



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

## **ASX ANNOUNCEMENT**

12 May 2023

### **FPP NTA April 2023**

Please find attached the FPP NTA for April 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) April 2023 NTA update

### April 2023 Monthly NTA Announcement

Key Points:

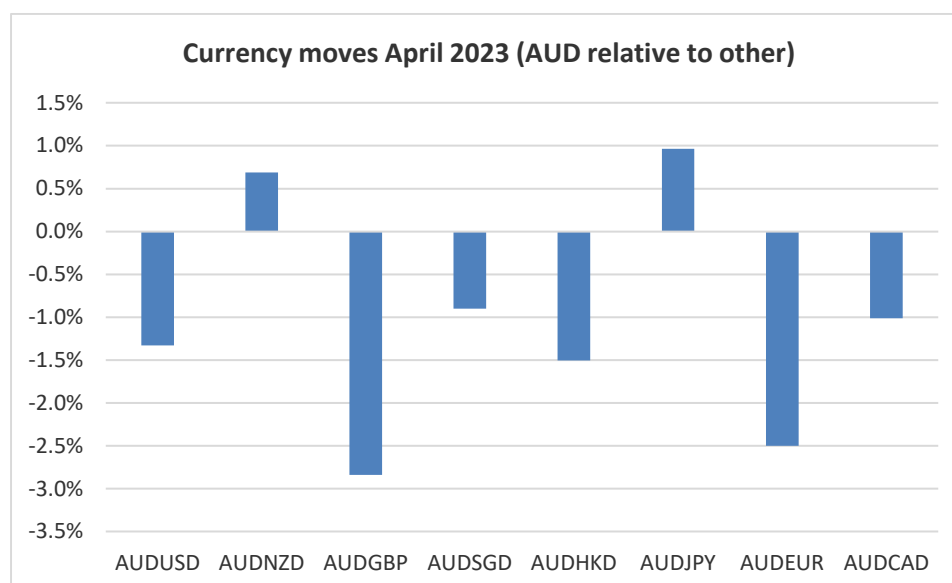
- **Fund NTA increased 3.7% post fees during April**
- **Australian REITs increased 5.1% during April while global REITs increased 3.3% in AUD terms**
- **Cash holdings in FPP were 9.0% at the end of April**

Dear Unitholders,

REIT markets had another rebound during April offsetting a similar level decline in March. FPP NTA has now been range bound for a number of months, tracking relatively sideways.

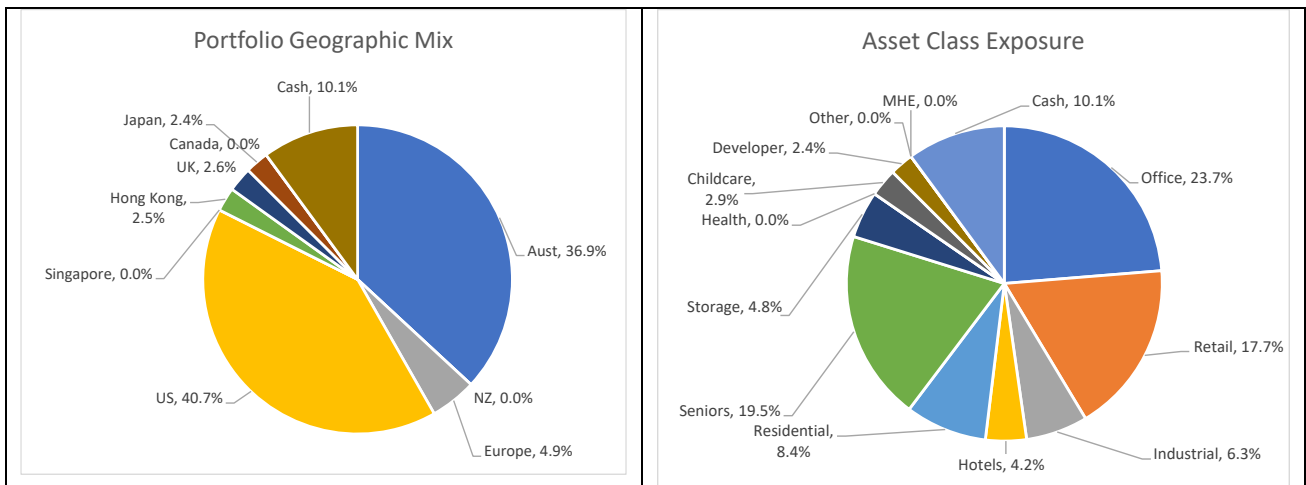
	31 March-23	30 April-23	Change
<b>Value per unit</b>	\$0.8264	\$0.8572	+3.73%

Currency in AUD terms relative to USD was marginally weaker in April, providing a mild benefit to Fund return with the AUD/USD moving from \$0.669 to \$0.661.



The Fund cash balance was 9.0%, the highest it has been in more than 6 months.

The current Fund portfolio geographic allocation at the end of April 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 sits at 32.



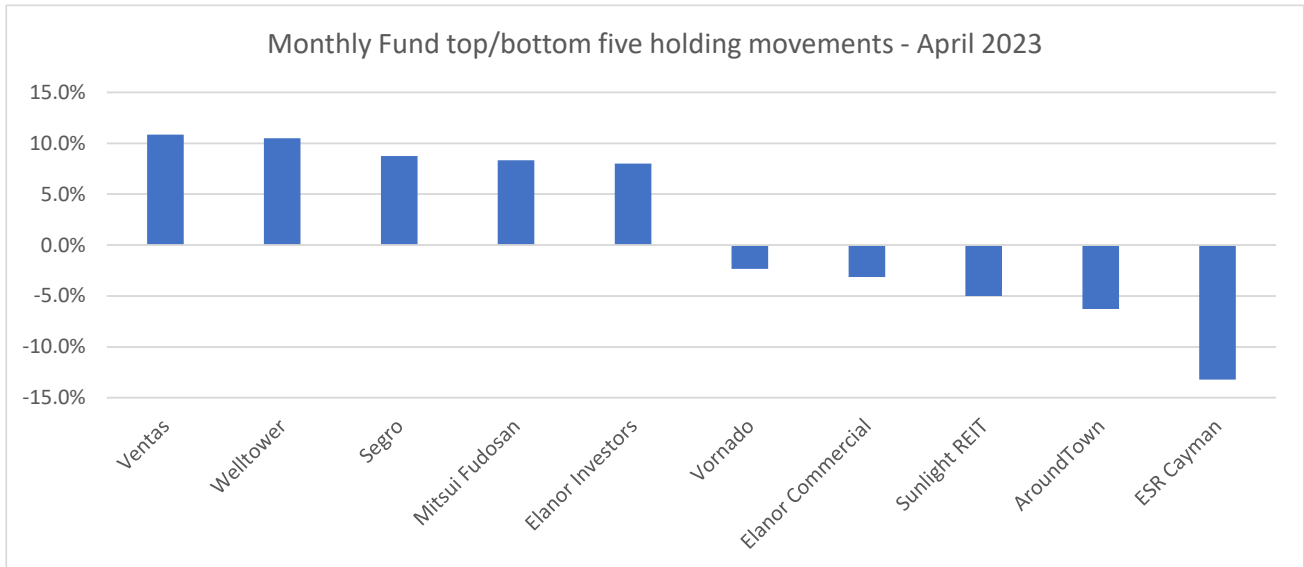
Top holdings in the Fund as at the end of April are summarised in the following chart.

Simon Property Group (SPG) remains the largest holding at 7.3% of the portfolio. SPG announced quarterly results in early May, upgrading earnings guidance slightly. The Fund’s second largest holding Ventas Inc posted a recovery and was up more than 10% during the month.



The best and worst contributors to return for the month of April are summarised in the following chart. AroundTown in Europe was once again weak. A number of European property companies are now trading at very extreme discounts to NTA. Asian industrial logistics owner and the largest real estate funds manager in Asia ESR Group was weak and has been a meaningful underperformer driven by increasing interest rates reducing price multiples for fund managers.

The strongest returns were from exposure to US residential, US Healthcare and UK industrial.



## Outlook

REITs are likely to remain under some pressure in the coming months as official interest rates remain elevated with uncertainty as to the peak. There is a broad level of expectation that interest rates may be cut in 2024 and are currently close to a cyclical peak. The impact on REITs is a reflection of commercial real estate pricing where capitalisation rates have over the long term reflected a spread over the risk free rate.

With one of the most rapid increases in rates in decades, the spread has narrowed and the implication is that asset devaluation risk is in play as cap rates rise. There is some evidence of devaluations in isolated transactions, however the majority of REITs are trading at substantial discounts to net asset backing meaning this expectation is already priced into share prices. If the depth of decline for commercial real estate is similar to residential property where there were dire but unfounded forecasts of major price declines, REITs may see a recovery. We see little catalyst for this while interest rates continue to rise in the coming months however. As such we are cautious with a higher than normal cash balance, and are selectively seeking mispriced opportunities.

## Fat Prophets Global Property Fund

Fund Manager  
Simon Wheatley  
12 May 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.