



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

ASX ANNOUNCEMENT

12 October 2020

FPP NTA September 2020

Please find attached the FPP NTA for September 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

September 2020 Monthly NTA Announcement

Key Points:

- **Fund NTA was unchanged vs last month**
- **The cash level was reduced, as invested positions were increased**
- **The Fund outperformed its benchmark after fees once again. FPP has beaten its benchmark in 5 of the 6 months since the commencement of the COVID-19 market decline**
- **FPP is overweight AUD and underweight USD in terms of invested exposure. The USD strength in September was a headwind for the Fund which was nonetheless overcome**
- **FPP share price increased 10.4% during September, but remains at a 15% discount to NTA**

Dear Unitholders,

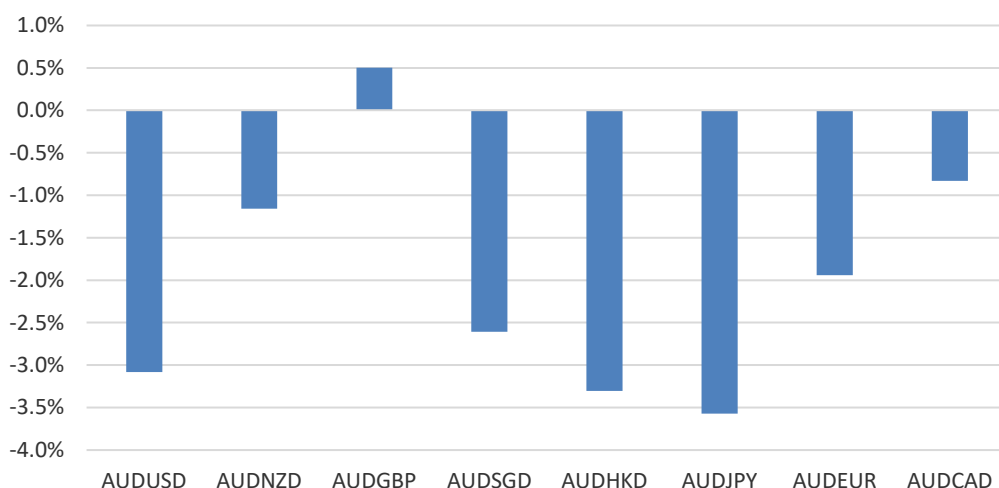
September reflected a period of continued volatility for REIT holdings, however there was a bias toward deep value positions outperforming. This benefitted the Fund, which outperformed its benchmark despite the fact that a) FPP entered the month with a significant 17% cash balance, and b) the USD rallied, and the Fund is benchmark underweight USD holdings which created a headwind.

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

	31-Aug-20	30-Sept-20	Change
Value per unit	\$0.8738	\$0.8739	0.01%

The Australian dollar (AUD) weakened against most major currencies during September. Most notably it declined more than 3% vs the USD. This had a positive valuation impact for the index and the Fund, although due to the Fund underweight to USD value assets, this benefit was a headwind for the Fund on a relative basis. Despite this, the Fund NAV return during the month exceeded the index return.

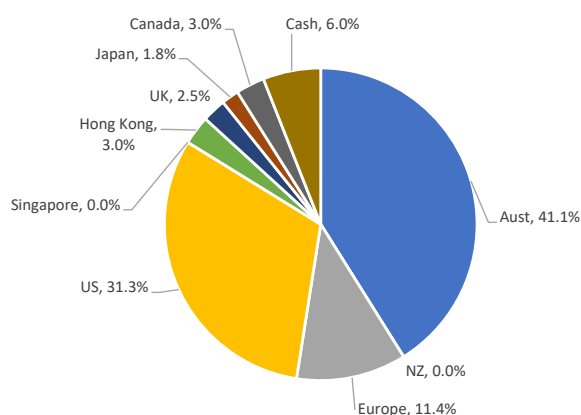
Currency moves month of September 2020 (AUD relative to other)



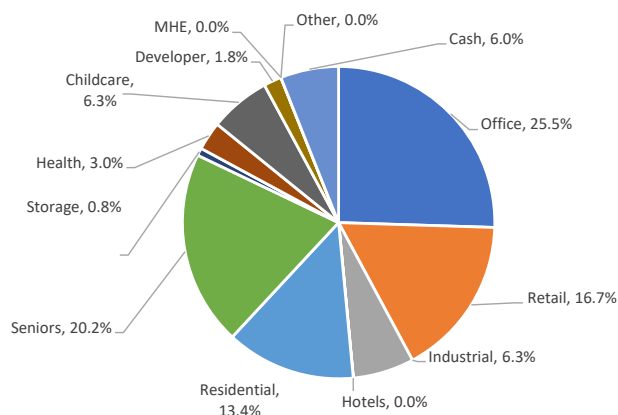
The Fund cash balance was 17.5% at the beginning of September. This was reduced to 6.5% by the end of September as we took advantage of a mid month market pull back to increase investment positions at pricing we deemed attractive. This included increasing exposure to Simon Property Group, Essex Property Trust, Diversified Healthcare Trust, as well as taking a new initial investment position in Australian office REIT and fund manager, Dexu Property Group.

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

Portfolio geographic mix



Asset Class Exposure

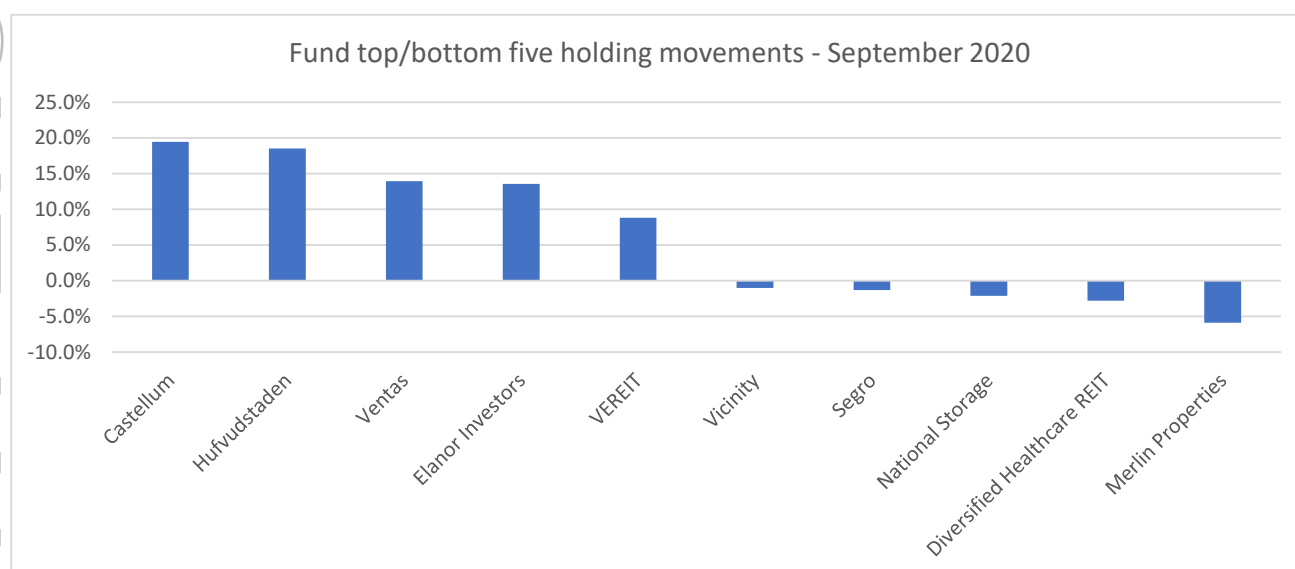


News for REITs during September was broadly positive, showing a steady improvement in occupancy and rental recovery rates. Perhaps most notable was the novel convertible debt raising by Scentre Group which obviates the need for a dilutionary equity raising. This was a significant positive in our view which should allow the latent undervaluation of Scentre Group to increasingly be priced in, to the benefit of the Fund's meaningful investment position.

The number of investment positions held by the Fund at the end of September was 35. Top holdings in the Fund as at the end of the month are summarised in the following chart. We reduced exposure to the two top holdings of Stockland and Charter Hall Social Infrastructure Fund during the month, taking advantage of share price strength. The Fund took an investment stake in Dexs Property Group, taking the view that the prevailing pricing, which was close to COVID period lows undervalued the portfolio, and placed no value on the significant \$15bn third party asset management business. This is despite the market paying a significant multiple and implied valuation for property funds management businesses in Charter Hall Group and Goodman Group.



The best and worst five performing Fund holdings for the month of September are highlighted in the following chart. The weakest investment basket in August tended to be in the European region, and this reversed in September with a rebound evident.



Outlook

While NAV was flat during September, the Fund beat its index benchmark once again – continuing the performance trend since the COVID decline. REITs have however been a considerable laggard vs equities post the March COVID decline, due to the impact to businesses and their ability to use their retail and office spaces to generate income from which they pay monthly rent.

Long term multi decade history has demonstrated that when REITs trade at meaningful discounts to NTA as they currently do, this in time normalises as prices and NTA converge. We believe that as the COVID impact on business activity moderates over time, the underlying value of real estate and REITs will re-emerge, for significant potential recovery upside to REITs prices in some cases. The Fund positioning reflects a deeper discount strategy and a more contrarian approach to assets class exposures including to retail and shopping centres, as well as to select healthcare related exposures. We expect that this positioning will continue to result in FPP outperforming its benchmark and for positive movements in NTA through the balance of 2020 and into 2021.

Fat Prophets Global Property Fund

Chief Investment Officer

Simon Wheatley

12 October 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.

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