



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

ASX ANNOUNCEMENT

13 June 2023

FPP NTA May 2023

Please find attached the FPP NTA for May 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

For any enquiries please contact the Responsible Entity on 02 8277 0000.

ASX ANNOUNCEMENT

Fat Prophets Global Property Fund (FPP) May 2023 NTA update

May 2023 Monthly NTA Announcement

Key Points:

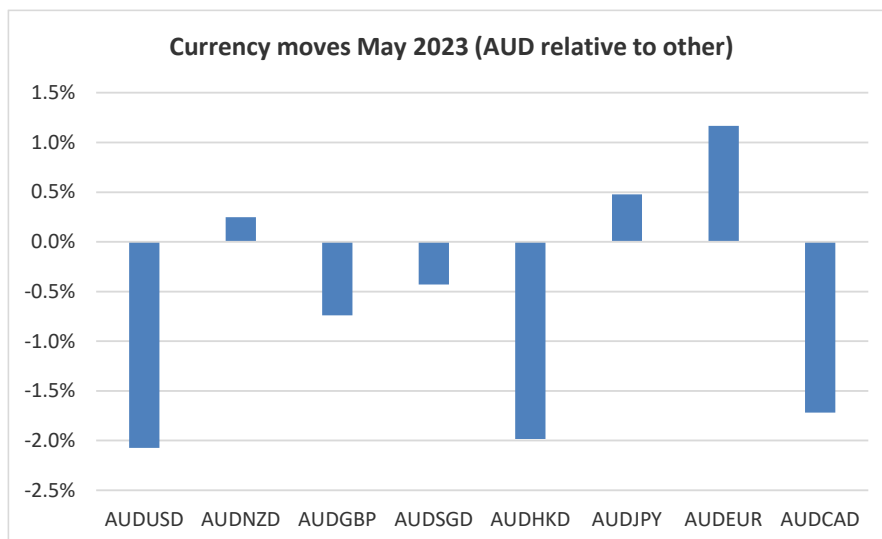
- **Fund NTA declined 3.5% post fees during May**
- **Australian REITs returned – 2.4% during May while global REITs also declined -2.4% in AUD terms**
- **Cash holdings in FPP increased to 10.4% at the end of May**

Dear Unitholders,

REIT markets continued their sideways trend during May finishing marginally above where they started CY 2023 but down for the month vs April in what has been a monthly period of see sawing volatility. Similarly, FPP NTA has now been range bound for a number of months, tracking relatively sideways.

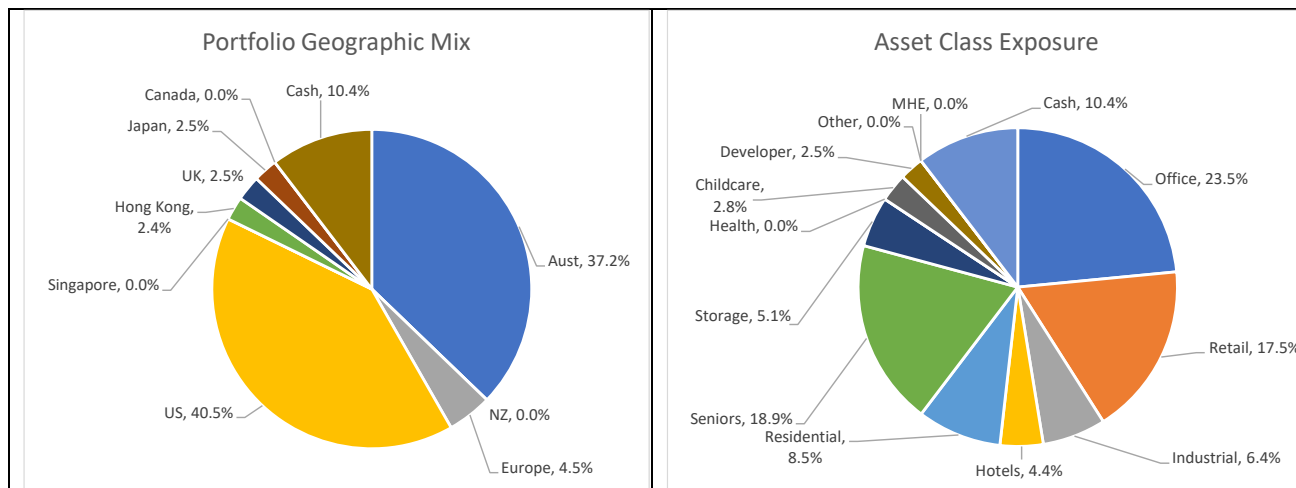
	30 April-23	31 May-23	Change
Value per unit	\$0.8572	\$0.8276	-3.45%

Currency in AUD terms relative to USD was weaker in May, with the AUD/USD falling from \$0.660 to \$0.647 as the US continued on a rate rise path while Australia’s RBA briefly appeared it was reviewing a pause. The lower AUD contributed to a gain for US holdings. Global REITs declined 2.4% in May in AUD but fell 4.4% in USD terms. As FPP is underweight US and overweight Australia, this currency move worked against the Fund.



The Fund cash balance increased to 10.4%, the highest it has been in more than 6 months.

The current Fund portfolio geographic allocation at the end of May 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.



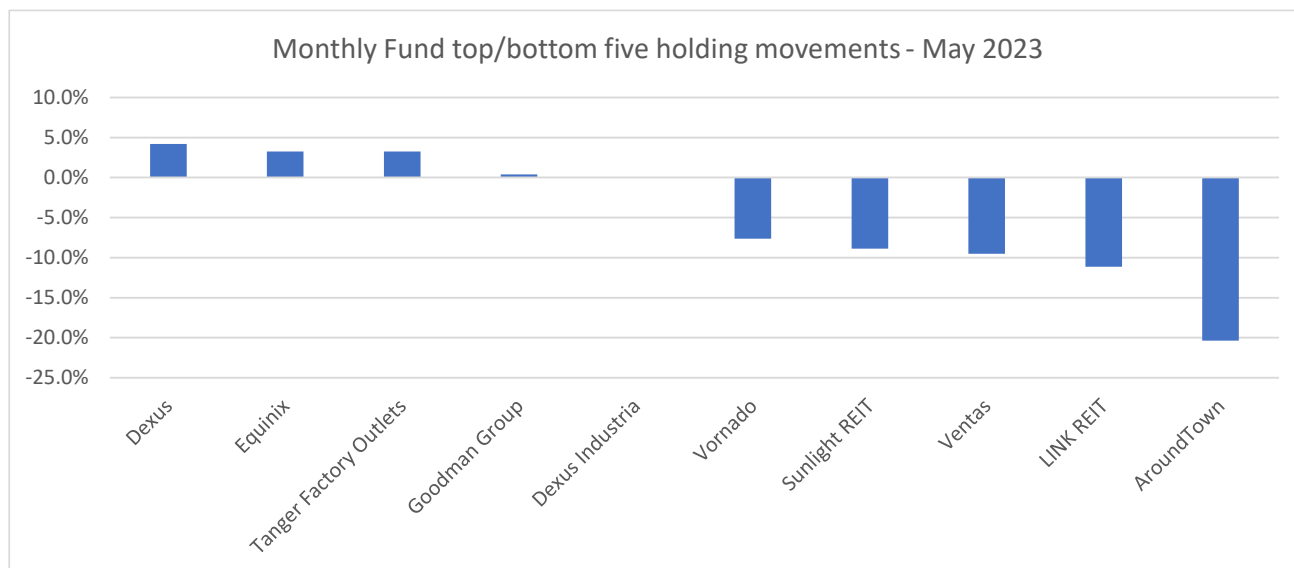
Top holdings in the Fund as at the end of May are summarised in the following chart.

Simon Property Group (SPG) remains the largest holding at 7.2% of the portfolio followed by Healthcare REITs Ventas and Welltower and residential exposure through Essex. While FPP is underweight US, its top four holdings are all US listed.



The best and worst contributors to return for the month of May are summarised in the following chart. AroundTown in Europe was once again weak although is the second smallest holding in the Fund. Australian based shopping centre REIT Vicinity Centres (VCX.AX) which we sold out of around 6 months ago, recorded a double digit percentage decline as investors started to become more concerned around discretionary spending, and extrapolating this to the owners of real estate whose rent is reliant on healthy retail trading.

Somewhat confounding the trend of office landlords being pariahed by investors, Dexus Property Group was one of the stronger global performers in May with a 4.2% return. In fact, it was the best performer within FPP’s holdings during May. We reduced our exposure to DXS a number of months ago due to our view around asset value decline risk for office buildings which is increasingly playing out.



Outlook

There is value in the REIT sector in our view, although the fact that interest rates globally continue to rise is a significant handbrake on return opportunity. REITs have a tendency to outperform in the 6 month period post official interest rates peaking but underperform prior to reaching the peak. Asset value declines are starting to emerge in some sectors (eg Australian office properties selling at 15%+ discounts to last book value) which will cause some REIT NTA’s to stagnate or decline in the near term. We are looking to alternative real estate asset classes to seek opportunity and avoid value stagnation.

Fat Prophets Global Property Fund

Fund Manager
 Simon Wheatley
 13 June 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.