One Managed Investment Funds Limited

as responsible entity for Fat Prophets Global Property Fund

ARSN 619 970 786 ASX Code: FPP

ASX ANNOUNCEMENT

9 March 2020

FPP NTA February 2020

Please find attached the FPP NTA for February 2020

Authorised for release by One Managed Investment Funds Limited ACN 117 400 987 AFSL 297042 (**Responsible Entity**), the responsibility entity of the Fat Prophets Global Property Fund and Fat Prophets Funds Management Pty Limited ACN 615 545 536 AFSL 229183, the investment manager of FPP.

For additional information on FPP, please refer to:
www.fpproperty.com.au

For any enquiries please contact the Responsible Entity on 02 8277 0000.

fatPROPHETS
GLOBAL PROPERTY FUND

ASX ANNOUNCEMENT

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

February 2020 Monthly NTA Announcement

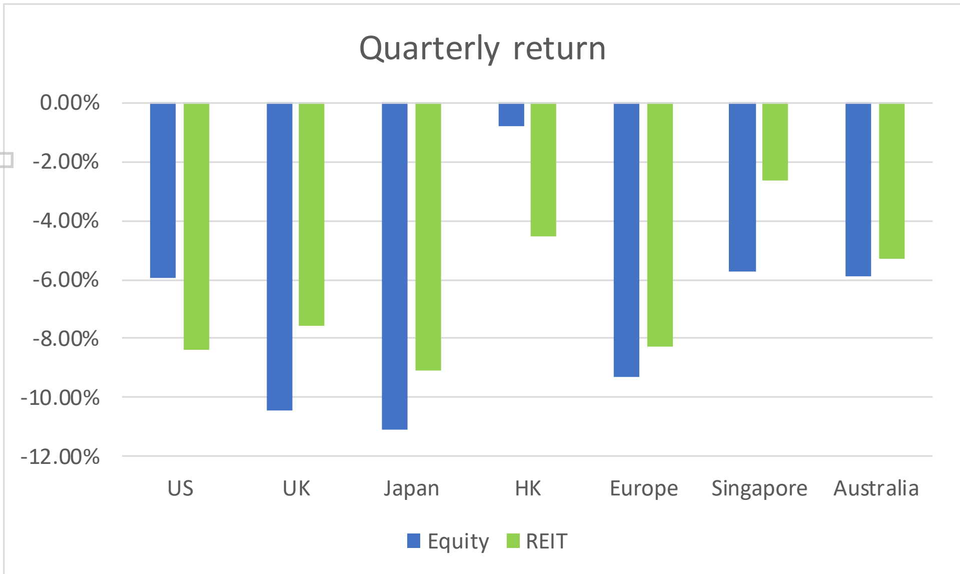
Dear Unitholders,

The Fund NTA for the month of February 2020 was initially positive, however, the spike in global equity market volatility after the emergence and spread of Co-Vid19 (the coronavirus) caused a sharp decline into the end of the month of February which has continued into March.

After a very strong performance period in January where the Fund NTA increased 4.5% despite one third of the portfolio being in cash in a rising market, this was all given up in February with the market downturn. The Fund recorded a 5.15% decline in NTA. Despite this, the Fund exceeded its benchmark for the month.

The Fund Half Year report was issued and lodged during the month of February and contains the manager's half yearly update letter. The Half Year report can be accessed here: http://fpproperty.com.au/2020/03/

During February, all major markets were negative, and only Europe saw the REIT sector decline by more than equity markets as the defensive nature of the sector came into play. Reviewing quarterly returns, the US market and Hong Kong REITs have been weaker than equities, but REITs outperformed (on a relative basis) in other markets. We have recently increased exposure to both US and Hong Kong to take advantage of some apparent value arising from this.



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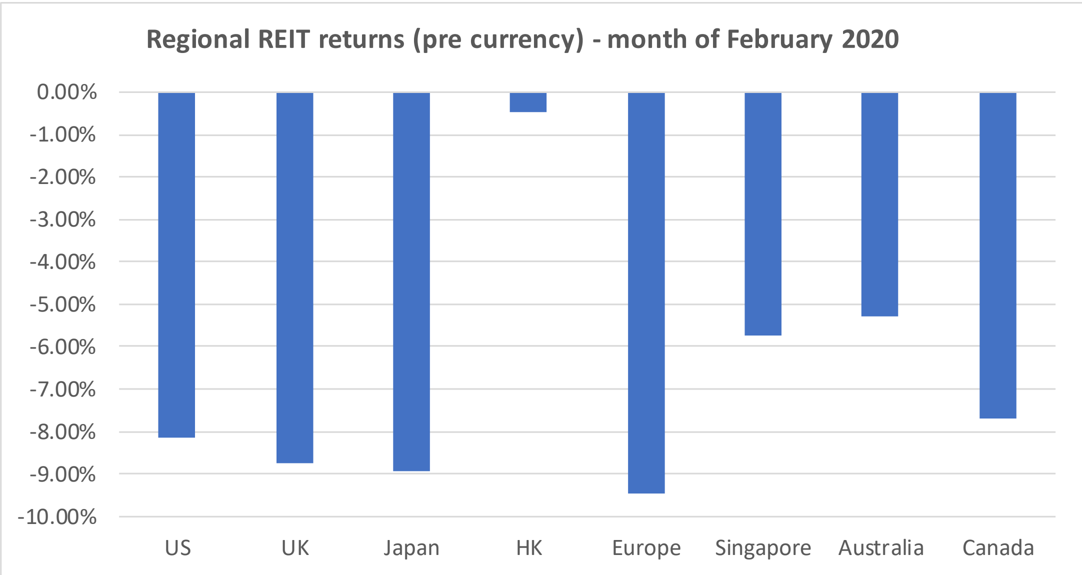
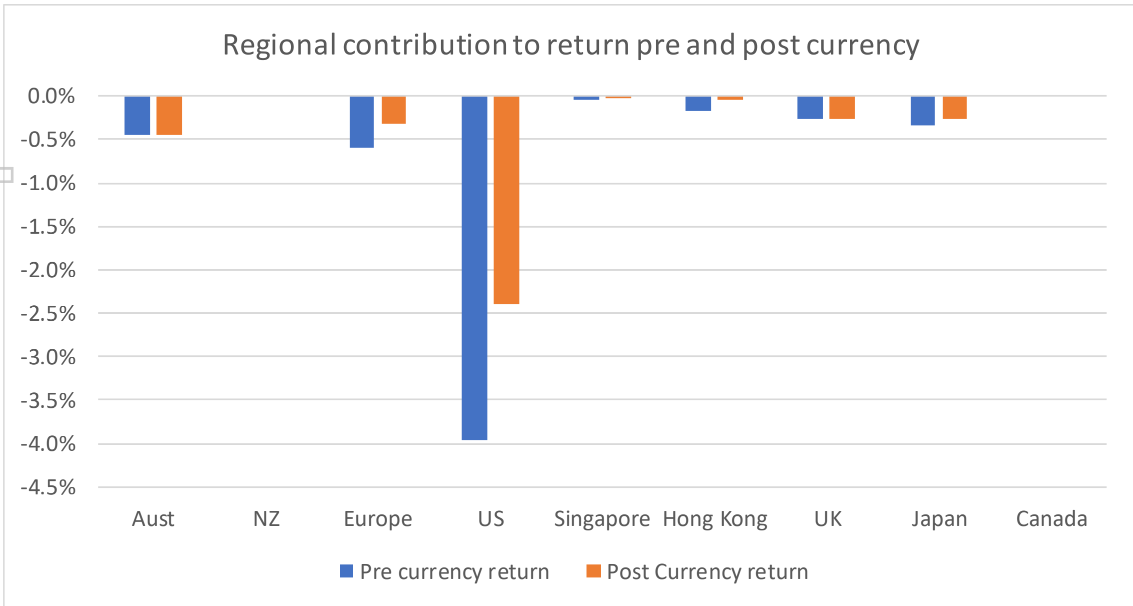
A summary of the change in NTA for the month of February is as follows;

	31-Jan-20	29-Feb-20	Change
Value per unit	$1.1338	$1.0754	-5.15%

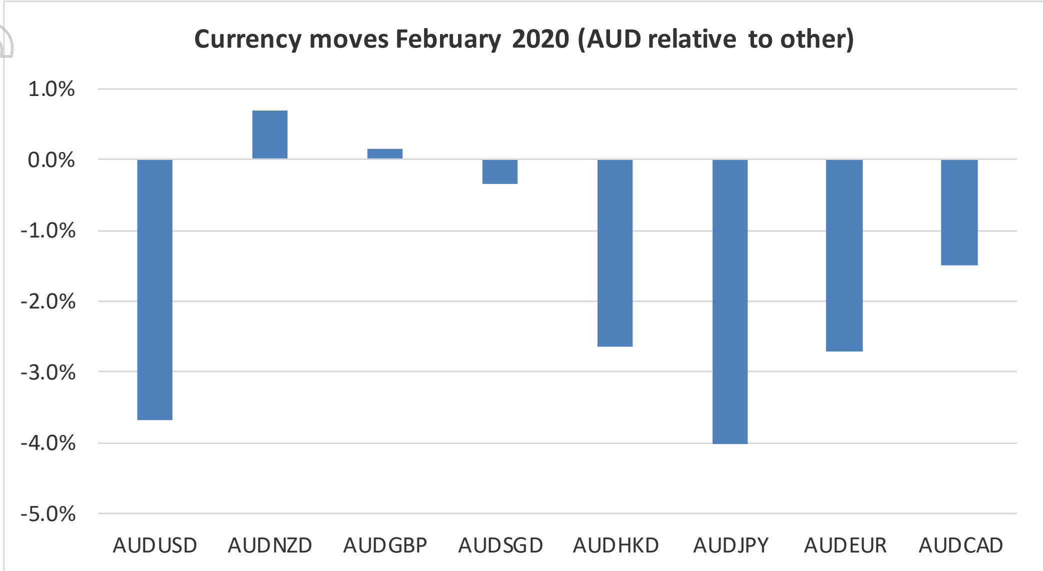
Global returns over the past month are highlighted in the following chart and demonstrate that Hong Kong has been the standout relative performing market. The Fund recently increased its exposure to Hong Kong from a prior zero weighting post the late 2019 civil unrest, to a relatively meaningful 7% weighting. This has helped the defensive nature of the portfolio in February.



Regional contributions to the Fund return before and after the effect of currency are shown below. The continued weakening of the Australian dollar again had a positive performance benefit. It is apparent from this chart that by far the largest contributor to negative return during February was exposure to US investments.

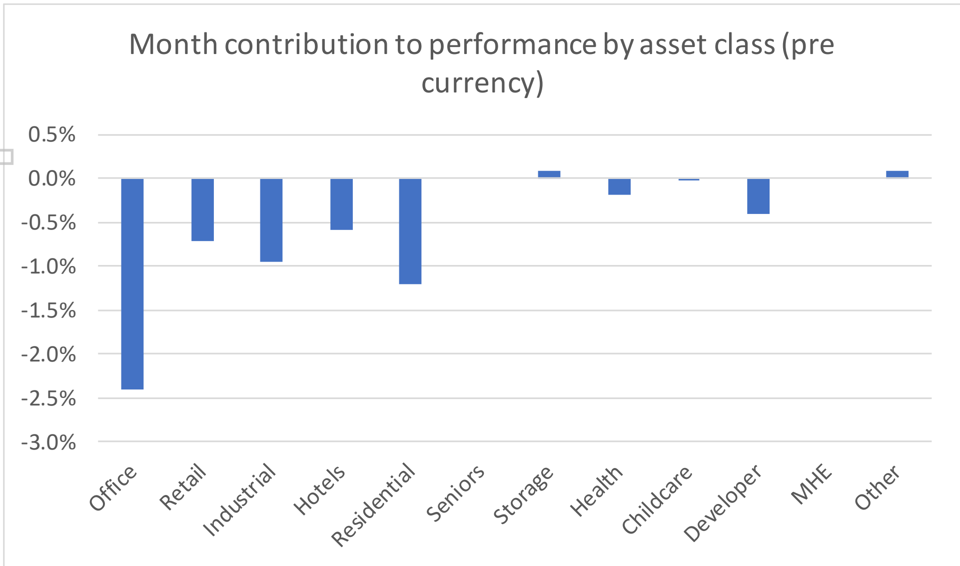


During the month of February, the Australian dollar (AUD) weakened against all major currencies which are relative to the Fund, except for the UK pound against which it was marginally stronger. Another meaningful weakening of the AUD relative to the US dollar (USD) has taken the AUD to its lowest levels in over 11 years. The likelihood of further portfolio valuation benefit from continued weakness in the AUD is unlikely from here in our view.

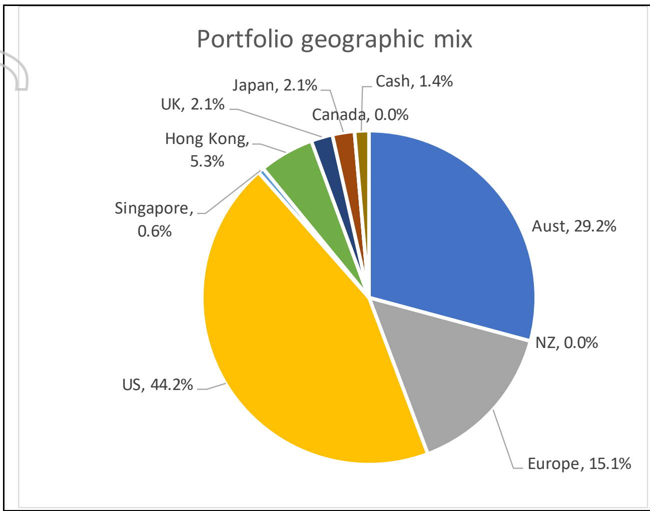


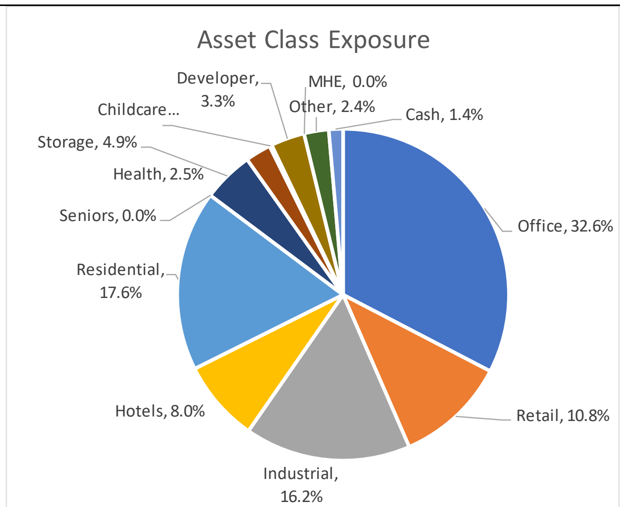
The Fund entered February with a continuing relatively meaningful cash holding of 21.8% which reflected the major cash inflow from the January rights issue. We had been cautious to avoid investing this rapidly into a rising market, and maintained a similar thesis through most of February until share price volatility afforded some relative value investing opportunities. The Fund ended the month of February fully invested.

Analysing the contribution to monthly performance by underlying real estate asset class (pre the effect of currency movements), it is highlighted that the office sector was the largest negative contributor which is somewhat surprising. The Fund only holds a small exposure to hotel and leisure assets, and while many stocks in this sector were hit hard, the impact from the Fund's exposure to the asset class was not meaningful.

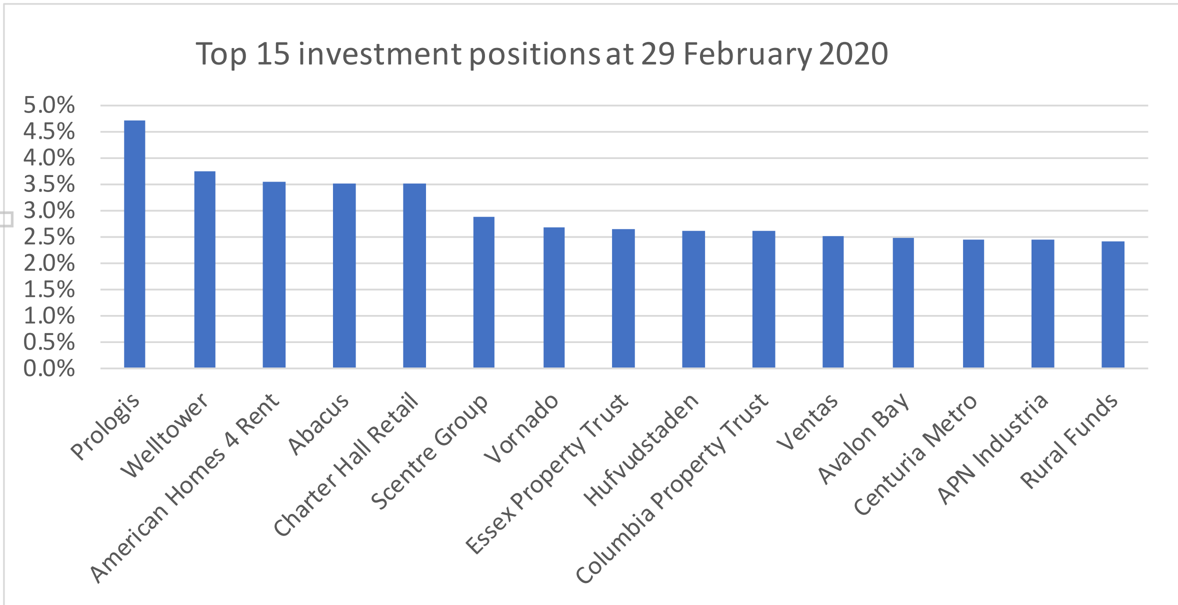


The Fund was again active in its investment positioning during February. Not only was the large cash balance invested through a combination of upweighting existing holdings and bringing in new holdings, there were a number of positions actively traded out also.

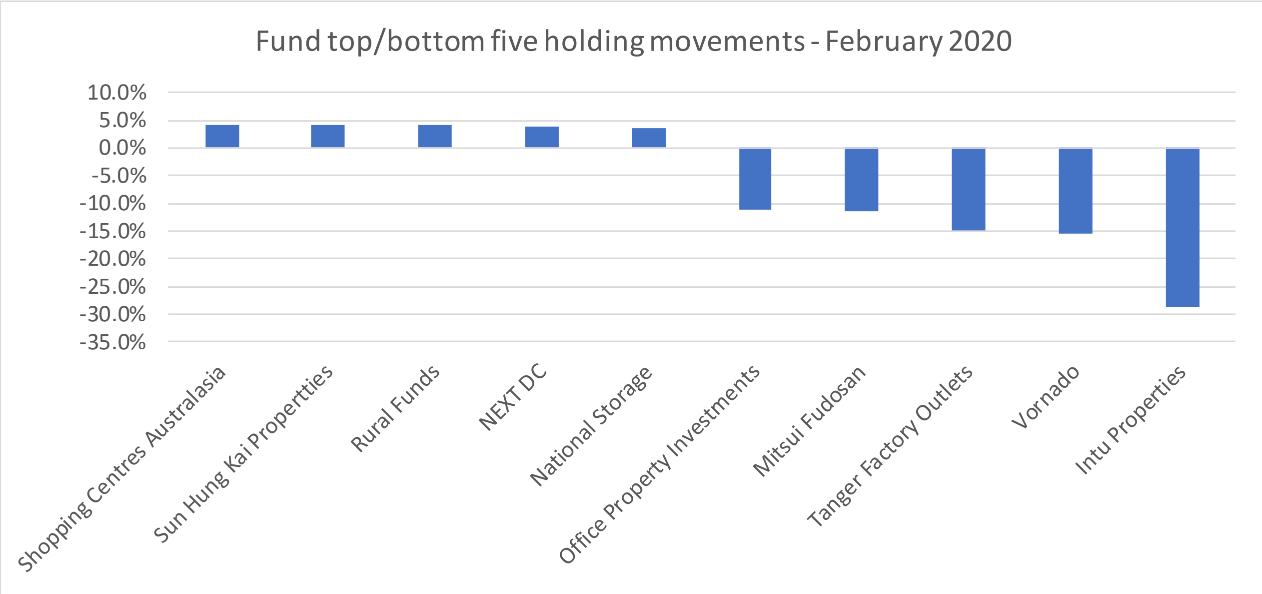




The number of investment positions held by the Fund currently has increased again to 56 during the month of February as rotation occurred and further cash was invested. We expect this to moderate back to around 50 investment positions in the near term as the core portfolio settles. Top holdings in the Fund as at the end of the month are summarised in the following chart. The top three holdings have changed relative to the month of January. The top three holdings are now all US stocks whereas, it was two Australian holdings and one European holding in the top 3 last month. The European holdings have been diluted over the past couple of months as cash was invested elsewhere, although the Fund remains overweight to Europe. The Fund's European holdings continue to be standout performers for the Fund. US industrial REIT Prologis is now the Fund's largest holding.



The best and worst five performers for the past month are highlighted in the following chart. It is notable that four of the top 5 performers were Australian REITs. The Fund undertook some rotation in February, divesting all of its holding in Australian shopping centre REIT Vicinity Centres (VCX.AX) shortly before it declined by more than 10%, and the holding in Hotel Property Investments (HPI.AX) was also divested on all-time highs. We also half weighted our exposure to National Storage in Australia after multiple takeover bids drove it to pricing we consider to be very full. New Australian holdings in Rural Funds Group (RFF.AX) and in active fund manager and real estate owner Elanor Investors Group (ENN.AX) were added in February. In the US, we increased exposure to Prologis (PLD) and American Homes 4 Rent (AHM), while adding several new names which increased exposure to smaller office and industrial property REITs.



Outlook

After a sustained period of strength in equity and REIT markets, significant volatility and price weakness became a feature at the end of February and this has continued into March. The levels of decline have exceeded 10% in many cases which puts the downturn in official correction territory. Volatility is extremely elevated and it would appear the month of March will record ongoing volatility. The Fund is fully invested, and we will be watching price movements closely for mismatched price moves and associated value adding switch opportunities where they are compelling while retaining a strong analytical focus. Price declines will open up better yield opportunities and an increase in stocks trading at discounts to NTA.

We are comfortable that our exposure to hotels and shopping centres which may be most impacted by disruptions from the coronavirus, having downweighted in February, will allow the portfolio to retain what we believe is a defensive bias, with an opportunity for a healthy recovery when the fear levels abate.

Fat Prophets Global Property Fund
Chief Investment Advisor
Simon Wheatley
9 March 2020

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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[i] 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 constitution financial product advice and does not take into account your investment objectives, tax or financial situation or needs.

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