



One Managed Investment Funds Limited
as responsible entity for Fat Prophets Global Property Fund
ARSN 619 970 786 ASX Code: FPP

ASX ANNOUNCEMENT

3 September 2020

FPP NTA August 2020

Please find attached the FPP NTA for August 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.

ASX ANNOUNCEMENT

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

August 2020 Monthly NTA Announcement

Key Points:

- **Fund NTA increased by 4.4%, reflecting strong performance of the largest Fund holdings.**
- **The cash level was increased during the month to reduce risk and increase conviction positions**
- **The Fund retains a strong value bias**
- **FPP remains overweight Australia, and underweight US.**

Dear Unitholders,

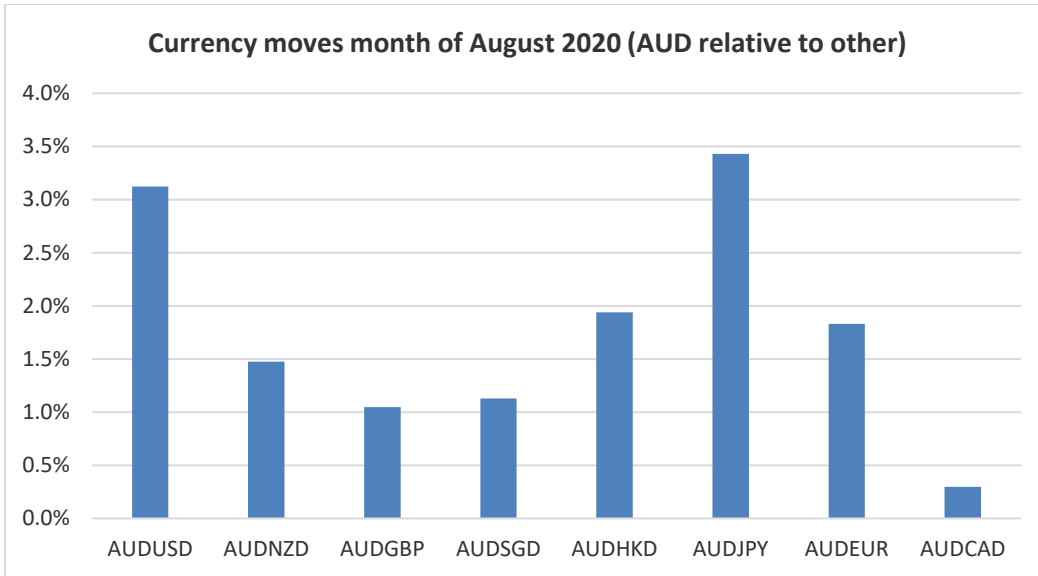
August was a month of strength across both equities and REITs on a pre currency basis. Post currency impact the Global REIT return was much more mild as the Australian dollar (AUD) continued its ascent relative to the US Dollar (USD).

The global real estate Index declined mildly in AUD terms, while the Australian REIT index had a very strong month of performance. The Fund benchmark increased by 1.9% for the month while FPP's NTA was considerably higher, recording an increase of 4.38%. This reflected strong performance from the Fund's largest holding; Stockland Group rose 24% over the month and we commenced trimming our overweight position with the stock having risen 65% above our entry point of several months ago.

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

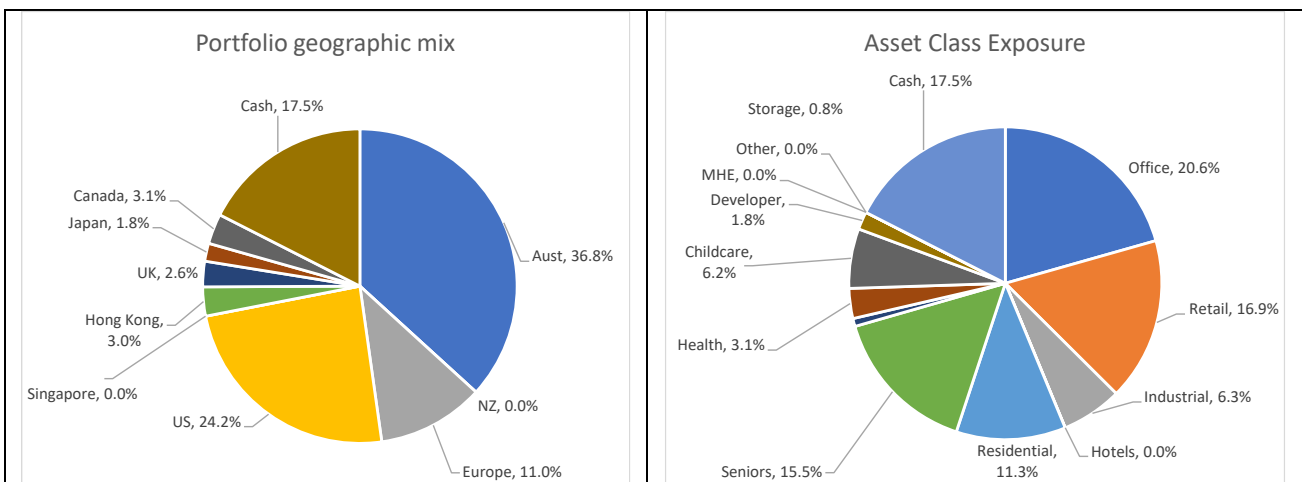
	31-July-20	31-Aug-20	Change
Value per unit	\$0.8371	\$0.8738	4.38%

The movement in the AUD vs other currencies during August once again remained material and is summarised below. The AUD/USD has continued to climb and is now trading around \$0.74. In late August and early September a number of Australian economists provided public forecasts of an expectation of continued appreciation of the AUD relative to USD through the balance of 2020 and into 2021. We similarly expect to continue to remain overweight AUD in the near term.



The Fund cash balance was 9.8% at the beginning of August. This was further increased to 17.5% by the end of August as a conservative investment approach was increased as the broader market rally continued. This included trimming the weighting to the Fund’s two largest holdings of Stockland and Charter Hall Social Infrastructure Fund.

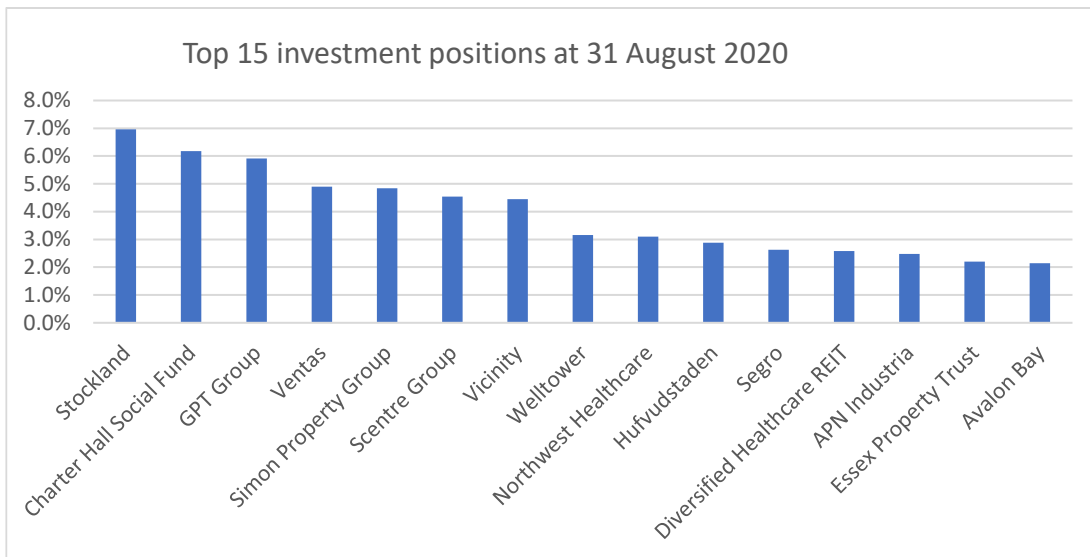
The current Fund portfolio geographic allocation at the end of August is shown in the following graph on the left. The chart below right shows the exposure by asset class.



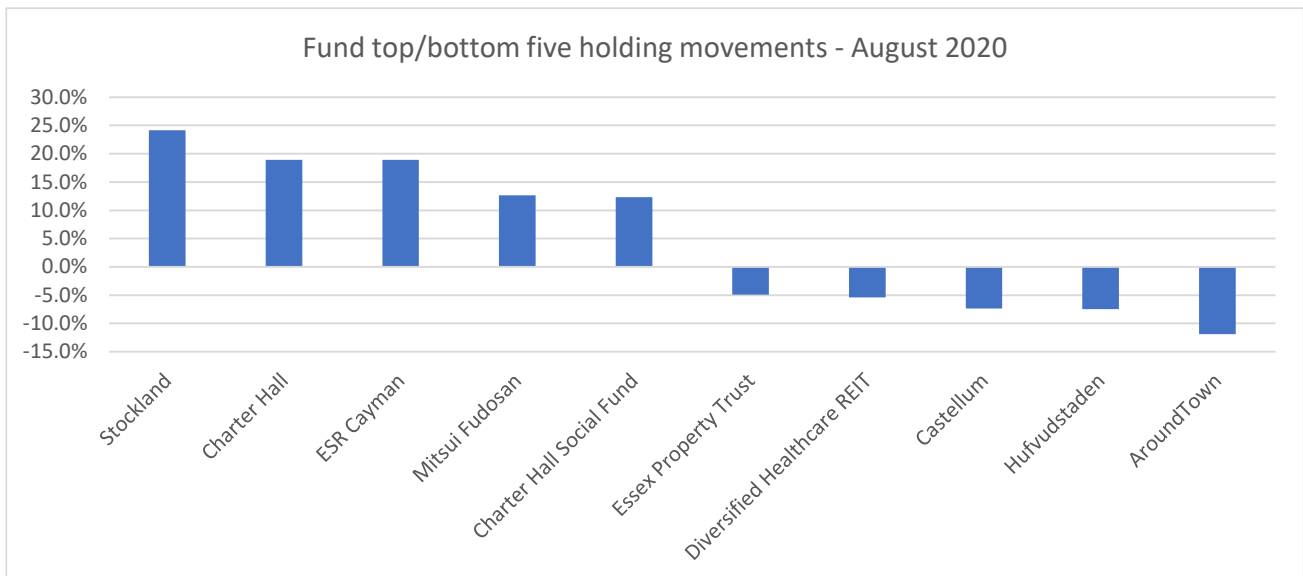
Reporting season presented no major surprises around the impacts of COVID-19 – uncertainty remains, guidance is patchy, and current operating conditions for many REITs is still well below normal. Valuation declines and subsequent declines in NTA for Australian REITs were largely benign aside from the two large mall REITs which recorded double digit NTA declines. We feel it is fair to assume that NTA’s are unlikely to show much near term NTA growth until there is a clearer pathway out of the restricted conditions impacting Australia and many other countries. That said, many REITs are trading at substantial discounts to their current NTA – historically this has proven an attractive long term investment opportunity. This may partly

explain why Australian REITs enjoyed a gain of 7.9% during August as value buying re-emerged; triple the gain of the broader ASX 200 Index.

The number of investment positions held by the Fund at the end of August was 34. Top holdings in the Fund as at the end of the month are summarised in the following chart. Three of the top five holdings continue to be Australian REITs while the remaining two are US based. Stockland remains the largest position, even after we reduced its weighting by 25% during August. Similarly for Charter Hall Social Infrastructure Fund which increased by 12.4% in August.



The best and worst five performing Fund holdings for the month of August are highlighted in the following chart. The Fund’s two largest holdings were also the Fund’s two best performing holdings. Hong Kong based industrial REIT ESR also performed well as investors sought out underlying global value for industrial exposure. The weakest investment basket tended to be in the European region, accounting for three of the five poorest performers.



Outlook

The reporting season did not provide major surprises for REIT investors, but it did highlight extended interruption and an ongoing level of uncertainty and bifurcation of views in many global markets for real estate in the office and shopping centre sectors. Reporting increased our conviction for US holdings such as Simon Property Group where a \$6.00 per share distribution guidance was provided, implying 9% yield despite the uncertainty of retail rent collection rates this year.

REIT sectors are typically still down meaningfully over the past twelve months, and recovery has lagged that of the broader equities market. As highlighted in the following table, the Australian REIT sector saw standout strength during August; an outcome which benefitted the Fund's overweight position to the region.

Local Currency moves

		1 month percent change	3 month percent change	12 months percent change
Real Estate				
US	MSCI US Reit Index	0.65%	7.16%	-16.05%
UK	FTSE EPRA Nareit UK GBP Price Return Index	0.51%	1.99%	-8.77%
Japan	Tokyo Stock Exchange REIT Index	4.99%	2.73%	-16.09%
HK	Hang Seng Property Index	3.89%	9.04%	-11.41%
Europe	IEIF REIT Europe	1.03%	1.20%	-20.26%
Singapore	iEdge SG Real Estate Index	-0.86%	1.24%	-6.33%
Australia	S&P/ASX 200 Reit (GIC)	7.69%	5.42%	-20.83%
Canada	S&P/TSE Canadian Real Estate Index	1.67%	4.46%	-42.56%

As demonstrated by the Fund NTA performance during August, we continue to believe that the Fund is well leveraged to recovery or value buying and should benefit from outperformance as the effects of pandemic slowly abate. Ongoing volatility remains likely in the short term for the REIT sectors globally in our view.

We continue to positively view the Fund's value positioning and remain targeted for investment positioning for further Fund outperformance.

Fat Prophets Global Property Fund

Chief Investment Officer

Simon Wheatley

3 September 2020

About Fat Prophets 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 (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 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.