units is expected to occur on or about 3 January 2020.

The Responsible Entity may at any time decide to withdraw this Offer Document and the offer of New Units made under this Offer Document, in which case the Responsible Entity will return all application monies (without interest) within 28 days of giving notice of such withdrawal.

The Offer is fully underwritten.

1.2 No Rights trading

The Offer is non-renounceable. There will be no trading of Rights on the ASX and Rights may not be sold, assigned or transferred to any other person.

1.3 Eligibility of Unitholders

Only Eligible Unitholders may apply for New Units under the Offer.

Eligible Unitholders are those Unitholders on the Record Date who have a registered address in Australia or New Zealand or who are Unitholders that the Responsible Entity has otherwise determined are eligible to participate.

As at the date of this Offer Document, the Fund does not have any Unitholders who have a registered address outside of Australia or New Zealand. To the extent there are any Ineligible Unitholders on the Record Date, the Responsible Entity will, where it would be reasonable to do so, extend this Offer to those Unitholders and will otherwise take all appropriate action to ensure that the Offer complies with all relevant laws including the conditions set out in item 10 of section 611 of the Corporations Act.

This Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer without any requirement for a product disclosure statement to be lodged or registered.

1.4 New Unit terms

Each New Unit will rank equally with all existing Units then on issue. Full details of the rights and liabilities attaching to the Units are set out in the Constitution, a copy of which is available for inspection at the Responsible Entity's registered office during normal business hours.

1.5 Acceptance of Entitlement to New Units

The number of New Units to which each Eligible Unitholder is entitled is calculated as at the Record Date and is shown on the personalised Acceptance Form accompanying this Offer Document. This Offer Document is for the information of Eligible Unitholders who are entitled and may wish to apply for the New Units.

Entitlements to New Units can be accepted by Eligible Unitholders in full or in part or in excess of their Entitlement by completing and returning the Acceptance Form attached to this Offer Document in accordance with the instructions set out below and in the Acceptance Form.

1.6 **Application for Additional Units – Shortfall Offer**

Entitlements not taken up may become available as additional Units to Eligible Unitholders (**Shortfall Offer**). Eligible Unitholders may, in addition to their Entitlements, apply for New Units over and above their Entitlement at the Issue Price (**Additional Units**) regardless of the size of their present holding.

To the maximum extent permitted by law, the Responsible Entity intends to allocate Additional Units to applicants under the Shortfall Offer prior to allocating any New Units to the Underwriter under the Underwriting Agreement.

It is an express term of the Offer that applicants for Additional Units will be bound to accept a lesser number of Additional Units allocated to them than applied for. If a lesser number is allocated to them, excess Acceptance Money will be refunded without interest (where the amount is \$1.00 or greater) and will be returned to Eligible Unitholders as soon as practicable following the Closing Date, without interest.

You may apply for any number of Additional Units subject to the maximum application to take your voting power in the Fund to 19.9%.

The Responsible Entity reserves the right to scale back any applications for Additional Units in its absolute discretion and also to ensure that no Unitholder will, as a consequence of taking up their Entitlement and being issued any Additional Units, breach the takeovers provisions in Chapter 6 of the Corporations Act. It is the sole responsibility of the Eligible Unitholder to determine the maximum level of New Units for which they can apply.

There can be no certainty that there will be a Shortfall or that Eligible Unitholders will receive the number of Additional Units applied for.

1.7 **Minimum subscription**

There is no minimum subscription to the Offer.

1.8 **Underwritten Offer**

The Underwriter has agreed to underwrite the Offer. This means that the Underwriter will subscribe for that number of New Units which are not taken up by Eligible Unitholders in accordance with the terms of the Underwriting Agreement. The Underwriter will be paid an underwriting fee equal to an amount that is 3% of \$5,739,382 (being approximately \$172,181), which is the amount proposed to be raised under the Offer less the amount equal to the value of the entitlements offered to the top two Unitholders.

A summary of the principal terms of the Underwriting Agreement are set out Section 4.4.

1.9 **Your choices**

If you are an Eligible Unitholder, you may do any ONE of the following:

- take up your Entitlement in full (see Section 1.10);
- take up your Entitlements in full and also apply for Additional Units (see Sections 1.6 and 1.11);
- take up part of your Entitlement and allow the balance to lapse (see Section 1.12); or
- allow all of your Entitlement to lapse (see Section 1.13).

1.10 Taking up all of your Entitlement

If you wish to take up all of your Entitlement, you must complete the Acceptance Form in accordance with its instructions and attach your cheque or arrange payment by BPAY®, for the amount indicated on the Acceptance Form. Note that payment must be received by 5:00pm AEDT on the Closing Date. If not, your Acceptance Form will be disregarded and you will be deemed to have allowed your Entitlement to lapse.

1.11 Taking up all of your Entitlement and Additional Units

If you wish to take up all of your Entitlement and apply for Additional Units as set out in Section 1.6, you must complete the Acceptance Form in accordance with its instructions and indicate the number of Additional Units for which you wish to apply by completing the relevant box in the Acceptance Form. Once completed, attach your cheque or arrange payment by BPAY®, for the amount payable for your Entitlement plus the additional amount applicable in respect of the Additional Units you wish to take up.

The Application Amount for taking up your Entitlement and Additional Units is calculated as follows:

$$\text{Application Amount} = \frac{\text{(the amount indicated on the Acceptance Form regarding your Entitlement + Number of New Units applied for)}}{\text{}} \times \$0.92$$

Note that payment must be received by 5:00pm AEDT on the Closing Date. If not, your Acceptance Form will be disregarded and you will be deemed to have allowed your Entitlement to lapse.

1.12 Taking up part of the Entitlement and allowing the balance to lapse

If you wish to take up part only of your Entitlement and allow the balance to lapse, you must complete the Acceptance Form by indicating the number of New Units you wish to accept and attach your cheque or arrange payment by BPAY®, for the amount payable for the New Units you wish to accept. Note that payment must be received by 5:00pm AEDT on the Closing Date. If not, your Acceptance Form will be disregarded and you will be deemed to have allowed your Entitlement to lapse.

The Application Amount for taking up part of your Entitlement is calculated as follows:

$$\text{Application Amount} = \text{Number of New Units applied for} \times \$0.92$$

The balance of your Entitlement not taken up will lapse. By allowing your Entitlement or portion thereof to lapse, any New Units in respect of the lapsed portion to which you would otherwise have been entitled under the Offer will be acquired by other Unitholders or the Underwriter. In that event, your percentage unitholding in FPP will be diluted.

1.13 Allow all of the Entitlement to lapse

If you do not wish to accept any part of your Entitlement, you need not take any further action and your Entitlement will lapse. By not taking any action and not taking up your Entitlement, any New Units to which you would otherwise have been entitled under the Offer will be acquired by other Unitholders or the Underwriter. In that event, your percentage unitholding in FPP will be diluted.

1.14 Payment

- by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "Fat Prophets Global Property Fund – Rights Issue" and crossed "Non-Negotiable". Payment will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques received may not be re-presented and may result in your Application being rejected. Cash payments are not acceptable. No receipts will be issued.

Your completed Acceptance Form and cheque must reach the Unit Registry at the address set out in the Acceptance Form by no later than 5:00pm AEDT on the Closing Date (being Tuesday, 24 December 2019).

- by BPAY®

For payment by BPAY®, please follow the instructions on the Acceptance Form which includes the Biller code and Customer Referral Number. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note, if you elect to pay by BPAY®:

- (a) you do not need to submit the Acceptance Form but by making the payment you are taken to have made the declarations, representations and warranties referred to on that Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Units which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the Unit Registry by no later than 5:00pm on the Closing Date (being Tuesday, 24 December 2019). You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

1.15 **Acceptance Form is binding**

Returning a completed Acceptance Form or paying any Application Amount by BPAY® constitutes a binding acceptance to acquire New Units on the terms and conditions set out in this Offer Document and, once lodged or paid, cannot be withdrawn.

By completing and returning your personalised Acceptance Form with the requisite Application Amount or making a payment by BPAY®, you will also be deemed to have acknowledged, represented and warranted on behalf of each person on whose account you are acting that:

- (a) you have fully read and understood both this Offer Document and your Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this Offer Document and the Acceptance Form;
- (b) you agree to be bound by the terms of the Offer, the provisions of this Offer Document and the Constitution;
- (c) you authorise the Responsible Entity to register you as the holder(s) of New Units allotted to you;
- (d) you declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (e) you are an Eligible Unitholder and are not an Ineligible Unitholder, particularly, you are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Units under the Offer;
- (f) you acknowledge that the New Units have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia; and
- (g) you have not and will not send any materials relating to the Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States.

If the Acceptance Form is not completed correctly, the Responsible Entity, in its absolute discretion, may (but is not obliged to) still treat it as a valid application for New Units. The Responsible Entity's

decision whether to treat an Acceptance Form as valid and how to construe, amend or complete the Acceptance Form is final.

If you do not wish to accept all or any part of your Entitlement, do not take any further action and that part of your Entitlement will lapse.

1.16 Brokerage and stamp duty

No brokerage, handling fees or stamp duty is payable by you to accept your Entitlement. The amount payable on acceptance will not vary during the period of the Offer and no further amount is payable on allotment. Application Amounts will be held in trust in a subscription account until allotment of the New Units. The subscription account will be established and kept by the Unit Registry on behalf of the Applicants. Any Application Amount received for more than your final allocation of Units (only where the amount \$1.00 or greater) will be refunded as soon as practicable following the Closing Date. Any interest earned on the Application Amount received will be retained by the Unit Registry irrespective of whether allotment takes place.

1.17 Taxation

You should be aware there may be taxation implications associated with participating in the Offer and receiving New Units. The Responsible Entity does not consider it appropriate to give advice regarding the taxation consequences of subscribing for New Units under this Offer Document or the subsequent disposal of any New Units allotted and issued under this Offer Document. The Responsible Entity, its advisers and officers do not accept any responsibility or liability for any taxation consequences to Unitholders.

The Responsible Entity recommends that all Eligible Unitholders consult their own professional tax advisers in connection with this Offer.

1.18 Allotment and allocation policy

The Responsible Entity will proceed to allocate New Units as soon as possible after the Closing Date and receiving ASX permission for official quotation of the New Units.

In the case that there is less than full subscription by Eligible Unitholders to their Entitlements under this Offer Document, the Responsible Entity, in conjunction with the Underwriter, reserves the right to issue any Shortfall within 3 months after the Closing Date at its discretion.

Successful Applicants will be notified in writing of the number of New Units allocated to them as soon as possible following the allocation being made.

It is the responsibility of Applicants to confirm the number of New Units allocated to them prior to trading in New Units. Applicants who sell New Units before they receive notice of the number of New Units allocated to them do so at their own risk.

1.19 ASX listing

The Responsible Entity has applied for the listing and quotation of the New Units on the ASX on the date of this Offer Document. If granted, quotation of the New Units will commence as soon as practicable after allotment of the New Units to Applicants. It is the responsibility of the Applicants to determine their allocation of New Units prior to trading.

If the ASX does not grant quotation of the New Units, the Responsible Entity will refund all application monies (without interest).

1.20 Investment risks

Investors should carefully read the section on Risk Factors outlined in Section 5. An investment of this kind involves several risks, a number of which are specific to the Responsible Entity and the industry in which it operates.

1.21 **CHESS**

The Responsible Entity will apply for the New Units to participate in CHESS, in accordance with the Listing Rules and ASX Settlement Operating Rules.

The Responsible Entity will not issue certificates to Unitholders with respect to the New Units. After allotment of the New Units, Unitholders who are issuer sponsored will be provided with an issuer sponsored statement and those who are CHESS Holders will receive an allotment advice.

The CHESS statements, which are similar in style to bank account statements, will set out the number of New Units allotted to each successful applicant pursuant to this Offer Document. The statement will also advise holders of their holder identification number. Further statements will be provided to holders which reflect any changes in their holding in the Trust during a particular month.

1.22 **Overseas Unitholders**

(a) **No Offer outside of Australia or New Zealand**

This Offer Document and accompanying forms do not, and are not intended to, constitute an offer of New Units in any place outside Australia or New Zealand in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer or that accompanying form. The distribution of this Offer Document and the accompanying forms in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document and the accompanying form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

As at the date of this Offer Document, the Fund does not have any Ineligible Unitholders. Accordingly, the Offer is not being extended to, and does not qualify for distribution or sale by, and no New Units will be issued outside Australia and New Zealand. To the extent there are any Ineligible Unitholders on the Record Date, the Responsible Entity will, where it would be reasonable to do so, extend this Offer to those Unitholders and will otherwise take all appropriate action to ensure that the Offer complies with all relevant laws including the conditions set out in item 10 of section 611 of the Corporations Act.

In particular, the Offer is not made in the United States or to persons (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any person who is ineligible under applicable securities laws in any country to receive an offer under the Offer Document without any requirement for a product disclosure statement to be lodged or registered.

(b) **Notice to nominees and custodians**

Nominees and custodians may not distribute any part of this document in the United States or in any other country outside of Australia and New Zealand, except to beneficial Unitholders in another country (other than the United States) where the Responsible Entity may determine it is lawful and practical to make the Offer. Any person in the United States with a holding through a nominee may not participate in the Offer.

1.23 **Enquiries**

If you have any questions regarding the Offer or this Offer Document, please do not hesitate to contact the Responsible Entity on +61 2 8277 0000 or graham.hook@oneinvestment.com.au, the Unit Registry on 1300 554 474 or contact your stockbroker or other professional advisers.

2 **PURPOSE OF THE OFFER**

The purpose of the Offer is to increase the size of the Fund and to apply the proceeds to investment opportunities consistent with the Fund's investment strategy. The Offer will also have the dual benefit of lowering the management expense ratio following the expiry of the fee cap on certain management costs that the Fund benefited from for a period of two years following quotation of the Units, as well as increasing liquidity.

3 ABOUT THE INVESTMENT MANAGER AND THE FUND

3.1 The Investment Manager

Fat Prophets Funds Management Pty Limited (**Investment Manager** or **Fat Prophets**) is the investment manager of the Fund and operates under AFSL 229183. As at the date of the Offer Document, Fat Prophets has more than \$150 million in funds under management. Funds managed include privately held and publicly listed entities, across both domestic and global strategies. Fat Prophets has been undertaking funds management activities for over 15 years, and listed its first investment company on the ASX in 2005.

Fat Prophets has a separate wealth management and advisory business and undertakes stock specific research for the use of its members.

3.2 The Fund

The Fund provides investors with the opportunity to invest in an actively managed portfolio of global real estate securities. These securities are typically Real Estate Investment Trusts (REITs). The specific focus of the Fund is on investing in listed REITs and entities that are underpinned by physical real estate such as office buildings, shopping centres and industrial warehouses. These assets are typically held by the target REITs or companies for long term investment and this provides FPP indirect exposure to the underlying rental income generated by the assets.

Since initial public offering of Units, the Fund has delivered on its strategy, paying three regular six monthly distributions to investors and increasing NTA from \$1.058 to \$1.221 during the 24-month period from listing for total returns at the NTA level of over 23% including distributions. Low global interest rates have been favourable to the real estate investment trust sector globally as investors seek yield and capital appreciation backed by real estate assets.

The current environment of low global interest rates continues to see strong demand for institutional grade real estate assets which over the past couple of years has driven strong positive real estate asset pricing and consequent NTA growth of the REITs which own this real estate. We continue to maintain a positive view on the outlook for the sector.

4 DILUTION AND EFFECT ON CONTROL

4.1 Capital structure

Assuming full subscription under the Offer, the total number of Units issued in the Fund immediately following the Issue will be as follows:

	Units
Units on issue at the date of this Offer Document	15,185,556
Maximum number of New Units under the Offer Document	7,592,778
Total number of Units on issue on completion of the Offer	22,778,334

As at the date of this Offer, the Fund does not have any options on issue.

4.2 Present position

At the date of the Offer Document, the Responsible Entity is of the view that there is no one entity which controls the Fund.

The top 10 Unitholders of the Fund as at 15 November 2019 are as follows:

Units on issue	15,185,556	
1 Lanyon Asset Management	1,971,833	13.0%
2 Fat Prophets Global Contrarian	736,806	4.9%
3 Halcyon Grace	450,000	3.0%
4 C J Magarey	280,000	1.8%
5 Matthews (Jonathon)	200,000	1.3%
6 Armensko P/L	200,000	1.3%
7 Clewett Super	200,000	1.3%
8 M& McCauley Investments	200,000	1.3%
9 Le Chem P/L	200,000	1.3%
10 Sutherland (Trevor)	140,000	0.9%

4.3 Potential effect of the Offer

The Offer is a pro rata offer. If all Eligible Unitholders take up their Entitlements, the voting power of all Eligible Unitholders will remain the same. In that event, there will be no actual or potential impact on the control of FPP.

If an Eligible Unitholder takes up their full Entitlement, as the Offer is underwritten, that Eligible Unitholder's voting rights will remain the same.

If an Eligible Unitholder does not take up their Entitlement in full, there will be a dilutionary effect on that Unitholder's proportional holdings (which will occur as a combination of other Eligible Unitholders taking up Additional Units and Units being issued to the Underwriter or New Units being placed with other investors at the discretion of the Responsible Entity).

In the event of a Shortfall, the Responsible Entity reserves the right to place the Shortfall at its sole discretion subject to the provisions of the Corporations Act and the Listing Rules at a price no less than the Issue Price and within 3 months of the Closing Date. This would only occur if the Underwriting Agreement is terminated before the Underwriter is required to apply for Units in accordance with the terms of the Underwriting Agreement.

As set out in Section 1.6, the Responsible Entity reserves the right to scale back any applications for Additional Units in its absolute discretion. Regardless, it is the sole responsibility of the Eligible Unitholder to determine the maximum level of New Units for which they can apply.

The Offer is underwritten, which may result in the Underwriter owning a significant number of Units particularly if the participation by Eligible Unitholders is low. The Underwriter has committed to take up its Entitlement on the existing Units it owns.

Additionally, the second largest investor, Fat Prophets Global Contrarian Fund (**FPC**), has committed to take up its entitlement. Accordingly, if only the Underwriter and FPC take up their entitlements under the Offer, the total number of Units that may be held by FPC on completion of the Offer will be 1,105,209.

Prior to the Responsible Entity agreeing to enter into the Underwriting Agreement, the Investment Manager approached a number of other persons in relation to possible alternative underwriting arrangements. These approaches included discussions and engagement with financial advisors, capital advisors, and broker dealers on various capital opportunities and structures, however the proposed structure and terms of underwriting the Offer were not acceptable to the Investment Manager.

Based on known transfers up to the close of trading on 18 November 2019, the Underwriter controls 1,971,833 Units.

The total number of Units that may be held by the Underwriter and its voting powers as set out in the table below show the potential effect of the underwriting by the Underwriter on the Offer. However, it is unlikely that no Unitholder will take up the Entitlements under the Offer. The underwriting obligation

and therefore voting power of the Underwriter will change depending on the amount of Entitlements under the Offer taken up by other Unitholders.

Event	Units Held by the Underwriter	Voting power of the Underwriter
Fully subscribed	2,957,750	13.0%
75% subscribed	4,517,364	19.8%
50% subscribed	6,076,979	26.7%
25% subscribed	7,636,593	33.5%
Full underwriting commitment (maximum voting power)*	9,196,208	40.4%

* assuming FPC and the Underwriter take up their full Entitlement.

The total number of Units on issue in FPP immediately following the Offer will be 22,778,334. This assumes the Underwriting Agreement is not terminated. See Section 4.4 for more information on the Underwriting Agreement.

The New Units will be issued at a 24.6% discount to most recent NTA. Consequently, the post issue NTA will be diluted. The structure of the capital raising as an entitlement offer allows for all investors to equally participate to offset any dilution. It is estimated that the weighted NTA per Unit post the equity raising and post costs associated with the issue will be \$1.1106.

4.4 Summary of the Underwriting Agreement

The Responsible Entity has entered into an underwriting agreement with the Underwriter under which the Underwriter has agreed to underwrite the Offer in full (**Underwriting Agreement**). Under the Underwriting Agreement, the Underwriter is committed to subscribe for any Shortfall in Units.

The Responsible Entity has given standard traditional warranties and representations in favour of the Underwriter. There are limited termination rights contained in the Underwriting Agreement including if the Responsible Entity is in default of any terms and conditions of the Underwriting Agreement or breaches any of the warranties and representations or if the Fund changes its capital structure on or before the Completion Date.

The Underwriter is required to meet its obligations under the Underwriting Agreement within 1 business day of receiving notification of the underwriting Shortfall amount.

The Underwriter will be paid an underwriting fee of 3% of \$5,739,382 (being approximately \$172,181, which is the amount proposed to be raised under the Offer less the amount equal to the value of the entitlements offered to the Fund's two largest Unitholders, FPC and the Underwriter (each of which has confirmed its participation in the Offer)).

The potential impact of the underwriting arrangements on Unitholder dilution and the control of the Underwriter is explained in Section 4.3.

Oversubscriptions under the Offer from Eligible Unitholders will reduce the amount of any Shortfall which would otherwise be taken by the Underwriter.

5 RISKS

5.1 Introduction

The investment in New Units offered under this Offer Document should be considered speculative because of the nature of the Fund's business.

There are numerous risk factors associated with the Fund's business and the industries and sectors in which it operates. The potential effect of these risk factors either individually, or in combination, may have an adverse effect on the future financial and operating performance of the Fund, its financial position and prospects. Some of these risks can be mitigated by the use of safeguards and

appropriate systems and controls, but some are outside the control of the Fund, the Responsible Entity and the Investment Manager and cannot be mitigated. Accordingly, an investment in the Fund carries no guarantee with respect to the payment of distributions, return on capital or the market value of those New Units. An Applicant may not recover his or her initial investment.

The following is a summary of the main material risks to be considered before making any further investment in FPP. However, this summary is not exhaustive and potential investors should read, examine and consider carefully the contents of this Offer Document in its entirety. The Offer Document must also be read in conjunction with other publicly available information in relation to the Fund.

Unitholders should consult their tax, accounting, legal and other professional advisers before deciding whether to apply for Units pursuant to this Offer Document.

5.2 **Key business risks**

The risks set out below highlight some of the key risks that could affect the Fund's business. It is not exhaustive of all risks involved in an investment in FPP.

(a) **Market risk**

The Units are currently quoted on the ASX. However, there can be no guarantee that there will be an active market in the Units or that the price of the New Units will increase. The New Units may trade on the ASX at higher or lower prices than the Issue Price. Investors who decide to sell their New Units may not receive the entire amount of their original investment.

(b) **Reliance on the Investment Manager**

The success and profitability of the Fund in part will depend upon the ability of the Investment Manager to invest in investments that have the ability to generate a positive return for the Fund.

The Fund is exposed to the risk that the Investment Manager may cease to manage the Portfolio. The ability of the Investment Manager to continue to manage the Portfolio in accordance with this Offer Document and the Corporations Act is dependent on the maintenance of Fat Prophets' AFSL and continued solvency. Maintenance of the AFSL depends, among other things, on Fat Prophets continuing to comply with ASIC imposed licence conditions and the Corporations Act.

Investment returns are influenced by market factors, including changes in economic conditions (e.g. changes in interest rates and economic activity), changes to the legislative and political environment, as well as changes in investor sentiment. In addition, exogenous shocks, natural disasters, acts of terrorism and financial market turmoil (such as the global financial crisis) can (and sometimes do) add to equity market volatility as well as impact directly on individual entities. As a result, no guarantee can be given in respect of the future earnings of the Fund or the earnings and capital appreciation of the Fund's investments or appreciation of the Fund's unit price.

Share markets generally move in a series of cycles, with individual security prices having the ability to fluctuate and underperform other asset classes over extended periods of time. There are pricing and other risks associated with any investment in a publicly listed fund. The price of Units may rise and fall due to numerous factors which may affect the market performance of the Fund, such as variations in the local and global markets for listed stocks in general or for listed property trusts in particular.

While the Investment Manager will seek to manage market risk through its processes and investment approach, market conditions can change quickly and unexpectedly which could have a negative impact on the value of the Fund's investments, or the value of the Fund itself.

In the future, the sale of large parcels of Units may cause a decline in the price at which the Units trade. No assurances can be made that the performance of the Units will not be adversely affected by any such market fluctuations or factors. Neither the Fund, the Responsible Entity nor any other person guarantees the performance of the Units.

(c) **Real estate risk**

Investments in entities with real estate exposure may be susceptible to adverse economic or regulatory occurrences affecting the assets and their end-users, including the effects of economic slowdown, tax policies, increasing interest costs impacting construction costs, interest rates affecting valuation capitalisation rates, excess capacity, increased competition from other owners of real estate, and other associated factors.

(d) **Industry risk**

There are a number of industry risk factors that may affect the future operation or performance of the Fund. These factors are outside the control of the Fund. Such factors include increased regulatory and compliance costs and variations in legislation and government policies generally.

(e) **Capital risk**

There is a risk that the Fund's investments will fall in value over short or extended periods of time. Markets tend to move in cycles, and one asset class may fluctuate and underperform other asset classes over extended periods of time. Investors in the Fund are exposed to this risk through their holding in Units as well as through the Fund's Portfolio of investments.

(f) **Interest rates**

Any variation in short and long-term interest rates could materially affect the operating results of the Fund, as well as impact the valuation of the equities held by the Fund. This reflects the fact that bond valuations are very sensitive to interest rates, and listed REITs have a strong correlation with bond price moves.

(g) **Liquidity risk**

Although the Fund's Units are quoted on the ASX, there is no guarantee that there will be a liquid market in the Units.

(h) **Operational costs**

Operational costs for the Fund as a proportion of total assets will be affected by the level of total assets of the Fund and by the level of acceptance of this Offer. Operational costs will represent a greater proportion of total assets and will reduce the operating results of the Fund if the Underwriting Agreement is terminated.

(i) **Taxation risk**

Tax laws (including Australian tax laws) are in a continual state of change and reform which may affect the Fund and Unitholders.

Investing in the Fund may have a different tax outcome than investing directly. Tax liabilities incurred as a consequence of investing in the Fund are the responsibility of each individual Unitholder. The Fund is not responsible either for taxation or penalties incurred by Unitholders. Unitholders should consult their own taxation advisers to ascertain the tax implications of their investment.

(j) **Regulatory risk**

The Fund is exposed to the risk of changes to applicable laws or their interpretation which have a negative effect on the Fund, its investments or returns to Unitholders and the risk of non-compliance with reporting or other legal obligations.

The Fund is a managed investment scheme which means the Responsible Entity is subject to strict regulatory and compliance arrangements under the Corporations Act and ASIC policy. If the Responsible Entity does anything to jeopardise its Australian Financial Services Licence, ASIC may take action to suspend or revoke the licence, which in turn could adversely impact the Fund.

(k) **Counterparty risk**

The strategies of the Fund rely on the successful performance of contracts with external counterparties, including securities brokers and issuers of Securities to which the Fund may have investment exposure. There is a risk that these counterparties may not meet their responsibilities, including as a result of the insolvency, financial distress or liquidation of the counterparty.

(l) **Compensation fee structure risk**

The Investment Manager receives compensation based on the Portfolio's performance. The performance fee may create an incentive for the Investment Manager to make investments that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the Portfolio.

(m) **Default risk**

In executing its investment strategy, the Fund will be at times dependent at least in part on the successful execution of contracts with external counterparties. There is a risk such counterparties may not honour these contracts.

(n) **Key person risk**

By investing in the Fund, investment decisions are delegated to the Investment Manager. The successful execution of the Fund's investment strategy would be at risk should Angus Geddes or Simon Wheatley stop being involved in the management of its investment portfolio.

(o) **Concentration risk**

While the Investment Manager seeks to diversify the Portfolio by real estate asset classes, geographies and user industries, there can be a concentration of exposure in individual asset classes, securities or industries. The Fund has flexibility to take significant positions in individual investments and the Portfolio is expected to be less diversified than the underlying index it is benchmarked to.

(p) **Valuation risk**

There is a possibility that the realisable value of the underlying investments differ from the private Investment Manager's valuation. This may affect the Fund's performance and may result in increased Unit price volatility.

(q) **Currency risk**

The functional currency of the Fund is Australian dollars. The Fund invests in companies which are listed across global equity markets. If the values of the relevant currency in which the investment is made changes relative to the Australian dollar, the value of the investments of the Fund may change. The Fund is managed on an unhedged basis so it is fully exposed to currency movements. A significant majority of investments will be held in a currency other than Australian dollars.

5.3 **Investment speculative**

- (a) The above list of risk factors is not exhaustive of the risks faced by the Fund or by investors in the Fund. Other factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Fund and the value of the New Units offered under this Offer Document. Therefore, the New Units to be issued pursuant to this Offer Document carry no guarantee with respect to the payment of distributions, returns of capital or the market value of those securities.
- (b) Potential investors should consider that an investment in the Fund is speculative and should consult their professional advisers before deciding whether to apply for securities pursuant to this Offer Document.

6 ADDITIONAL INFORMATION

6.1 Section 1012DAA of the Corporations Act

FPP is a "disclosing entity" and therefore subject to regular reporting and disclosure obligations under the Corporations Act. Under those obligations, FPP has to comply with all applicable continuous disclosure and reporting requirements in the Listing Rules.

This Offer is being undertaken pursuant to section 1012DAA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84). This section enables disclosing entities to undertake a rights issue in relation to securities in a class of securities which has been quoted by ASX at all times during the 12 months before the date of the Offer. Apart from formal matters, a notice under section 1012DAA(2)(f) of the Corporations Act needs to:

- (a) contain information that is excluded information as at the date of the Offer Document pursuant to sections 1012DAA(8) and 1012DAA(9) of the Corporations Act; and
- (b) state:
 - (i) the potential effect the issue of the New Units will have on the control of the Fund; and
 - (ii) the consequences of that effect.

A notice under section 1012DAA(2)(f) of the Corporations Act was lodged with the ASX on the date of this Offer Document.

6.2 Rights and liabilities attaching to New Units

The New Units will have from issue the same rights attaching to all existing Units on issue in FPP. The rights attaching to ownership of the New Units are set out in the Constitution, a copy of which is available for inspection at the registered office of the Responsible Entity during business hours.

This Offer Document does not contain a summary of the principal rights and liabilities of holders of the New Units.

6.3 Expenses of the Offer

All expenses connected with the Offer are being borne by the Fund. The approximate expenses of the Offer, including underwriting expenses, legal fees, registry fees, printing fees and other general costs are estimated to be \$221,181 (exclusive of GST).

Costs of the Offer will be treated as one-off capital expenses and will be capitalised against NTA and will not impact the calculation of distribution, which is based on the payout of 100% of half yearly earnings.

6.4 Performance adjustments

The Investment Manager's performance fee calculation will be adjusted to normalise for any dilution relating to the rights issue transaction in line with the Fund's product disclosure statement and any supplementary product disclosure statements lodged by the Responsible Entity.

6.5 Responsible Entity statement

This Offer Document is authorised and issued by the Responsible Entity.

Signed on the date of this Offer Document for and on behalf of the Responsible Entity in its capacity as the Responsible Entity for the Fund by:

Frank Tearle
Director
One Managed Investment Funds Limited

7 DEFINITIONS

These definitions are provided to assist persons in understanding some of the expressions used in this Offer Document.

Acceptance Form means the Entitlement and Acceptance Form accompanying this Offer Document.

Additional Units has the meaning given in Section 1.6.

Applicant means a person who has applied to subscribe for New Units by submitting an Acceptance Form.

Application means the lodgement of an Acceptance Form with the Unit Registry together with the relevant Application Amount.

Application Amount means the Issue Price multiplied by the number of New Units accepted.

ASIC means the Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Limited (ACN 008 504 532).

ASX means the ASX Limited (ACN 008 624 691) or where the context requires, the securities exchange operated by ASX.

CHESS means the clearing house electronic sub-register system operated by ASTC, a wholly-owned subsidiary of the ASX, in accordance with the Listing Rules and the operating rules of ASTC.

Closing Date means 5.00pm AEDT on Tuesday, 24 December 2019.

Corporations Act means the *Corporations Act 2001* (Cth).

Eligible Unitholders means a Unitholder whose details appear on the Fund's register of Unitholders as at the Record Date and whose registered address is in Australia or New Zealand or Unitholders that the Responsible Entity has otherwise determined are eligible to participate.

Entitlement means an Eligible Unitholder's entitlement to subscribe for New Units pursuant to the Offer as set out in the Acceptance Form.

FPP or **Fund** means Fat Prophets Global Property Fund (ARSN 619 970 786)

Ineligible Unitholder means a Unitholder who is not an Eligible Unitholder.

Investment Manager means Fat Prophets Funds Management Pty Limited (ACN 615 545 536).

Issue Price means \$0.92 per New Unit;

Listing Rules means the official listing rules of the ASX.

New Unit means Unit to be allotted and issued under the Offer.

NTA means net tangible asset value.

Offer Document means this document.

Offer means a pro rata non-renounceable offer to Eligible Unitholders to subscribe for 1 Unit for every 2 Units held to raise approximately \$6,985,356 at an issue price of \$0.92 per New Unit.

Record Date means 5.00pm AEDT on Friday, 29 November 2019.

Rights means the rights to subscribe for New Units pursuant to this Offer Document.

Section means a section of this Offer Document.

Shortfall means those New Units which are not subject to valid Acceptance Form.

Shortfall Offer means the availability for Eligible Unitholders to apply for Additional Units from the Shortfall.

Underwriter means Lanyon Asset Management Pty Limited (ACN 140 631 714).

Underwriting Agreement means the underwriting agreement entered into between the Responsible Entity and the Underwriter, dated on or about 22 November 2019.

Unitholder means a holder of Units.

Units means fully paid ordinary units on issue the Fund from time to time.

CORPORATE DIRECTORY

Responsible Entity

One Managed Investment Funds Limited
(ACN 117 400 987) (AFSL 297042)
Level 11, 20 Hunter Street
Sydney NSW 2000

Investment Manager

Fat Prophets Funds Management Pty Limited
(ACN 615 545 536) (AFSL 229183)
Level 3, 22 Market Street
Sydney NSW 2000

Solicitors to the Offer

Thomson Geer Lawyers
Level 25, 1 O'Connell Street
Sydney NSW 2000

Unit Registry

Link Market Service Limited
(ACN 083 214 537)
Level 12, 680 George Street
Sydney NSW 2000

Underwriter

Lanyon Asset Management Pty Limited
(ACN 140 631 714)
Adelaide Office: Level 1, 16 Vardon Avenue
Adelaide SA 5000
Sydney Office: Level 7, 66 Hunter St Sydney
NSW 2000