



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

## **ASX ANNOUNCEMENT**

11 August 2022

### **FPP NTA July 2022**

Please find attached the FPP NTA for July 2022

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

### July 2022 Monthly NTA Announcement

Key Points:

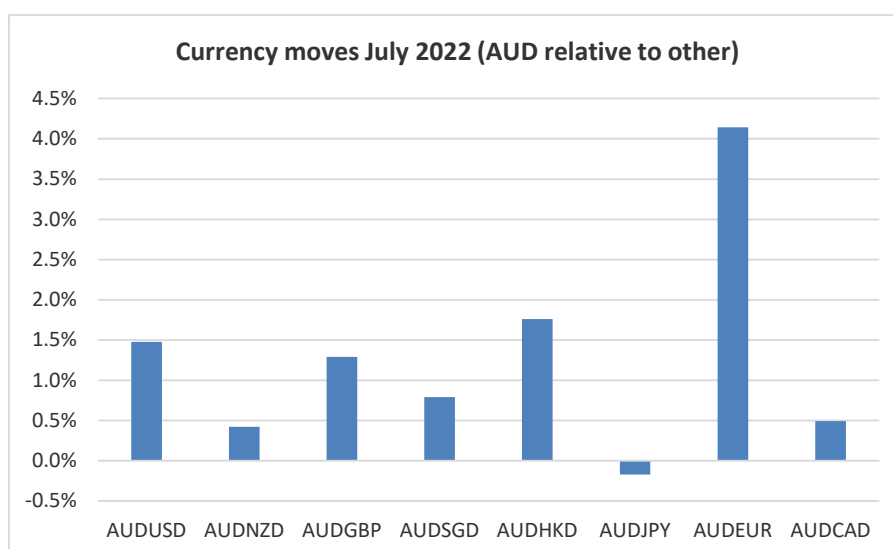
- **Fund NTA increased 6.94% post fees during July, 20 basis points below benchmark**
- **Australian REITs (+9.9%) were stronger than global REITs (+6.4%) during the month**
- **Cash holdings in FPP were at a 12 month high of 10.6% which held back Fund performance whilst providing protection in a volatile market**

Dear Unitholders,

Equity and REIT markets globally rallied strongly during July after a sharp decline in June. Equity markets in the US (S&P500) were up 9.1% taking year to date returns to -13.3%. REITs were trading at meaningful discounts to NTA and investors recognised the undervaluation opportunity with global REITs rising 6.4% in AUD terms. A 3cpu half year distribution is payable in August to FPP investors on record in late June.

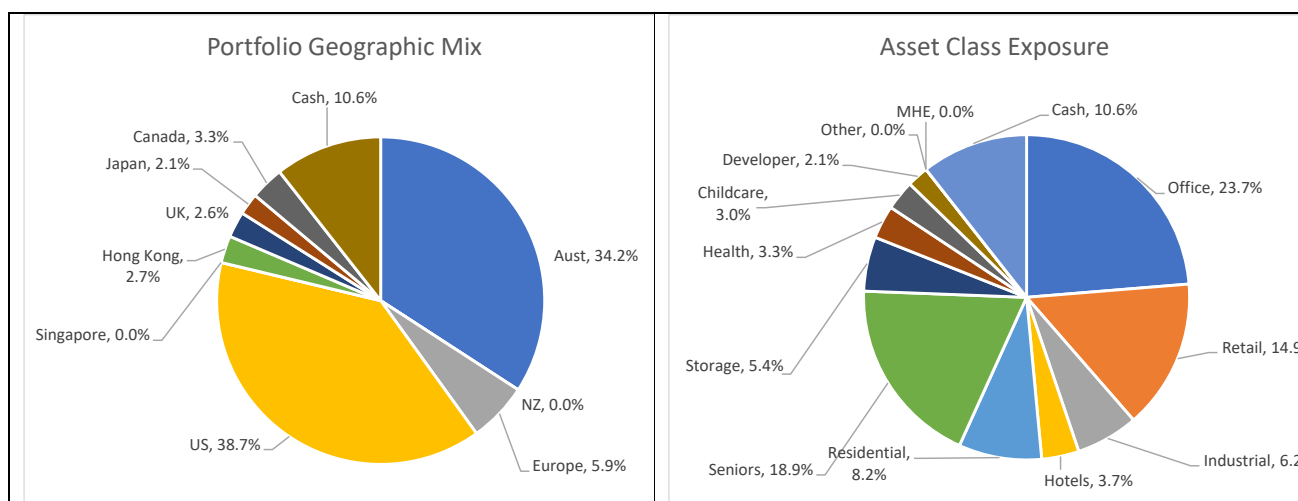
	30-Jun-22	31-Jul-22	Change
<b>Value per unit (cum distribution)</b>	\$0.9245		
<b>Value per unit (ex distribution)</b>	\$0.8945	\$0.9566	6.94%

Currency in AUD terms relative to USD was slightly stronger in July (although still below (\$0.70), presenting a headwind to AUD denominated returns for the Fund.



The Fund cash balance increased further to 10.6% at the beginning of July as we trimmed some smaller positions and increased conviction in existing holdings including Simon Property Group. This higher level of cash holding reflected our cautious approach at the beginning of the month and the increased volatility of the markets over the past several months. We continue to retain caution into reporting season.

The current Fund portfolio geographic allocation at the end of July is shown in the following chart on the left. The chart below right shows the exposure by asset class. The number of Fund investment holdings reduced to 38 reflecting exiting of some smaller positions.

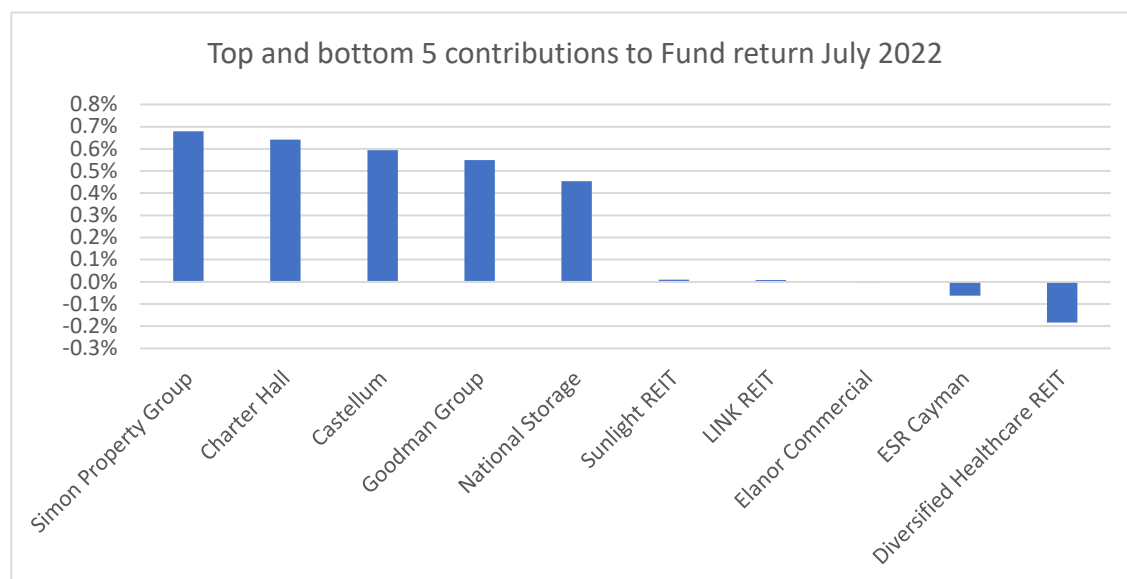


Top holdings in the Fund as at the end of July are summarised in the following chart.

US healthcare REIT Ventas remains the largest holding. With exposure to Welltower also in the top 5, the Fund is overweight to US healthcare real estate. Increased exposure to Simon Property Group (SPG) and strong July performance has resulted in it increasing to become the second largest current Fund holding. SPG’s share price rose 13.8% during July since we increased the Fund exposure. The June quarter SPG result which was released in early August was positive, with SPG delivering an earnings beat, as well as a raise to guidance and dividend.



The best and worst contributors to return for the month of July are summarised in the following chart. The fact that two of the 'worst' five holdings in the Fund during the month were still positive returns highlighted that the majority of REIT sector stocks rose during July. Simon Property Group, whilst not in the top 5 absolute returns of Fund holdings, was the top contributor to Fund return for the month.



## Outlook

The commencement of reporting season is seeing some mixed results. A number of REITs are beating at the revenue line but guiding to a weaker outlook due to higher interest expenses. Consequently, some REITs are guiding to EPU declines in FY23 vs FY22, in some instances quite meaningfully. Charter Hall Long WALE REIT is a good example, guiding down 8% in FY23 vs FY22 and this would have been an estimated 13% decline if not for paying for new hedges out of market. We expect to see some volatility and investment opportunity arising during reporting season relating to market reactions to disparate guidance.

Overlaying this is our view that the sector continues to remain historically cheap when viewed from an NTA and earnings multiple perspective. A moderating of US inflation as announced in August has triggered some strength in the US REIT sector pricing as investors factor lower risk of peak US interest rates.

## Fat Prophets Global Property Fund

Fund Manager  
Simon Wheatley  
11 August 2022

### 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 (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.

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