

ASX ANNOUNCEMENT

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

December 2019 Monthly NTA Announcement

Dear Unitholders,

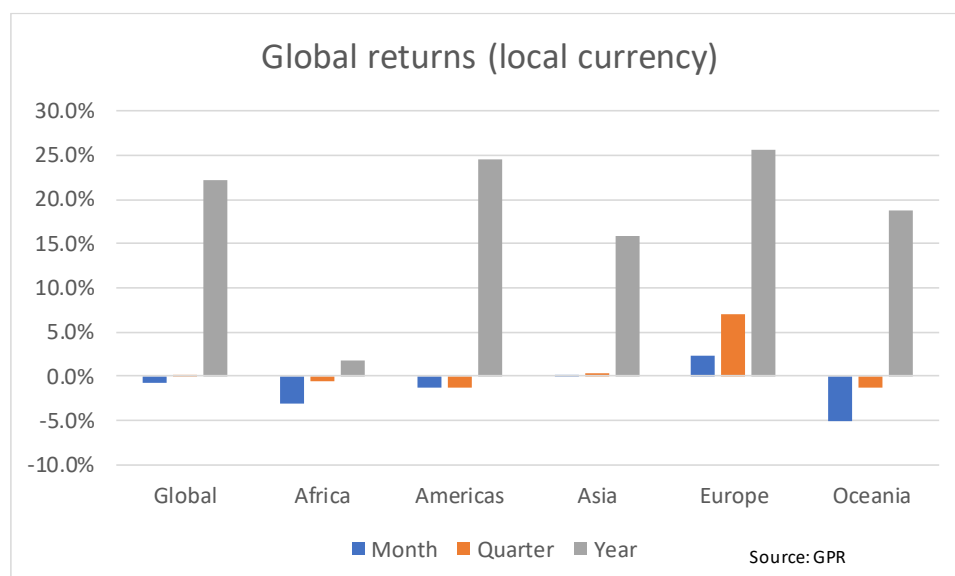
The Fund NTA recorded a decline in December. This was driven primarily due to currency impacts, with the global index on a pre currency basis only marginally negative. NTA ended the month at \$1.2092

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

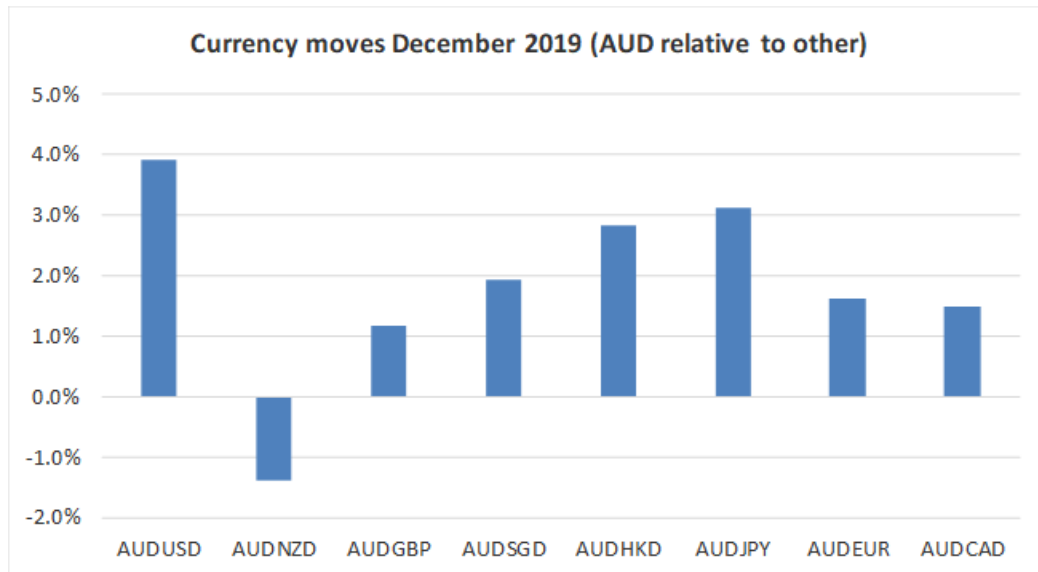
	30-Nov-19	31-Dec-19	Change
Value per unit	\$1.2383	\$1.2092	-2.35%

On 28 December 2019, FPP went ex distribution in the amount of 2.66c per unit for the estimated 6 month distribution to 31 December 2019. The NTA for the end of the month is prior to accounting for the ex distribution.

Global returns over the past twelve months in most regions has been very healthy in local currency terms. The exception is Africa. However FPP's mandate does not allow investment into this region so it is excluded from the Fund portfolio. Over the past quarter, all global markets were flat to negative aside from Europe. Over the past month of December a similar thematic prevailed.

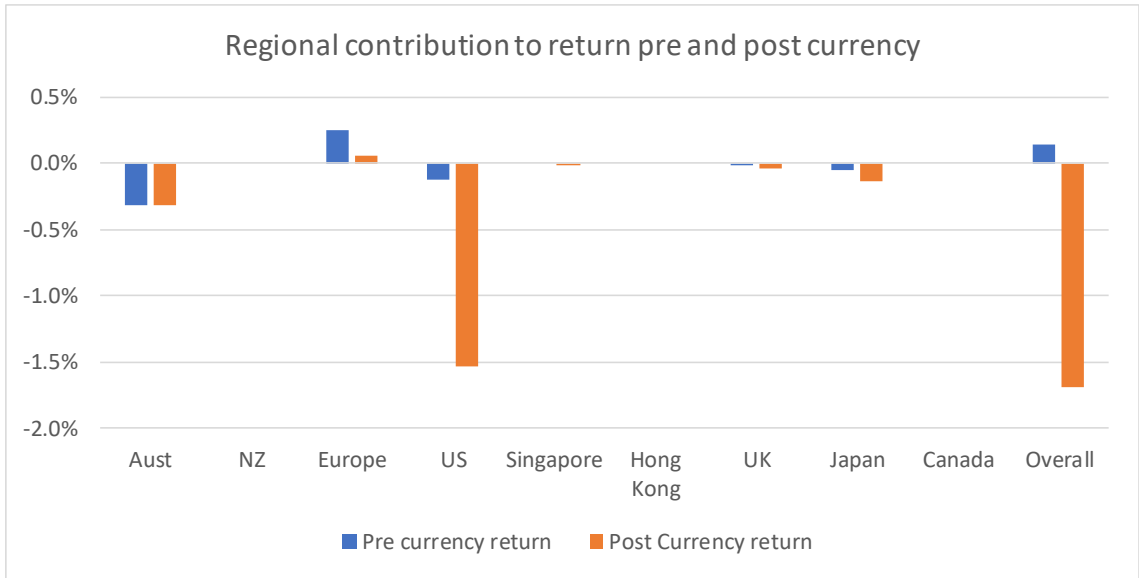


During the month of December, the Australian dollar strengthened vs all other major currencies relevant to the Fund. The NZ dollar strengthened vs the AUD, however this had no impact on Fund returns. The meaningful strength in the AUD was a headwind for total Fund returns. The AUD strength occurred toward the end of December, and as at early January 2020 it had already started to unwind.



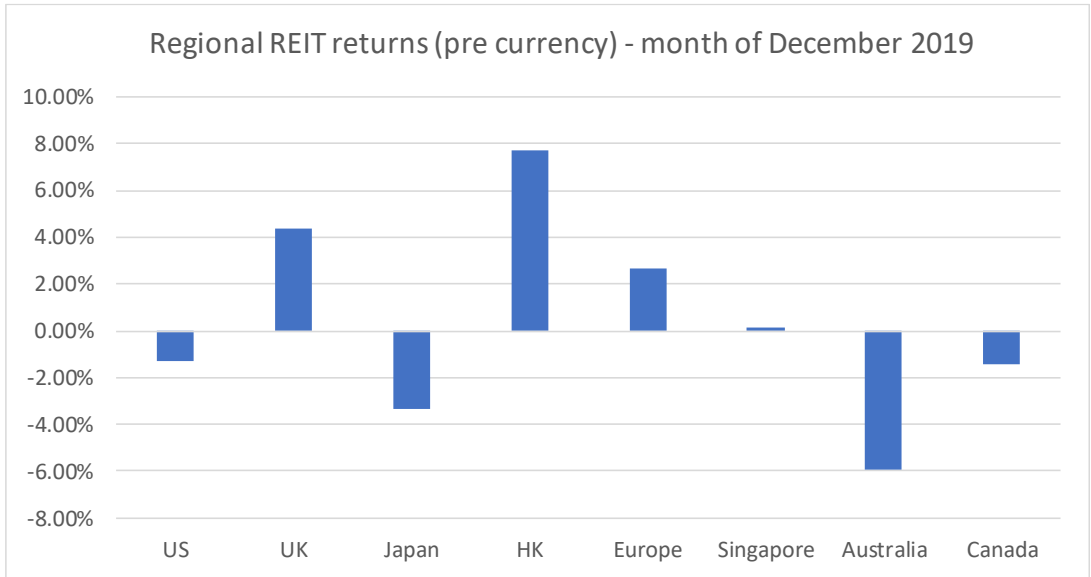
The Fund entered December with a very small cash holding of 3.0%, effectively leaving the Fund close to fully invested. The investment position was moved to almost 100% as at the end of December, with virtually no uninvested cash held. This was a strategic move to ensure that the opportunity for the Fund to receive distributions from its investments was maximised to the largest possible extent. Our long term research has shown that when Australian REITs go “ex distribution”, they often hold a portion of the distribution which leads to excess short term return. This has been the case again for the December 2019 distribution. Many of the REITs which went ex distribution (XD) less than two weeks ago were trading at or above their pre XD price within days, meaning the distribution equates to excess return.

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 returns were driven by a combination of strength in Australia, Europe, as well as some currency benefit. It is clearly demonstrated that the meaningful drag on returns was the US currency impact.



A significant portion of the total investment holdings in the Fund went ex-distribution during the month; a typical half yearly event we focus on and plan for. The distributions received are targeted to be fully paid out to FPP investors to maximise yield and realised returns. The ex date was Friday 27th December and the estimated payment date is 28 February 2020.

Local currency index movements for Real Estate equities in various global markets in December 2019 are highlighted in the following chart. It was a volatile month across markets as evidenced by the spread of returns. Hong Kong reversed its recent trend and rebounded quite strongly.

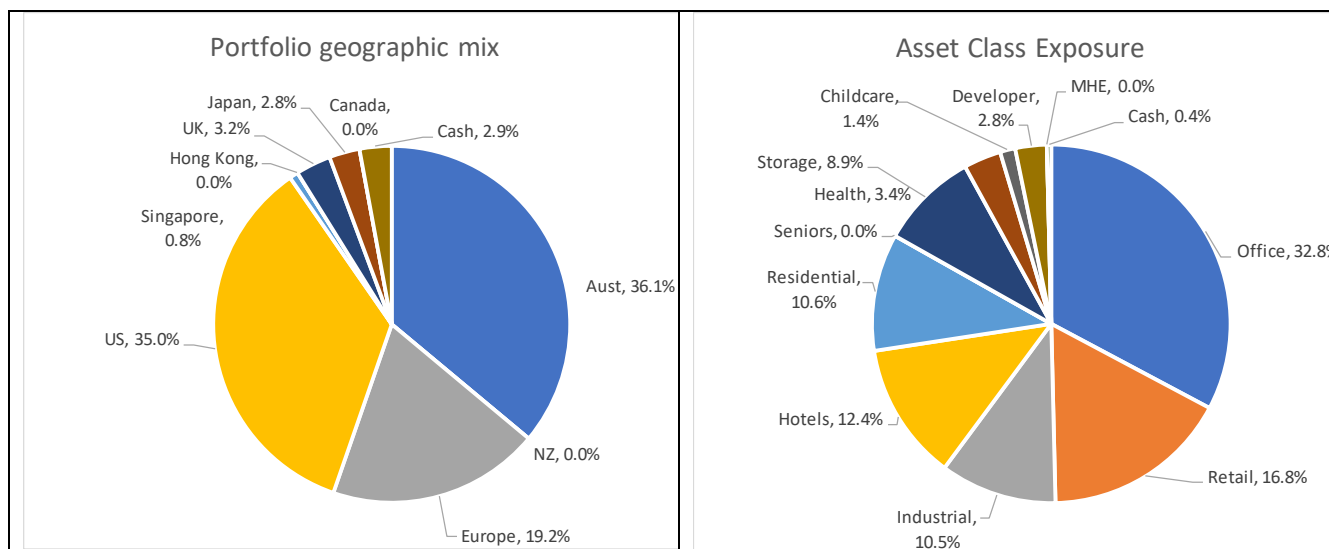


The Fund was very active in its investment positioning during December. The focus of investment activity was to decrease US exposure and increase Australian exposure. Australia was an underweight market at the end of November 2019 but this moved to an overweight position by the end of December 2019. We see two main benefits from this as follows;

- Increased exposure to AUD assets in case the AUD strengthened (which it did), and

- Increased exposure to Australian REITs for the large distribution event which occurs every six months

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



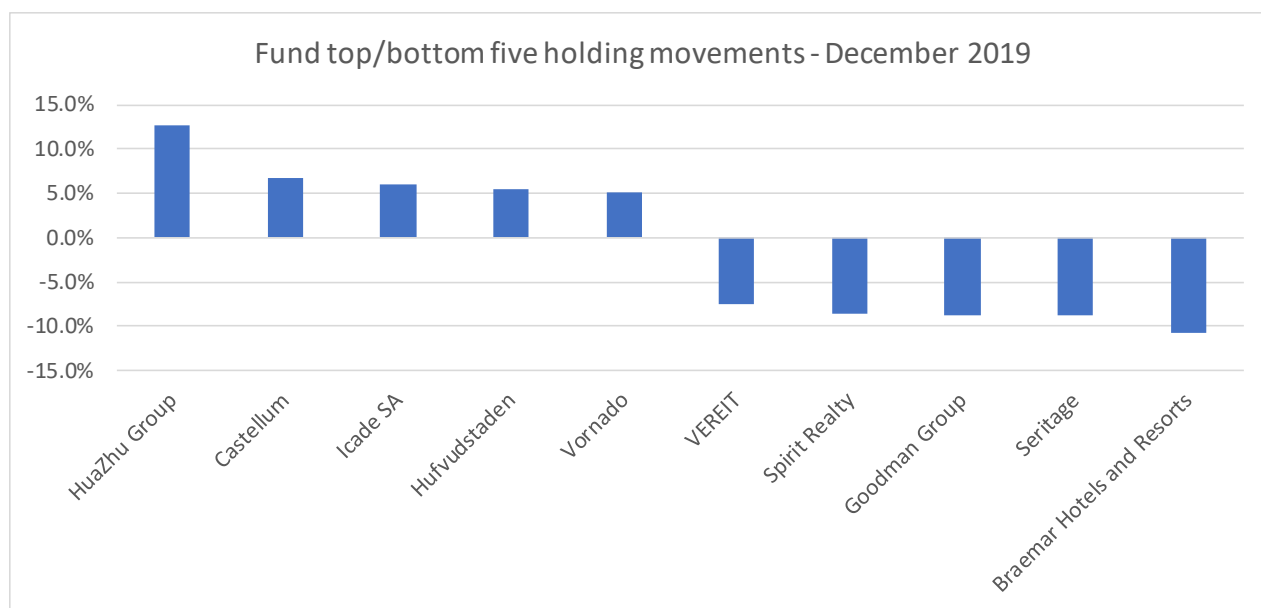
The number of investment positions held by the Fund currently increased during the month of December as a portfolio geographic rotation occurred. Top holdings in the Fund as at the end of the month are summarised in the following chart. Charter Hall Retail has moved to become the top Fund holding, and the strength in the performance of Hufvudstaden have resulted in National Storage falling to the third largest holding.



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

The best performing holding was Huazhu Group, a Chinese hotel group which FPP has invested in as well in the past. It is close to record highs and has returned close to a 25% return over the space of several months. In line with the strength from Europe over the month of December, three of the Fund's top five best performers were from Europe.

Goodman Group was a surprise underperformer during the month, although part of its negative price return was related to it going ex distribution at the end of December. The Australian REITs with strong growth profiles have lagged performance wise over the past few months. Braemar Hotels was the biggest decliner, but is trading around its six month average price.



Outlook

The equity raising will have a dilutionary impact on NTA in January 2020 as the new capital is issued. The details of this will be updated and finalised in the next NTA update as details are made available. The Fund equity raising in December 2019 has increased the Fund assets by 50%, and was undertaken in order to reduce the management expense ratio and increase liquidity and relevance, for the benefit of all investors. The aim is to additionally reduce the prevailing price discount to NTA. The equity raising was structured purely as a fully underwritten entitlement raising to allow all investors to participate to avoid any dilution. The participation exceeded 50% demonstrating solid support for the raising. We expect that the investment of this capital will result in some further geographic and sector allocation change during January. We expect to fully invest the capital in the near term.

REIT and commercial real estate fundamentals globally continue to appear attractive with occupancies remaining high and investors continue to drive values higher as they seek income yield. The backdrop for the portfolio outlook similarly therefore appears positive.

Fat Prophets Global Property Fund

Chief Investment Advisor

Simon Wheatley

13 January 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.

Anyone receiving this information must obtain and rely upon their own independent advice and enquiries. Investors should consider the Product Disclosure Statement (PDS) issued by OMIFL before making any decision regarding the Fund. The PDS contains important information about investing in the Fund and it is important investors obtain and read a copy of the PDS before making a decision about whether to acquire, continue to hold or dispose of units in the Fund. You should also consult a licensed financial adviser before making an investment decision in relation to the Fund. Past performance is not indicative of future performance.