



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

ASX ANNOUNCEMENT

6 November 2020

FPP NTA October 2020

Please find attached the FPP NTA for October 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

October 2020 Monthly NTA Announcement

Key Points:

- **Fund NTA declined vs last month as the global and domestic index both fell**
- **The cash level was reduced, as invested positions were increased into the dip**
- **A weaker AUD during October resulted in a 1.0% positive impact to global returns, slightly offsetting what would have been a weaker outcome ex currency impact.**
- **FPP is overweight AUD and underweight USD in terms of invested exposure. The USD strength in October was a headwind for the Fund, similar to September**
- **FPP share price discount to NTA has continued to narrow**

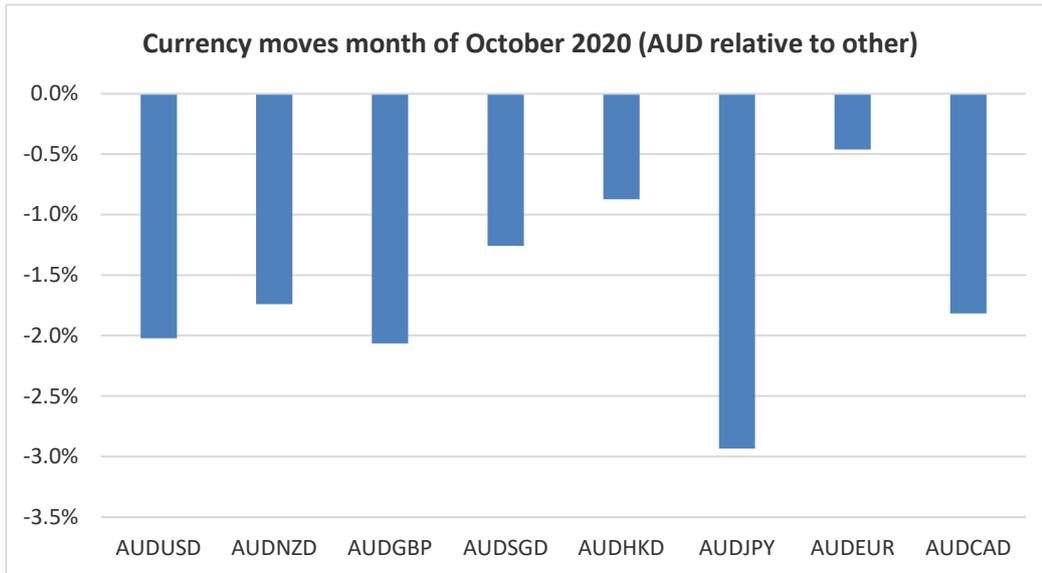
Dear Unitholders,

October reflected ongoing volatility for REITs largely impacted by the rising global COVID infection rate and the risk of tightened restrictions and lockdowns for residents and businesses in affected countries. The most notable affected locales have been Europe and the UK, with segments of both announcing in recent weeks increased border, business and social restrictions. The pending US election also impacted equity markets and REITs during October. The Fund remains benchmark underweight USD holdings which created another month of currency related headwind.

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

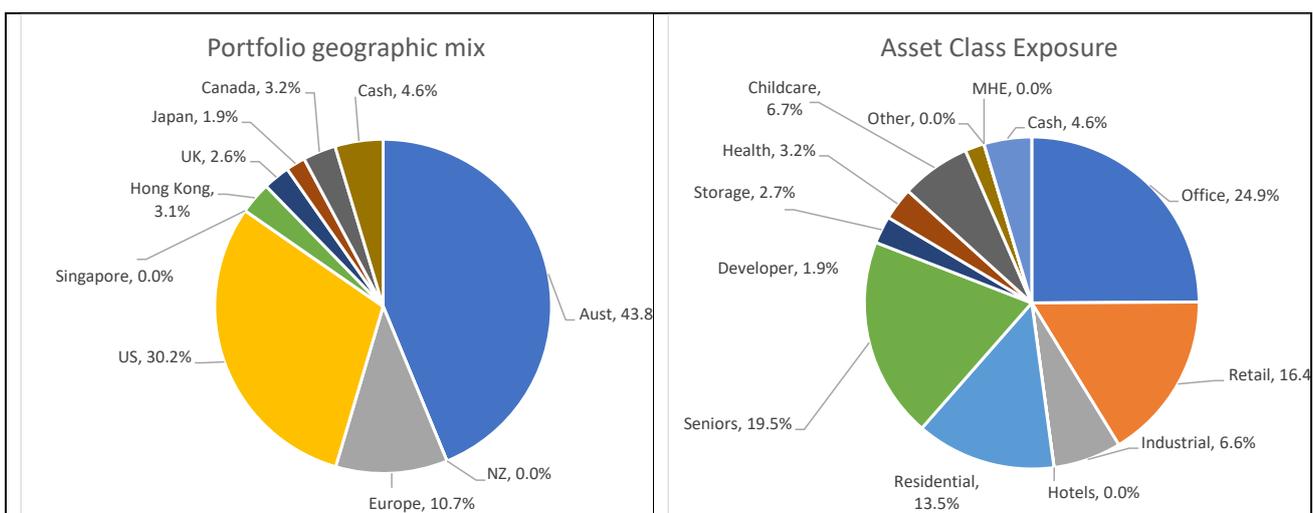
	30-Sept-20	31-Oct-20	Change
Value per unit	\$0.8739	\$0.8487	-2.88%

The Australian dollar (AUD) weakened against all major currencies during October. After it declined more than 3% vs the USD in September, it fell a further 2% on a relative basis during October. 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. The currency benefit was not sufficient to offset the price decline in global REITs during October.



The Fund cash balance was 6.5% at the beginning of October. This was reduced to 4.6% by the end of October as we took further advantage of a market pull back to increase investment positions at pricing we deemed attractive. Most notably we have increased exposure to National Storage REIT in Australia. It is trading well below the \$2.40 per share range it was reflecting pre COVID when Public Storage USA and two other suitors were seeking to acquire and privatise it. Self storage however, has proven to be a sector which is resilient to the COVID downturn with high rent collection, and NSR recently reporting all time high occupancy. Public Storage USA is now trading at levels above where it was pre COVID, and has announced it is back to pursuing acquisition opportunities. We wouldn't be surprised to see interest in National Storage rekindled.

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



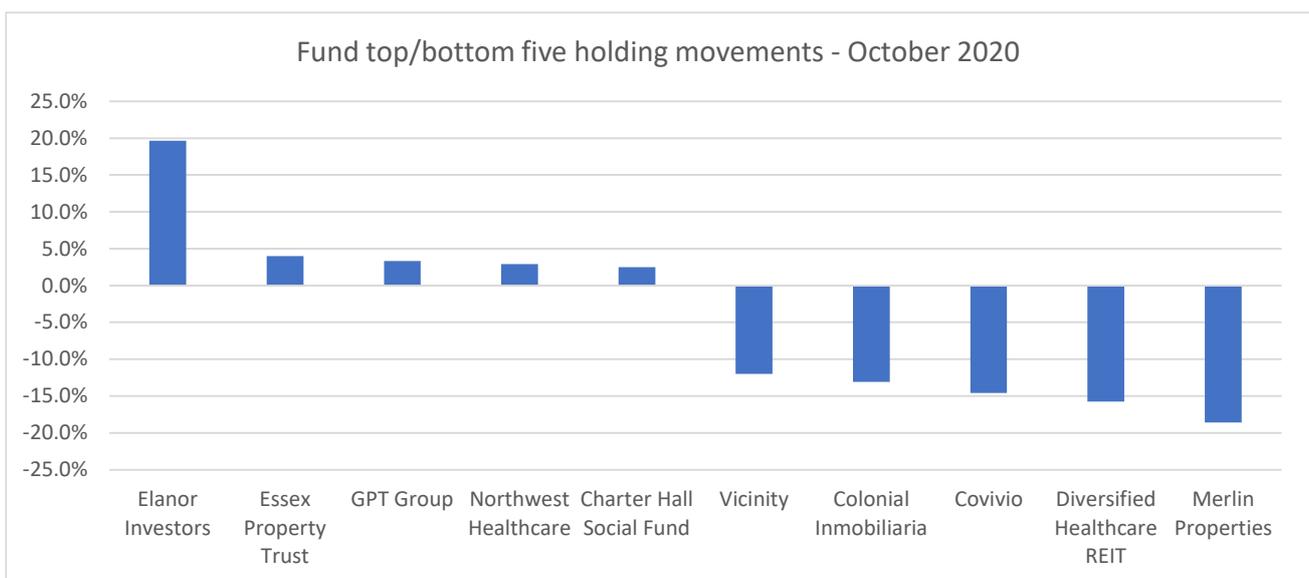
News for REITs during October was broadly mixed. The increasing restrictions in parts of Europe and the UK, and the continuing surge of cases in the US continues to impact retail and office activities. REITs investing

into these sectors continue to maintain a cautious view. In Europe mall giant Unibail Rodamco Westfield gave commentary highlighting delays in normalisation of sales and rent collection, while in the US two mid size shopping centre REITs (CBL & Company, and Pennsylvania REIT) both filed for bankruptcy protection and are seeking to restructure. FPP has no exposure to any of these groups.

The number of investment positions held by the Fund at the end of October was 35. Top holdings in the Fund as at the end of the month are summarised in the following chart.



The best and worst five performing Fund holdings for the month of October are highlighted in the following chart. The weakest investment basket in October tended to be in the European region; European holdings have been bouncing between best and worst portfolio holdings on a month by month basis – impacted negatively in October by rising COVID cases.



Outlook

Global weakness impacted the index and the Fund during October. REITs continue to be 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. The current situation in the US and Europe is prolonging this effect.

Australia will be an interesting test now that restrictions are easing and COVID cases are almost zero. Domestically we are expecting an improvement in sentiment around office and shopping centre REITs as state borders open up, and as the Melbourne and Victorian hard restrictions are wound back. As such we remain comfortable with our overweight Australia investment positioning, as well as our value positioning.

There has already been a strong rebound for global pricing of REITs and for implied Fund NTA in early November. 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 asset 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

6 November 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 (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.