



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

ASX ANNOUNCEMENT

10 November 2021

FPP NTA October 2021

Please find attached the FPP NTA for October 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

October 2021 Monthly NTA Announcement

Key Points:

- **Fund NTA increased slightly in October**
- **Solid gains in local currency terms were largely offset by currency impacts, with a large rise in the AUD relative to USD over the month.**

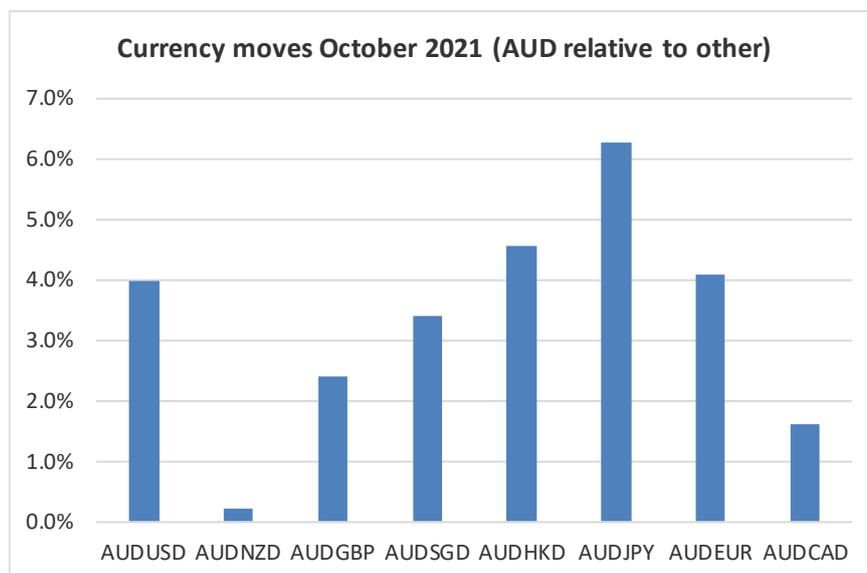
Dear Unitholders,

REITs started to gain momentum during October and this has broadly continued into November to date. The Fund's largest position (Simon Property Group) rose 12.8% in price terms which adjusted to 8.5% after currency effects. Australian REITs rose just 0.6% over the month. A rebound has occurred in early November as quarterly reports and upgrades both in the US and Australia start to take effect.

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

	30-Sep-21	31-Oct-21	Change
Value per unit	\$1.1105	\$1.1204	0.89%

Currency in AUD terms was a meaningful headwind owing to the weakness in the USD during October.



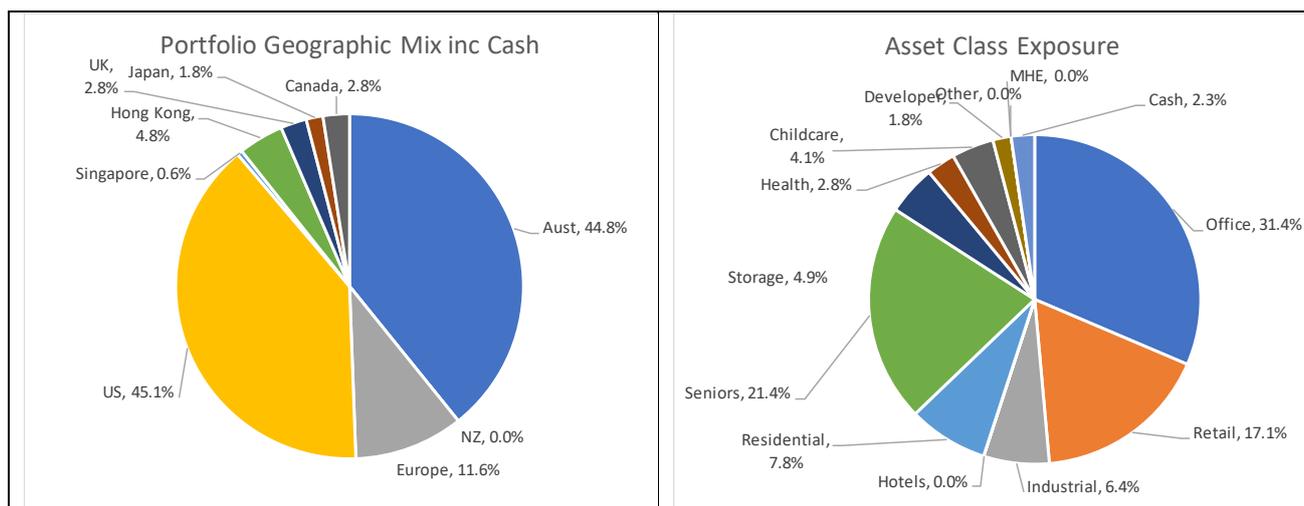
The strong AUD during the month largely offset the pricing gains made pre currency impacts for many holdings in the Fund.

The Fund cash balance remained essentially unchanged at 2.3% at the end of October, with the Fund essentially fully invested.

FPP switched holdings in its Australian portfolio, nearly doubling exposure to Charter Hall Group while trimming one third of the exposure to diversified REIT GPT Group. Charter Hall remains fast growing and is a strong beneficiary of the strength in commercial property markets in 2021. Since the Fund increased its stake, CHC has rallied 15% from our entry level following a quarterly update where management upgraded earnings guidance for FY22 by 10% from the guidance they gave just two months ago at their annual results – new guidance reflects 36% EPS growth over FY21.

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

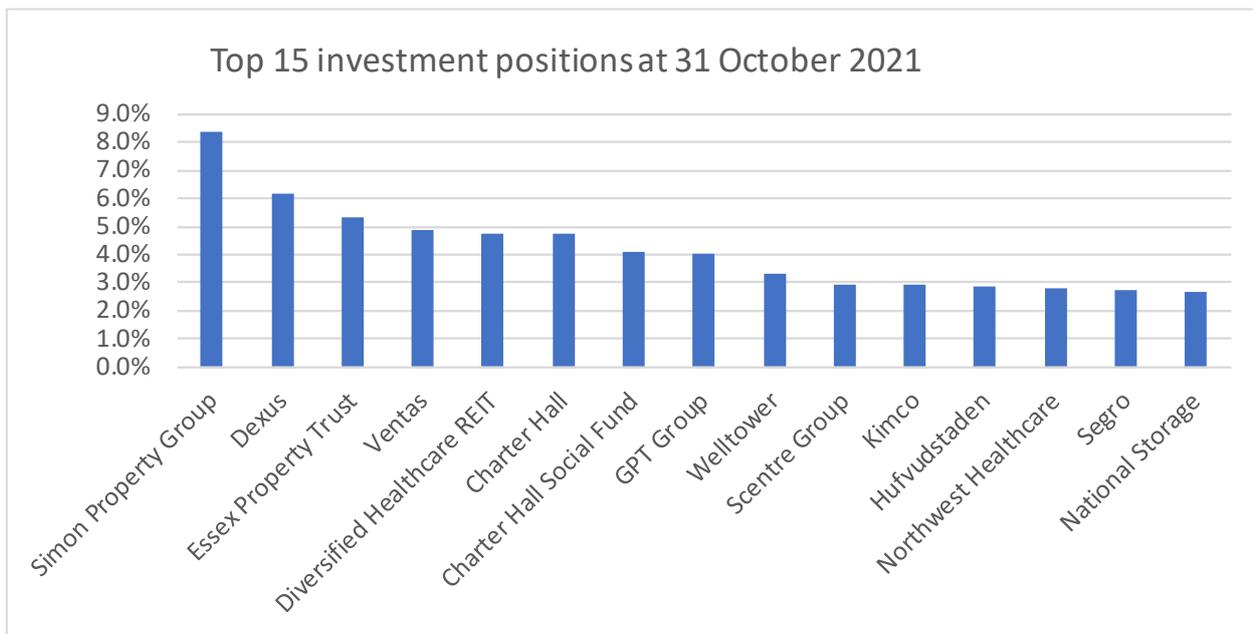
In early November, FPP’s largest holding Simon Property Group rallied a further 14% after upbeat quarterly results, and we have trimmed our position again as it was becoming increasingly overweighted. The investment has quadrupled from the \$44 we commenced entering the holding at in mid 2021.



The number of investment positions held by the Fund at the end of October was unchanged at 40. Top holdings in the Fund as at the end of the month are summarised in the following chart. Aside from Simon Property Group, FPP’s major investment holdings include office landlord Dexus Property Group, and US healthcare exposure.

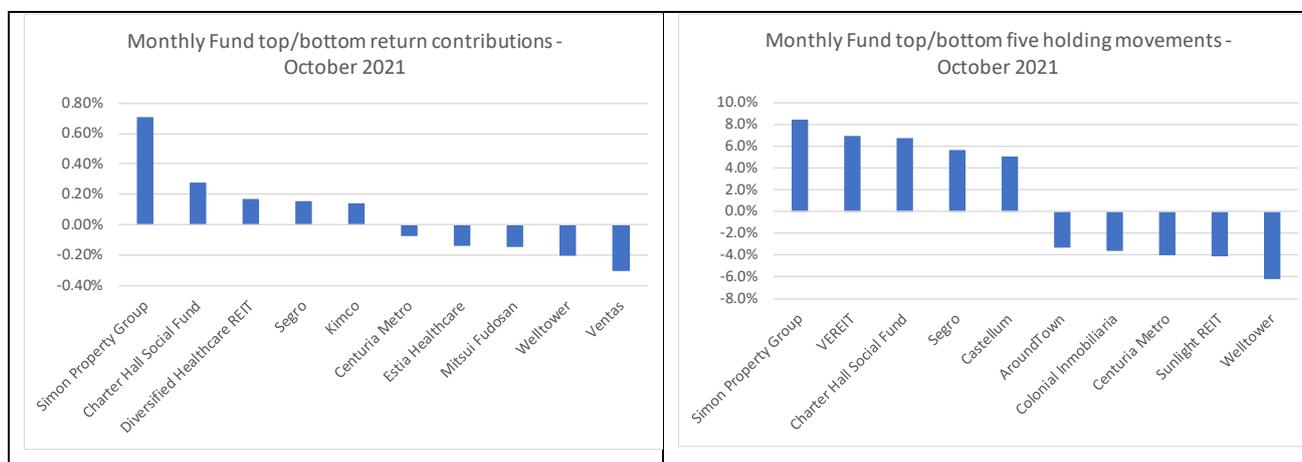
GPT has moved outside the top 5, and Charter Hall Group is very close to entering the top 5 (it is within the top 5 holdings in early November based on the price rally during the November month to date).

We have reduced exposure to Australian shopping centre REITs Vicinity Centres and Scentre Group in recent months but retain a relatively large combined exposure to the two entities combined. We continue to see meaningful upside from shopping centre REITs. The recent quarterly updates from major US shopping centre REITs reported that sales productivity and foot traffic were back to pre pandemic levels. These announcements surprised investors on the upside, causing a meaningful rally in share prices. We see risk of the same occurring in Australia. Investor sentiment toward shopping centres is weak as analysts believe a shift to online retailing will have a long term negative impact, however anecdotal evidence suggests retail sales and shopping centre foot traffic post lockdown eastings in Australia is stronger than anticipated.



The best and worst five performing Fund holdings for the month of October are highlighted in the following chart. Simon Property Group was the best performing of any of the Fund’s holdings (even after currency impacts). From the beginning of October to November 8, Simon Property Group has rallied a total 29% in local currency terms.

In terms of contribution to overall Fund return during October, Simon Property Group was also clearly the largest, delivering half of the Fund return alone. US Healthcare exposure which offers value in our view is still demonstrating share price volatility



Outlook

Key issues we are focussed on for the outlook include;

- CPI – higher CPI will increase rents which are CPI linked, and also increase the cost of building which in turn causes replacement costs to be higher and is consequently positive for asset valuations
- Higher interest rates – Higher rates can be a risk for REITs from a valuation perspective, however this usually comes hand in hand with higher inflation which is positive for property
- Strong asset sales – Commercial assets continue to transact at high levels and high prices. Corporate real estate broker JLL is reporting sales volumes up 100% this year. There is significant demand, and fear of prices declining as certainly been alleviated
- NTAs and NAVs higher – Asset sales are supportive of REIT NTA and NAVs rising.

The outlook remains positive for further gains in the REIT sector and we remain fully invested.

Fat Prophets Global Property Fund

Fund Manager

Simon Wheatley

10 November 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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