



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

ASX ANNOUNCEMENT

11 March 2021

FPP NTA February 2021

Please find attached the FPP NTA for February 2021

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

February 2021 Monthly NTA Announcement

Key Points:

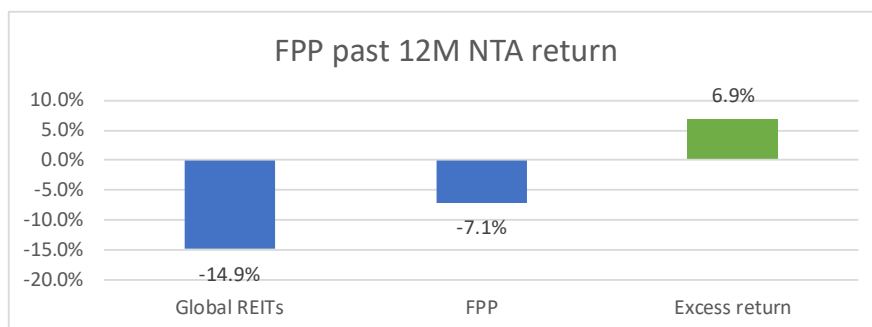
- **Fund NTA materially increased vs January, for another significant outperformance vs benchmark;**
- **Global REITs have had a challenging 12 months; FPP has delivered 690 basis points of excess return over the global REIT Index over this time, adding substantial relative NTA value for investors post costs;**
- **The cash level was reduced as we increased investment and paid a distribution; and**
- **Currency impacts on the portfolio were minimal again during February.**

Dear Unitholders,

The key factor impacting February 2021 was the increased discussion around risk of deflation which caused long bond yields to rise. The deflation risk trade is a story Fat Prophets have been clearly enunciating for many months now. As such, we have been positioning in anticipation of this. REITs have a strong long-term correlation with bonds, with rising bonds resulting in weaker REIT pricing. Our investment strategy has been taking this into account with positive outcomes. A summary of the change in NTA for the month of February for the Fund is as follows:

	31-Jan-21	28-Feb-21	Change
Value per unit	\$0.9486	0.9847	3.81%

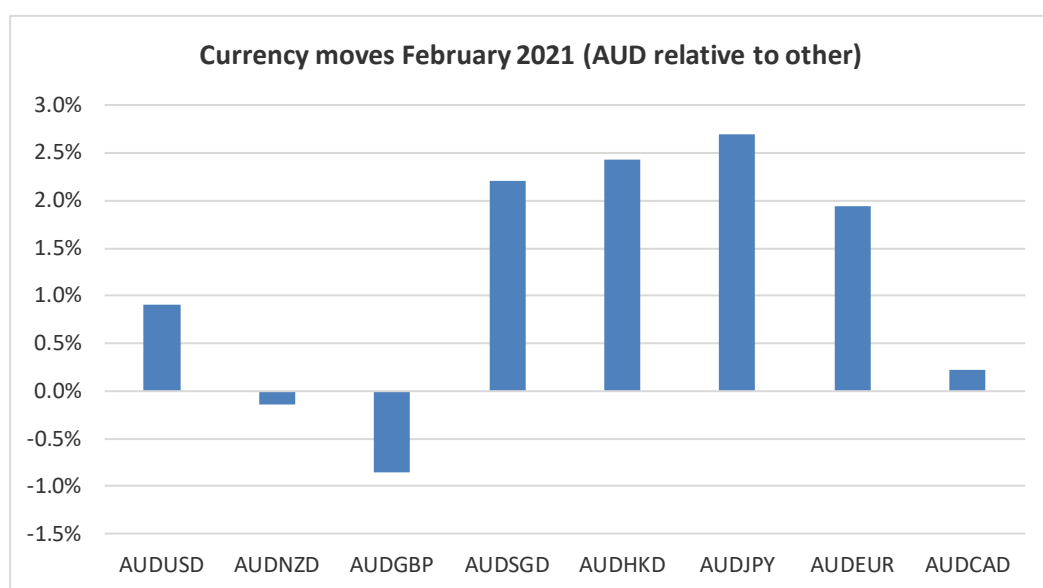
REITs have had a challenging recovery period post COVID with a much more subdued recovery from lows than broader equity markets. We believe this sets the global REIT sector for meaningful continued recovery upside opportunity in 2021 and 2022. FPP's NTA has delivered 6.9% excess return (after fees and expenses) vs the Global REIT index in AUD terms over the past twelve months.



During February a distribution of 1.4 cents per unit was paid to unitholders on record at the ex date at the end of December 2020. The Fund strategy is to pay investors the income received from investments in the Fund. COVID has had a material impact on rents paid for properties as work from home combined with rent rebates substantially reduced short term distributions from investments for REITs the Fund invests in.

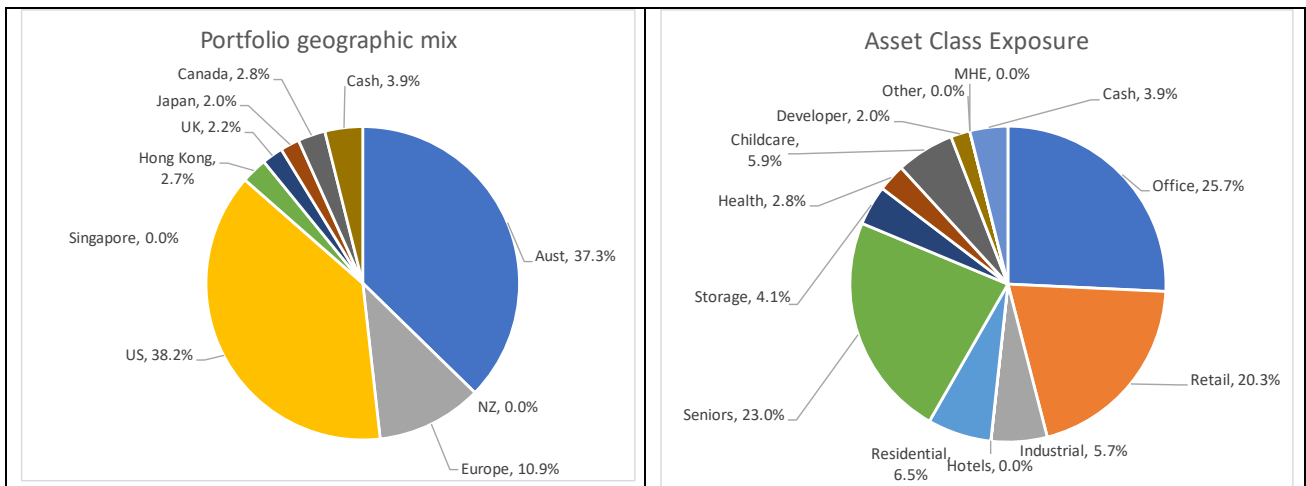
Similarly, REITs have materially underperformed equities over the past year post COVID. We believe REITs and real estate are entering a golden era where the next several years will see the sector outperform. Real estate pricing experienced negligible impact during COVID and in some cases (such as Australian residential) has rallied strongly. It remains a proven asset class for its defensive characteristics during challenging times.

The Australian dollar has been broadly stable in 2021 to date and as such has not been meaningfully impacting the AUD returns of the Fund this year.



The Fund cash balance was 5.3% at the beginning of February after allowance for the pending distribution payment. This reduced to 3.9% at the end of February reflecting additional investments made into health care related real estate which we believe has strong recovery upside opportunity.

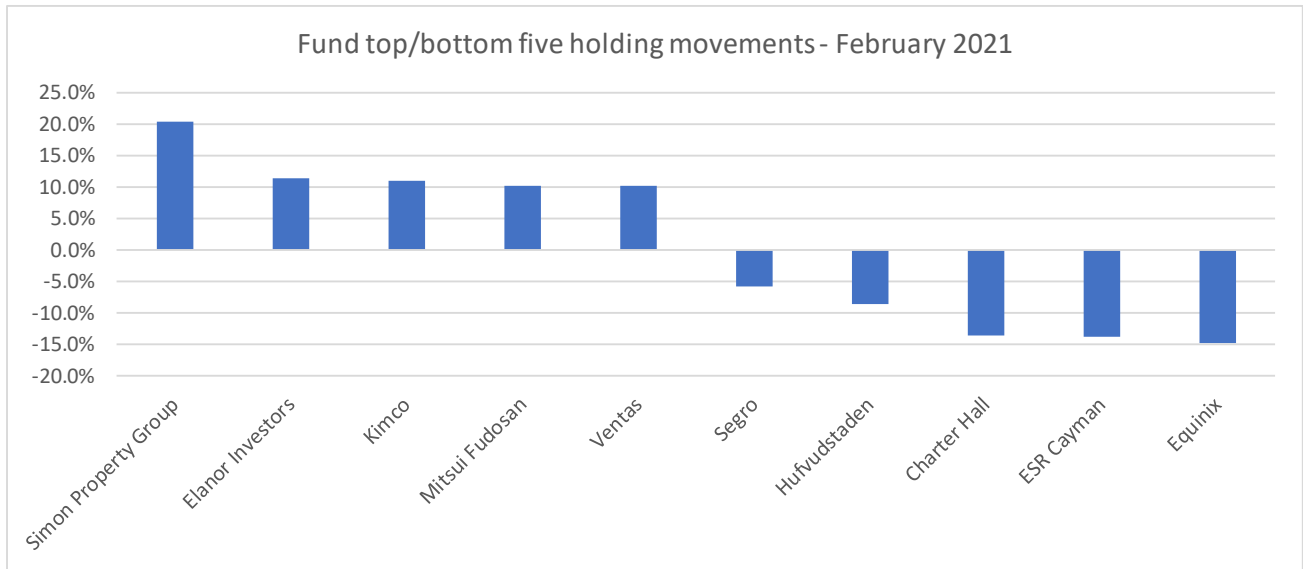
The current Fund portfolio geographic allocation at the end of February is shown in the following chart on the left. The chart below right shows the exposure by asset class. The Fund continues to have meaningful exposure to office, retail and seniors which we expect to emerge post COVID more strongly than core sectors such as industrial property. This portfolio positioning has resulted in significant excess return over the benchmark over the past twelve months.



The number of investment positions held by the Fund at the end of February increased to 38. Top holdings in the Fund as at the end of the month are summarised in the following chart. During February, Morgan Stanley upgraded Simon Property Group to a conviction Buy, reiterating our view that there remains significant upside even from current levels. The holding has further increased as the largest Fund position by virtue of the strong price performance during February.



The best and worst five performing Fund holdings for the month of February are highlighted in the following chart. US REITs performed quite well, although have been bouncing in the past couple of months and there remains significant further upside in our view. Simon Property Group rallied strongly to end at nearly triple the value we were acquiring at during mid COVID lows.



Outlook

During February there were many REITs which announced half year results – by and large, these exceeded market consensus and share prices responded positively. It is increasingly appearing that the long-lasting impact to real estate from COVID lingering events may have been over estimated. This appears to be supported by the lower than expected unemployment in various countries, as well as the better than expected retail sales suggesting an accelerated pathway to normalisation.

Our investment thesis through this has been to take positions in more deeply impacted sectors where investors had been sceptical of a rapid rebound. We continue to expect that the significant relative underperformance of REITs vs equities over the past twelve months will not last long term and a correction will occur which will benefit REIT sector investors.

Fat Prophets Global Property Fund

Fund Manager
Simon Wheatley
11 March 2021

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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