



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

**ASX ANNOUNCEMENT**

12 April 2021

**FPP NTA March 2021**

Please find attached the FPP NTA for March 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](http://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

### March 2021 Monthly NTA Announcement

Key Points:

- **Fund NTA materially increased vs February; rising 4%**
- **Fund NTA has now risen by 8.0% over the past two months and a 1.4cpu distribution has been paid to unitholders;**
- **Rising bond yields which have recently hampered REIT price increases were not a key headwind in March;**
- **In early April, firming long bond yields has driven further REIT upside.**

Dear Unitholders,

There was broad strength in the REIT market in March 2021 as the undervaluation of REITs continues to be realised and priced in. The increase in long bond yields which has been a recent handbrake on REIT pricing did not appear to hold back the sector during March in absolute terms. We have remained fully invested through the current rise and believe there remains substantial further recovery upside for the sector.

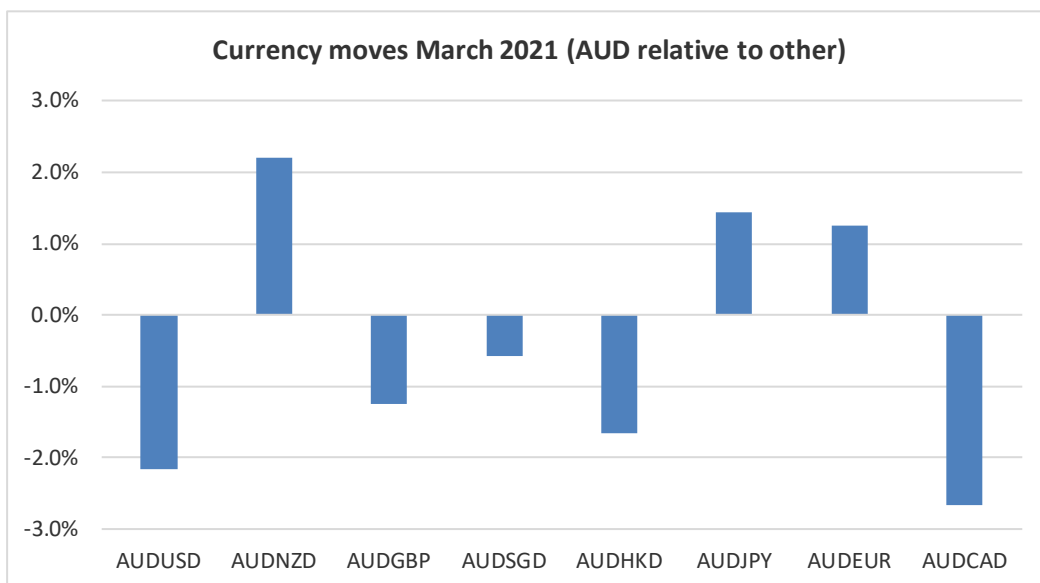
A summary of the change in NTA for the month of March for the Fund is as follows:

	<b>28-Feb-21</b>	<b>31-Mar-21</b>	<b>Change</b>
<b>Value per unit</b>	0.9847	\$1.0244	4.03%

We remain positive about the outlook for REITs and real estate and see the sector as entering a period of strength where we believe the next several years should see the sector outperform. The relative return recovery has arguably already started. In 1Q CY2021 US REITs returned 8.8% (in US\$ terms), beating the S&P 500 by 260 basis points.

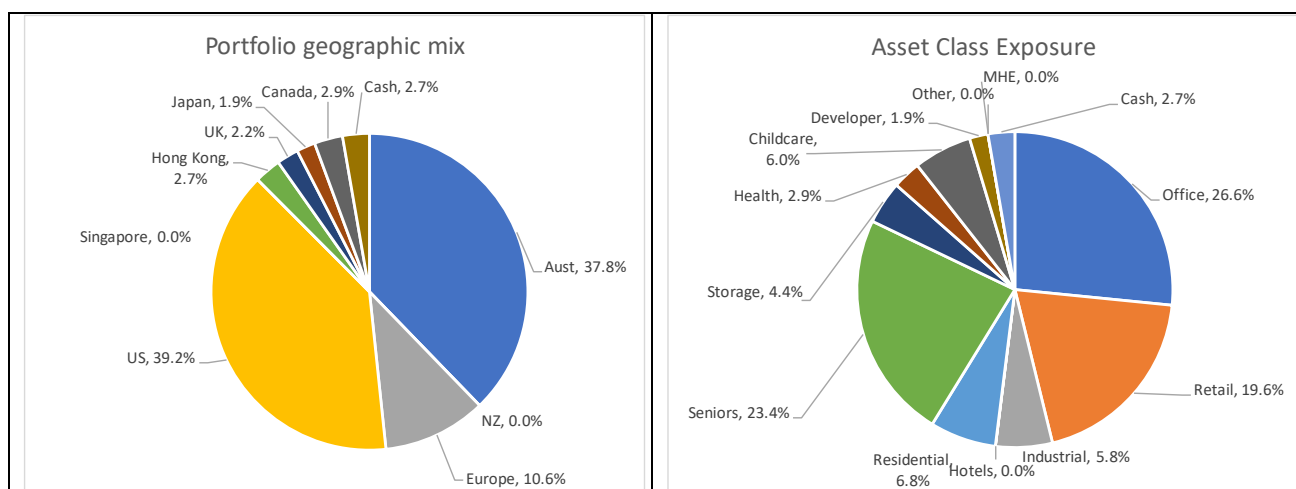
We are currently seeing exceptionally strong real estate pricing for transactions in 2021 YTD which suggests that NTA downside from REITs post COVID will prove negligible – some writedowns may have been premature and may in fact result in writebacks to the benefit of NTA.

The Australian dollar has been broadly stable in the first two months of 2021, and strengthened mildly vs the USD in March. This was a mild headwind to NTA growth which would otherwise have been stronger if the AUD/USD was stable.



The Fund cash balance was 3.9% at the beginning of March. This reduced to 2.7% at the end of March essentially meaning the Fund is fully invested.

The current Fund portfolio geographic allocation at the end of March 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 which is fully priced in our view. The current Fund portfolio positioning has resulted in significant excess return over the benchmark over the past twelve months due in part to our deeper value and conviction investment approach.

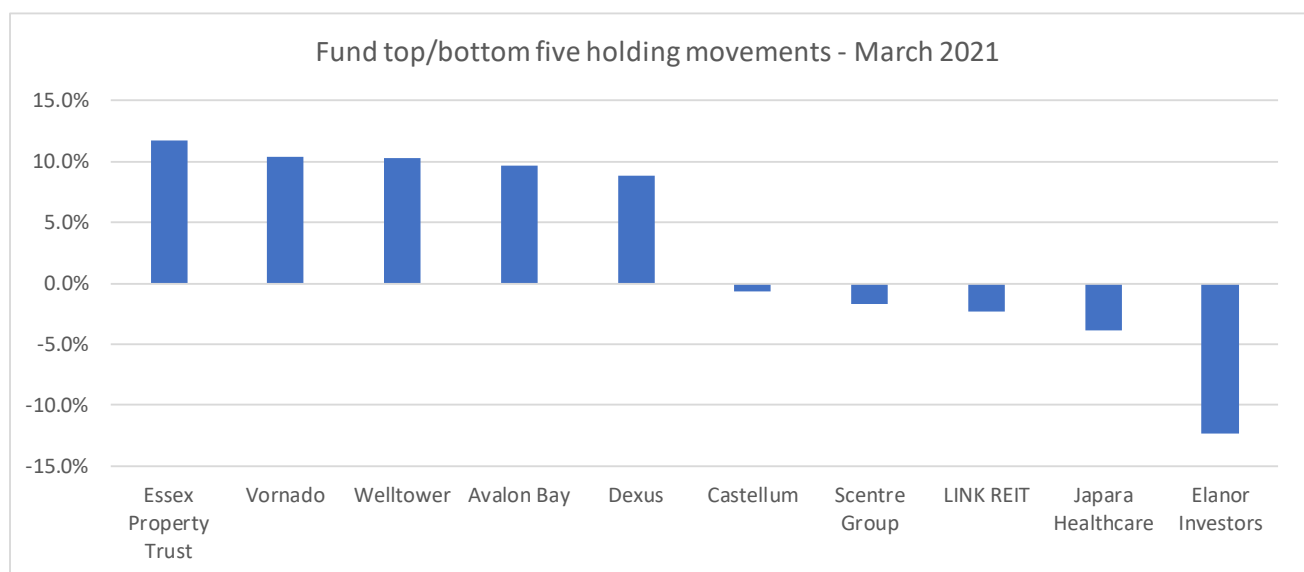


The number of investment positions held by the Fund at the end of March was stable at 38. Top holdings in the Fund as at the end of the month are summarised in the following chart. US REITs dominate the Fund's largest positions and we do not anticipate this changing in the near term – these are conviction holdings.

The top two holdings provided minimal contribution to Fund in March after a strong prior month in February.



The best and worst five performing Fund holdings for the month of March 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. US REITs tended to be the strongest performers for the Fund, followed by Dexus Property Group in Australia. We view Dexus as one of the most undervalued large cap REIT opportunities in Australia. It has been overly sold off on concerns about utilisation for office space now that work from home (WFH) has become more prevalent post COVID, potentially reducing corporate demand for office space and therefore rents and valuations. Elanor Investors was the worst performing holding for the month but is still up 30% on our entry price. It makes up a minor position in the overall portfolio.



## Outlook

We are pleased with the fund positioning and continue to see opportunity for healthy absolute performance for the REIT sector as well as potential for continued relative outperformance vs equities as REITs recapture meaningful underperformance from the past twelve months. We see that strong vaccination rates in many developed markets will potentially allow a faster than expected recovery for businesses and the property they rent which will underpin real estate values. This has been clearly evident in Australia not through vaccination, but through the avoidance of COVID altogether. Shopping trends and CBD business activity has relatively quickly returned back to normal levels and we expect similar trends internationally once restrictions are eased.

### **Fat Prophets Global Property Fund**

Fund Manager

Simon Wheatley

12 April 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.

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<sup>i</sup> 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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