



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

## **ASX ANNOUNCEMENT**

10 March 2023

### **FPP NTA February 2023**

Please find attached the FPP NTA for February 2023

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) February 2023 NTA update

### February 2023 Monthly NTA Announcement

Key Points:

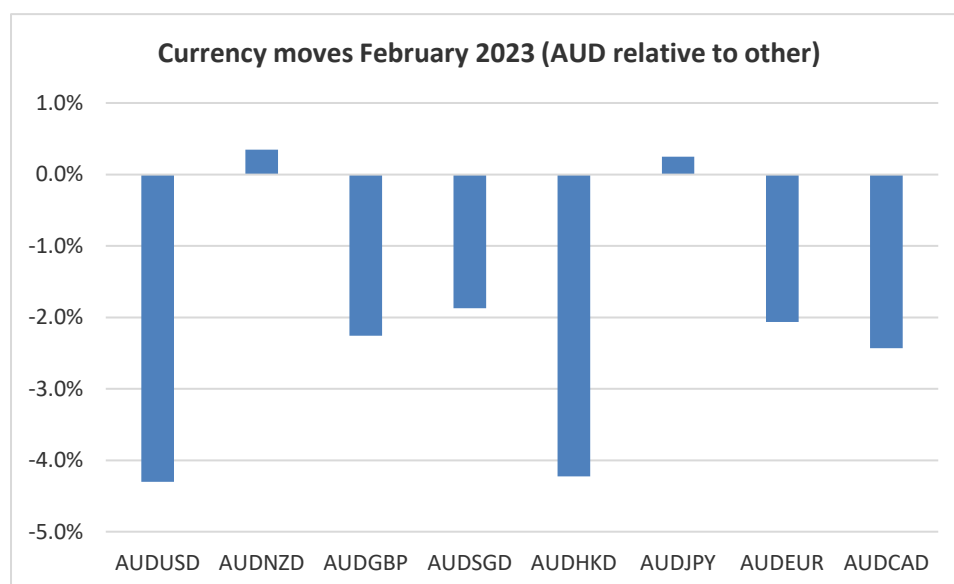
- **Fund NTA increased 0.17% post fees during February**
- **Australian REITs and global REIT total returns during February were both mildly negative**
- **Cash holdings in FPP were 7.3% at the end of February**

Dear Unitholders,

Equity and REIT markets were generally negative during February, as rising interest rates continued to be a thematic. It was also reporting season in many regions, with company outlooks and financial updates being a significant driver of any stock specific catalysts during the month.

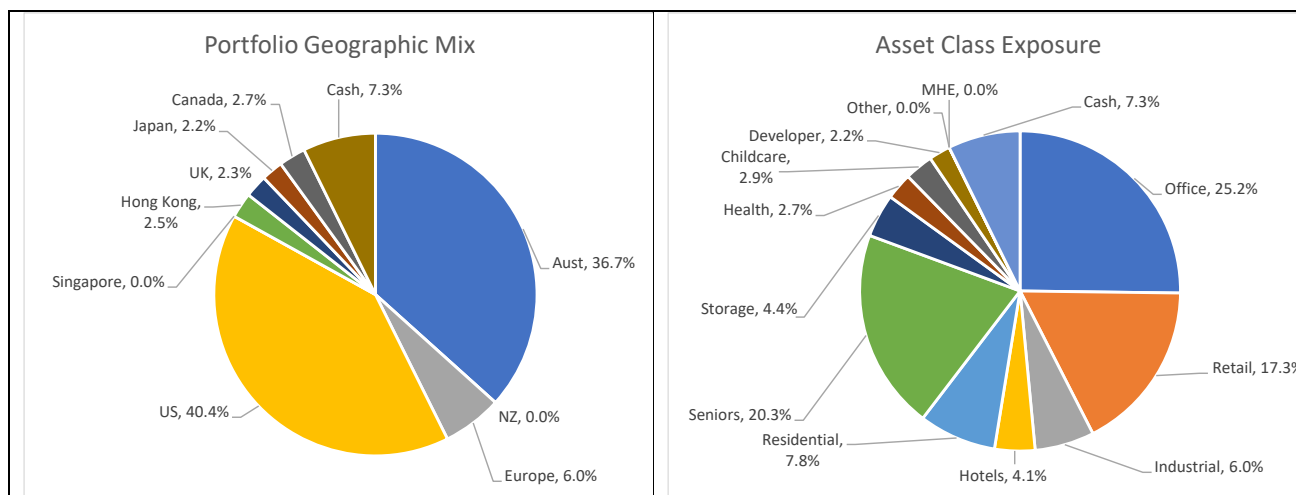
	31-Jan-23	28-Feb-23	Change
<b>Value per unit (ex distribution)</b>	\$0.8616	\$0.8631	+0.17%

Currency in AUD terms relative to USD was meaningfully weaker in February, driving positive returns for the Fund's US holdings. The Fund is however, meaningfully underweight the US, and as such the currency move was a negative for the Fund; it was therefore positive that despite this headwind, the Fund return for the month exceeded the Index.



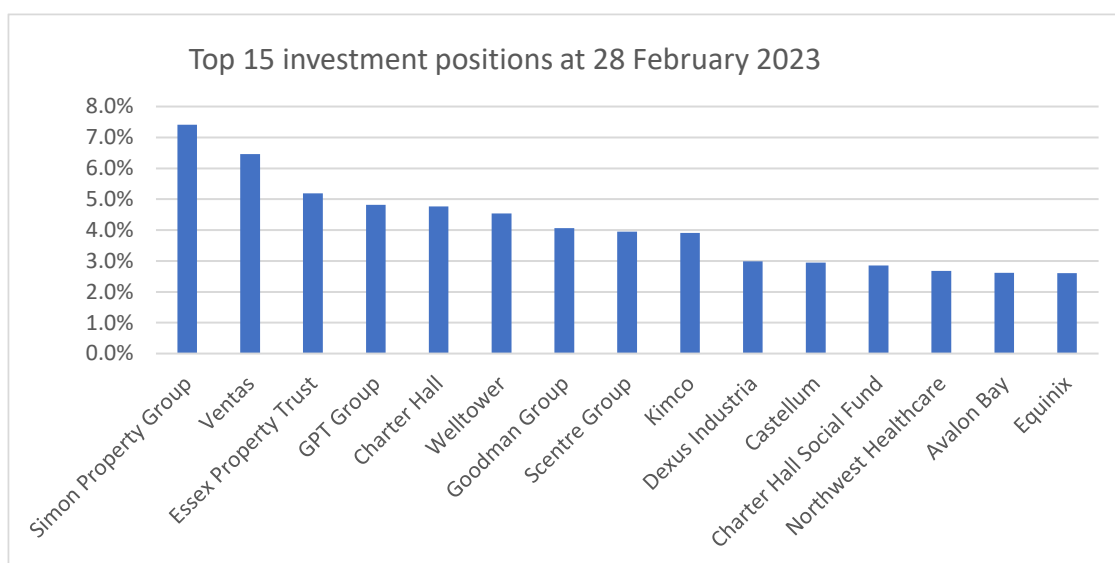
The Fund cash balance reduced to 7.3% reflecting the payment of the 3.0c per unit half yearly distribution to investors. With indexes largely flat during February, the cash exposure had no impact on Fund relative performance.

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 number of Fund core investment holdings remained at 34 at the end of February.

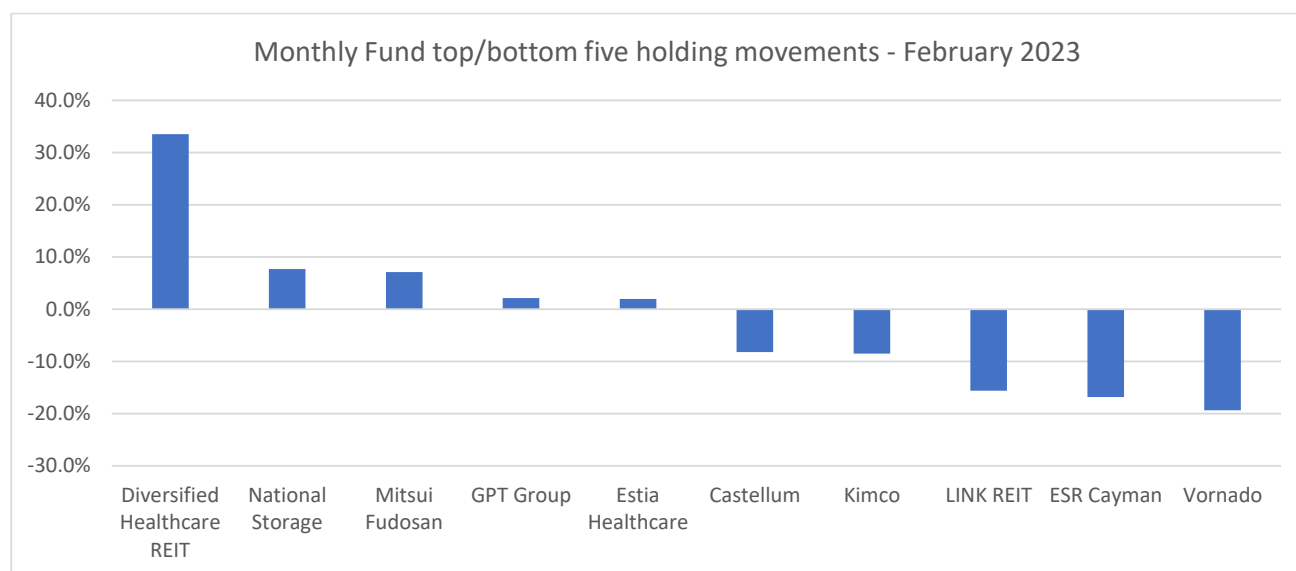


Top holdings in the Fund as at the end of February are summarised in the following chart.

Simon Property Group remains the largest holding in the Fund – its share price has been flat for the past six months as recovery in spending is offset by increasing interest rates aimed to impact discretionary consumer spending. We are reviewing our exposure as rate rises exceed our earlier expectation. We retain confidence around US healthcare exposure and Ventas remains a significant holding. The Fund’s largest Australian holding is GPT which has risen 10% over the past six months while many other Australian REITs have been stable.



The best and worst contributors to return for the month of February are summarised in the following chart. Diversified Healthcare REIT was the Fund’s best performer, rising substantially post announcing results which surprised on the upside. The stock nearly quadrupled off its lows a month ago, and we have taken the opportunity in early March to exit the investment position. The weakest exposure for the month was US office owner and developer Vornado. VNO beat earnings estimates during reporting season in February, however, has dropped in price as office space viability comes under question, and the outlook for development profits declines. The stock is trading a high single digit earnings multiple. In recent months we reduced our exposure to Australian office, downsizing the Fund’s holding in Dexu Property Group, due to similar concerns.



## Outlook

The key thematics for real estate markets continue to be interest rates. Rates in the US in particular, are tracking higher than previously anticipated as the US Federal Reserve seeks to quash inflationary pressures. There are various implications to consumer demand and impacts on retail spending which are causing us to revisit some assumptions underlying our investment decisions.

Reporting season by and large did not deliver any major red flags regarding earnings or asset valuations which is a positive, and supports our ongoing view that REITs are currently overly discounted and present upside opportunity as share prices and fundamentals gradually revert.

## Fat Prophets Global Property Fund

Fund Manager  
Simon Wheatley  
10 March 2023

## 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.