

Fat Prophets Global Property Fund

ARSN: 619 970 786

Final Financial Report for the year ended 30 June 2023

Results for Announcement to the Market

Appendix 4E

30 June 2023

	\$	up/down	% change
Gain from ordinary activities	169,804	up	106.78%
Profit/(loss) from ordinary activities after tax attributable to unitholders	(389,584)	up	87.22%
Net Profit/(loss) for the period attributable to unitholders	(389,584)	up	87.22%
Distribution Information	Cents per unit	Franked amount per unit	Tax rate for franking
2023 Interim distribution	3.00	-	-
2023 Final distribution	3.00	-	-
Final Distribution Dates			
Ex-distribution date			27 June 2023
Record date			28 June 2023
Payment date			31 August 2023
Distribution Reinvestment Plan			
The Distribution Reinvestment Plan is not in place			
		30 June 2023	30 June 2022
		\$	\$
(Post Tax) Net tangible asset backing		0.82	0.89
This report is based on the annual report which has been subject to independent audit by the auditors, PKF(NS) Audit & Assurance Limited Partnership. The audit report is included with the Fund's Annual Report, which accompanies this Appendix 4E. All the documents comprise the information required by the Listing Rule 4.3A.			

For personal use only

Fat Prophets Global Property Fund

ARSN 619 970 786

Annual report for the financial year ended 30 June 2023

Index to the Financial Statements

Page

Directors' Report	2
Auditor's Independence Declaration	5
Investment Manager's Report	6
Directors' Declaration	9
Independent Auditor's report	10
Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023	15
Statement of Financial Position as at 30 June 2023	16
Statement of Changes in Equity for the year ended 30 June 2023	17
Statement of Cash Flows for the year ended 30 June 2023	18
Notes to the Financial Statements	
1. Summary of Significant Accounting Policies	19
2. Adoption of New and Revised Accounting Standards	23
3. Investments in Financial Instruments	23
4. Net gains on Financial Instruments Held at Fair Value through Profit or Loss	25
5. Management and Performance Fees	25
6. Net assets attributable to unitholders	26
7. Segment Information	27
8. Cash and Cash Equivalents	27
9. Other Receivables	28
10. Auditor's Remuneration	28
11. Distribution to Unitholders	28
12. Financial Risk Management Objectives and Policies	28
13. Related Party Transactions	40
14. Commitments and Contingencies	41
15. Subsequent Events	41
Unitholder Information	41
Corporate Information	43

Directors' Report

The directors of One Managed Investment Funds Limited (AFSL: 297042) ("OMIFL" or the "Responsible Entity"), the Responsible Entity of Fat Prophets Global Property Fund (ARSN 619 970 786) (the "Fund"), submit their report together with the final financial statements of the Fund for the year ended 30 June 2023.

Responsible Entity

The Responsible Entity of the Fund is OMIFL.

The registered office and principal place of business of the Responsible Entity is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000.

Investment Manager

The investment manager of the Fund is Fat Prophets Funds Management Pty Ltd (ACN 615 545 536) (the "Investment Manager").

The principal place of business of the Investment Manager is Level 3, 22 Market Street, Sydney NSW 2000.

Directors

The following persons held office as directors of OMIFL during the year up to the date of this report:

Name	Title
Frank Tearle	Executive Director & Company Secretary
Sarah Wiesener	Executive Director & Company Secretary
Michael Sutherland	Executive Director

Principal Activities

The Fund is a registered managed investments scheme domiciled and registered in Australia and quoted on the Australian Securities Exchange ("ASX"). The Fund was constituted on 23 June 2017 and quoted operations on 10 October 2017.

The principal activity of the Fund during the year was to invest in accordance with the provisions of the Fund constitution and the Product Disclosure Statement dated 11 July 2017 as varied by the supplementary Product Disclosure Statements dated 28 July 2017 and 21 September 2017 (together, the "PDS").

The Fund invests primarily in a diversified but high conviction portfolio of global real estate securities. The Fund only invests in equities in developed markets and the Fund does not use leverage, short-selling or derivatives and as such is simple in structure, targeting capital growth and distributions.

The Fund did not have any employees during the year.

Directors' Report (continued)

Review of Operations

Results

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income included in the financial statements. The net loss attributable to unitholders for the year ended 30 June 2023 was \$389,584 (2022: loss \$3,048,698).

Distributions

The Investment Manager generally intends to recommend the Responsible Entity declares and pays distributions twice a year to Unitholders. The amount of the distribution will be at the discretion of the Responsible Entity and will depend on various factors, including future earnings, capital requirements, financial conditions, future prospects and other factors that the Responsible Entity deems relevant. The intention is that the distributions represent up to 100% of distributable income.

Distributions of \$1,357,685 (2022: \$1,365,320) were paid during the year ended 30 June 2023.

Significant changes in state of affairs

There were no other significant changes in the state of affairs in the Fund during the year.

Subsequent Events

The Investment Manager has been given Board approval to continue with a buyback program of up to 10% of its units on issue.

This arrangement shall cease on 11 April 2024.

Likely developments and expected results of operations

The Fund will continue to be managed in accordance with the Constitution and investment objectives as detailed in the Product Disclosure Statement ("PDS") dated 11 July 2017 as varied by the supplementary PDS's dated 28 July 2017, 21 September 2017 and any public announcements made in respect of the Fund during the interim reporting period.

Environmental Regulation and Performance

The operations of the Fund are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory. There have been no known significant breaches of any other environmental requirements applicable to the Fund.

Indemnification of Directors, Officers and Auditors

During or since the financial year, the Trust has not indemnified or made a relevant agreement to indemnify an officer of the Responsible Entity or auditor of the Trust or any related corporate body against a liability incurred by Responsible Entity or auditor of the Trust. In addition, the Trust has not paid, or agreed to pay, a premium in respect of an officer of the contract insuring against a liability incurred by an officer of the Responsible Entity or auditor of the Trust.

Directors' Report (continued)

Auditor

PKF (NS) Audit & Assurance Limited Partnership was appointed as auditor of the Fund and continues in that office in accordance with *Section 327 of the Corporations Act 2001*.

Non-Audit Services

Details of amounts paid or payable to the auditor for non-audit services provided during the period by the auditor are outlined in Note 10 to the financial statements. The directors are satisfied that the provision of non-audit services during the period by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This directors' report is signed in accordance with a resolution of directors of the Responsible Entity made pursuant to Section 306(3) of the *Corporations Act 2001*.



Frank Tearle
Executive Director
29 August 2023

Fat Prophets Global Property Fund

Auditors' Independence Declaration under Section 307C of the Corporations Act 2001

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

PAUL PEARMAN
PARTNER

29 AUGUST 2023
SYDNEY, NSW

Investment Manager's Report



Full Year Report for 2023

Dear Unitholders,

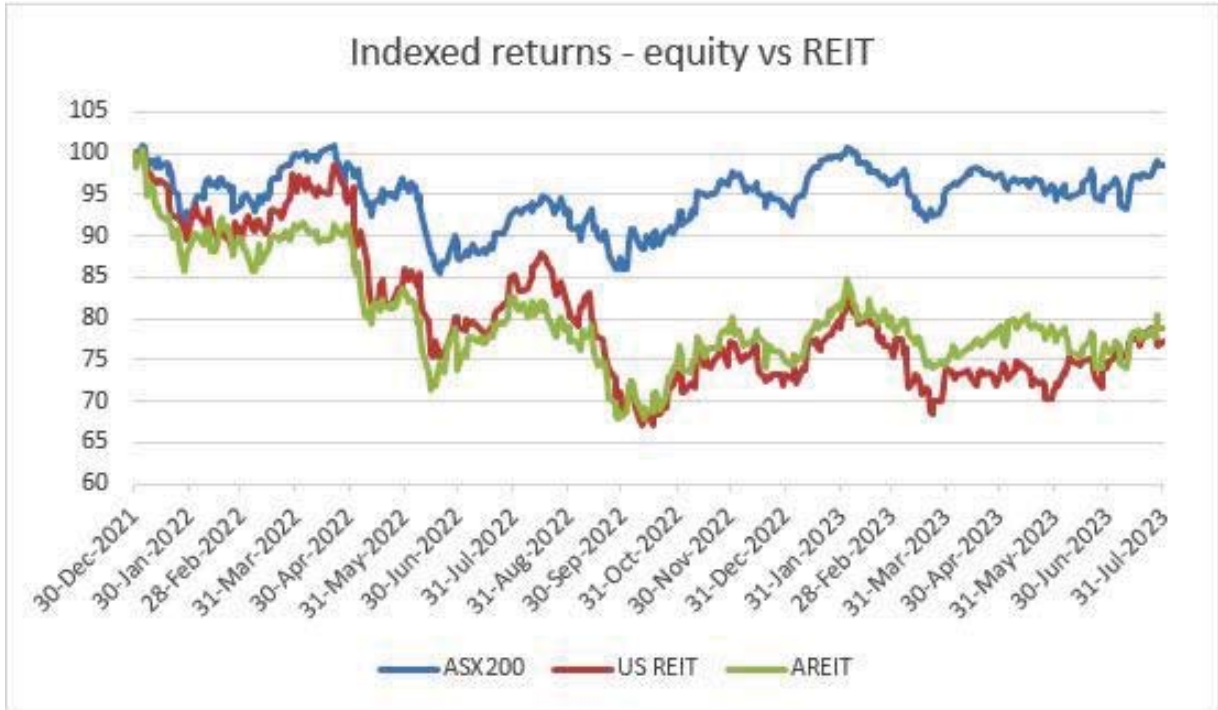
The FY23 year has been a period of meaningful market change. High inflation has dominated Australia, the US and Europe and resulted in central banks taking rapid action to a level which was not anticipated a year prior. Whereas interest rates post COVID had fallen to all time lows, the rise in interest rates to combat inflation was in some regions the largest level of rate hikes in decades. The US official interest rate is now at the highest levels in 22 years.

More specifically, the past year has been somewhat challenging for the REIT sector, due primarily to the fact that interest rates were increasing globally on almost a monthly basis. Given the correlation between bonds and REITs, pricing has been negatively impacted.

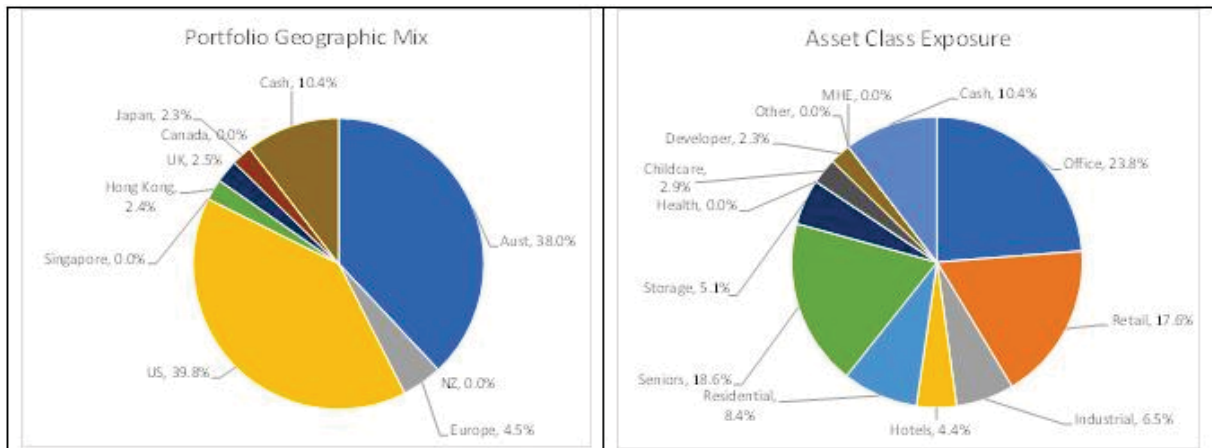
Equities markets had a meaningful rebound in the first half of 2023. This did not extend to the REIT sector however. Historically, REIT pricing is under pressure when interest rates are rising, and rallying when interest rates are falling. As demonstrated in the following chart, while equities have rallied, REITs have languished. The spread between the two is very wide. There is evidence suggesting that REITs recover and outperform equities when the top of the interest rate cycle is reached. We believe we are close to this inflection point. As such, we believe that there appears to be a reasonable prospect that a catalyst is in place for REITs to recover through the balance of FY24.

For personal use only

Investment Manager's Report (continued)



In terms of geographic exposure, the fund was underweight US and Europe, and overweight Australia at the end of FY23. Europe has had a challenging year with many REITs now trading at very deep discounts their net asset value.



For personal use only

Investment Manager's Report (continued)

The number of investment positions held by the Fund at the end of FY23 declined from 38 to 32 over the year as we built a more concentrated exposure. The top holding at the end of the year was US shopping centre REIT Simon Property Group. We have reduced exposure to Australian shopping centre REITs and increased exposure to industrial. We have also reduced exposure to global office property. There has been a meaningful shift in work practices since COVID which embedded a culture of validation and acceptance of working from home (WFH). This has strongly prevailed and a majority of office roles are now partly WFH and partly from the office. We expect this to lead to a medium term increase in office vacancy rates as offices cater for less staff on site and likely move back toward hotdesking. This will likely impact demand, market rents, and capital values for some years to come.

A distribution of 6 cents per unit was paid over 12 months, reflecting a yield of 8.7% based on the unit price at 30 June 2023.

Many REITs are trading at discounts to net asset backing which represent historically deep discounts. Over the long term REITs have demonstrated that pricing ultimately reverts to their underlying asset value. This suggests that current pricing is strongly risked to the upside from current levels. Furthermore, we believe there is a catalyst to this recovery, being the likely topping out of the interest rate cycle for now. As a result, we have tended to be fundamentally fully invested through 2023 and expect to maintain this position in the near term.

Fat Prophets Global Property Fund
Fund Manager
Simon Wheatley

Fat Prophets Funds Management Pty Ltd
Chief Executive Officer
Angus Geddes

25 August 2023

Directors' declaration

In the opinion of the directors of the Responsible Entity:

- (a) the financial statements and notes set out on pages 15 to 43 are in accordance with the *Corporations Act 2001*, including:
- complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
 - giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its performance for the financial year ended on that date,
- (b) there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable, and

Signed in accordance with a resolution of the directors of the Responsible Entity.

On behalf of the directors of the Responsible Entity, One Managed Investment Funds Limited.



Frank Tearle
Executive Director
29 August 2023

INDEPENDENT AUDITOR'S REPORT

TO THE UNITHOLDERS OF FAT PROPHETS GLOBAL PROPERTY FUND

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Fat Prophets Global Property Fund (the Fund), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the Fund.

In our opinion, the financial report of Fat Prophets Global Property Fund is in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the Fund's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the entity in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

Key Audit Matters (cont'd)

1. Valuation and existence of investments

Why significant

As at 30 June 2023, the carrying value of financial assets was \$17.2m which represented 93% of the Fund's Net Assets, as disclosed in Note 3 of the financial report.

The financial assets consist of Australian and International real estate securities held at fair value through profit and loss. Accordingly, the fluctuations in investment valuation are recognised in the statement of profit or loss and other comprehensive income.

Given the nature and principal activity of the Fund being to invest in listed securities, combined with the quantum of investments held, we have identified that the valuation and existence of these investments to be a key audit matter.

2. Accuracy and completeness of management fees

Why significant

The management fee calculations are based on the portfolio Net Asset Value and made with related parties therefore heightening the inherent risk associated with these balances, as disclosed in Note 5 of the financial report.

For the year ended 30 June 2023 the Fund has recognised management fees of \$200,519 and no performance fees.

Given the nature of the various inputs and complexity of the management and performance fee calculations, we have determined that the accuracy and completeness of these balances to be a key audit matter.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Performing a reconciliation of the investments balance from 30 June 2022, taking into consideration current period purchases, sales and other relevant transactions and agreeing to the final 30 June 2023 balance.
- Agreeing investment quantity holdings at 30 June 2023 to independent third party sources.
- Agreeing all the listed equities investment prices to independent market pricing sources as at 30 June 2023.
- Obtaining a report on whether the controls over investment purchases and sales transactions were suitably designed and operated effectively for the period and assessed the report.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Recalculating management and performance fees recognised in accordance with the terms outlined in the prospectus.
- Testing key inputs used in the calculation of the management and performance fees and performed an independent assessment.
- Assessing the adequacy of the disclosure of the management and performance fees in the financial report.

Other Information

Other information is financial and non-financial information in the annual report of the Fund which is provided in addition to the Financial Report and the Auditor's Report. The Directors of the Responsible Entity ("Directors") are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The Directors of the Fund are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Fat Prophets Global Property Fund for the year ended 30 June 2023, complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Fund are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



PKF



PAUL PEARMAN
PARTNER

29 AUGUST 2023
SYDNEY, NSW

Fat Prophets Global Property Fund

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023

	Note	Year ended 30 June 2023	Year ended 30 June 2022
		\$	\$
Income			
Net losses on financial instruments at fair value through profit or loss	4	(653,471)	(3,418,749)
Foreign exchange gains		59,957	50,014
Interest income		7,564	619
Dividend income		755,754	863,546
Total profit/(loss) income		169,804	(2,504,570)
Expenses			
Management fees	5	200,519	256,546
Other expenses		358,869	287,582
Total operating expenses		559,388	544,128
Operating losses attributable to unitholders		(389,584)	(3,048,698)
Operating losses attributable to unitholders			
Distributions to unitholders		1,357,685	1,365,320
Decrease in net assets attributable to unitholders	6(b)	(1,747,269)	(4,414,018)
Profit/(loss) for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the period attributable to unitholders of the Fund		-	-
Basic and diluted loss per unit (cents per unit)		(1.72)	(13.42)

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Fat Prophets Global Property Fund

Statement of Financial Position as at 30 June 2023

	Note	Year ended 30 June 2023	Year ended 30 June 2022
		\$	\$
Assets			
Cash and cash equivalents	8	1,855,583	1,778,711
Dividends receivable		123,456	141,120
GST receivable	9	8,580	9,804
Due from brokers - receivable for securities sold		-	1,642,638
Financial assets at fair value through profit or loss	3(a)	17,213,312	18,456,739
Total assets		19,200,931	22,029,012
Liabilities			
Distribution payable	11	678,468	681,970
Management fees payable	5	17,589	19,265
Custody fees payable		3,756	-
Responsible Entity fees payable		7,825	-
Buy Back of FPP units		-	16,870
Due to broker - payable for securities bought		-	994,083
Total liabilities (excluding net assets attributable to unitholders)		707,638	1,712,188
Net assets attributable to unitholders - liability	6(b)	18,493,293	20,316,824
NTA per unit		0.82	0.89

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Fat Prophets Global Property Fund

Statement of Changes in Equity for the year ended 30 June 2023

	Year ended 30 June 2023	Year ended 30 June 2022
	\$	\$
Total equity at the beginning of the year		
Profit /(loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as equity holders	-	-
Total equity at the end of the financial year	-	-

Under Australian Accounting Standards, net assets attributable to unitholders are classified as liability rather than equity. As a result, there was no equity at the start or end of the financial period.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Fat Prophets Global Property Fund

Statement of Cash Flows for the year ended 30 June 2023

	Note	Year ended 30 June 2023	Year ended 30 June 2022
		\$	\$
Cash flows from operating activities			
Dividends received		773,418	849,821
Interest received/(paid)		6,752	(21)
Management fees paid		(202,195)	(260,633)
Other payments		(345,252)	(289,074)
Net cash provided by operating activities	8(b)	232,723	300,093
Cash flows from investing activities			
Payments for purchase of investments		(2,380,343)	(2,999,180)
Proceeds from sale of investments		3,643,827	4,565,489
(Payments)/proceeds from spot FX trades		(4,801)	5,718
Net cash provided by investing activities		1,258,683	1,572,027
Cash flows from financing activities			
Payment for the Buy Backs		(93,132)	(44,411)
Distribution paid to unit holders		(1,361,187)	(1,343,922)
Net cash used in financing activities		(1,454,319)	(1,388,333)
Net increase in cash and cash equivalents		37,087	483,787
Cash and cash equivalents at the beginning of the year		1,778,711	1,263,481
Effects of exchange rate changes on the balance of cash held in foreign currencies		39,785	31,443
Cash and cash equivalents at the end of the year	8(a)	1,855,583	1,778,711
Non cash activities		-	-

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Fat Prophets Global Property Fund

Notes to the financial statements

General information

Fat Prophets Global Property Fund (the "Fund") is registered and domiciled in Australia and is listed on the ASX. The Fund is an investment trust focused on global investments with exposure to real estate. The Fund was constituted on 23 June 2017 and registered as equity investment scheme on 7 July 2017 and commenced operations on 10 October 2017.

The responsible entity of the Fund is One Managed Investment Funds Limited (ABN 47 117 400 987; AFSL 297 042) ("OMIFL" or the "Responsible Entity"). The Responsible Entity's registered office is Level 16, Governor Macquarie Tower, 1 Farrer Place, Sydney NSW 2000.

Fat Prophets Funds Management Pty Ltd (the "Investment Manager") is the investment manager of the Fund.

The financial statements were authorised for issue by the directors on the date the directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

1. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Basis of Preparation

These financial statements have been prepared on a historical cost basis, except for financial assets classified as at fair value through profit or loss that has been valued at fair value.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current. All balances are expected to be recovered or settled within 12 months, except net assets attributable to unitholders.

(b) Statement of Compliance

These financial statements comply with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB.

(c) Reporting Currency

All amounts are presented in Australian dollars as the functional and presentational currency of the Fund.

(d) Going Concern Basis

The financial report has been prepared on a going concern basis.

1. Summary of Significant Accounting Policies (continued)

(e) Revenue and Income Recognition

Revenue

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Fund and the revenue can be reliably measured.

Dividends

Dividend or distribution income is recognised on the ex-dividend date with the corresponding foreign withholding tax recorded as an expense.

Interest Income

Interest income is recognised on a time proportionate basis taking into account the effective yield on the financial assets.

(f) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(g) Investments in Financial Instruments

Investments in financial instruments, as defined by AASB 132 "Financial Instruments: Presentation", are categorised in accordance with AASB 9 "Financial Instruments: Recognition and Measurement". This classification is determined by the investment strategy of the company. The classification of each financial instrument is re-evaluated at each financial year end.

(i) Classification

The Fund's investments are categorised at fair value through profit or loss.

Financial Instruments Designated at Fair Value through Profit or Loss

These include financial assets that are not held for trading purposes and which may be sold. These are investments in exchange traded equity instruments.

Financial assets and financial liabilities designated at fair value through profit or loss at commencement of operations are those that are managed and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy.

(ii) Recognition/derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets and financial liabilities from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Fund has transferred substantially all the risks and rewards of ownership.

1. Summary of Significant Accounting Policies (continued)

(g) Investments in Financial Instruments (continued)

(iii) Measurement

Financial Assets and Liabilities held at Fair Value through Profit or Loss

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Fair Value in an Active Market

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs. The quoted market price used for financial assets and liabilities held by the Fund is the current close price.

Net gains/(losses) on financial instruments held at fair value through profit or loss arising on a change in fair value are calculated as the difference between the fair value at period end and the fair value at the previous valuation point. Net gains/ (losses) do not include interest or dividend income.

(h) Expenses

All expenses, including Investment Manager's fees, are recognised in the Statement of Profit or Loss and Other Comprehensive Income on an accruals basis.

(i) Receivables

Receivables may include amounts for dividends, distributions, interest, and amounts due from brokers. Dividends or distributions are accrued when the right to receive payment is established. Interest is accrued at the reporting date from the time of last payment in accordance with the policy set out in Note 1 (e).

(j) Payables

Payables are recognised when the Fund becomes obliged to make future payments resulting from the purchase of goods and services. Payables include liabilities, amounts due to brokers and accrued expenses owing by the Fund which are unpaid as at the end of the reporting period.

(k) Foreign Currency Transactions

Transactions in foreign currencies are brought to account at the prevailing exchange rates at the date of the transaction. Foreign currency monetary items are translated at the exchange rate existing on the reporting date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. The differences arising from these foreign currency translations are recognised in the Statement of Profit or Loss and Other Comprehensive Income in the period in which they arise.

1. Summary of Significant Accounting Policies (continued)

(l) Net assets attributable to unitholders

Each unit issued confers upon the unitholder an equal interest in the Fund, and is of equal value. A unit does not confer any interest in any particular asset or investment in the Fund.

Contributions from unitholders and the net profit/(loss) attributable to unitholders of the Fund are recognised in the Statement of Financial Position as net assets attributable to unitholders.

Non-distributable income is included in net assets attributable to unitholders. The change in this amount each year represents a non-cash financing cost as it is not settled in cash until such time as it becomes distributable.

(m) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the amount of GST is not recoverable from the taxation authority, it is recognised as part of acquisition of an asset or part of an item of expense; or
- for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to the tax authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(n) Earnings Per Unit

Basic earnings per unit are calculated by dividing the profit attributable to unitholders of the Fund, excluding any costs of servicing equity other than units, by the weighted average number of units outstanding during the financial period, adjusted for bonus elements in ordinary units issued during the period.

Diluted earnings per units are calculated by dividing the profit attributable to unitholders of the Fund, excluding any costs of servicing equity other than units, by the weighted average number of units outstanding during the financial period, adjusted for bonus elements in units issued during the period.

(o) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, management are required to make judgments, estimates and assumptions about carrying values of some assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The assumptions and methods used in the determination of the value of investments are outlined in note 1 (g) of these financial statements.

Notes to the financial statements

2. Adoption of New and Revised Accounting Standards

New or amended Accounting Standard and Interpretations adopted in the current period

The Fund has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. These Standards and Interpretations did not have any material impact on these financial statements.

New standards and interpretations not yet adopted

There were no new standards or interpretations applicable that would have a material impact for the Fund.

3. Investments in Financial Instruments

(a) Financial Assets at Fair Value through Profit or Loss

	30 June 2023	30 June 2022
	\$	\$
Investment in listed equity securities	17,213,312	18,456,739
Total financial assets at fair value through profit or loss	17,213,312	18,456,739

(b) Disclosed Fair Values

For all financial instruments, their carrying value approximates fair value.

(c) Fair Value Hierarchy

AASB 7 "Financial instruments Disclosures" requires entities to provide disclosures in their financial report that enable users to evaluate the significance of financial instruments for the entity, and the nature and extent of risks arising from financial instruments to which the entity is exposed to. Below is an analysis of the financial instruments of the Fund.

Level 1:

Financial instruments are valued by reference to quoted prices in an active market(s) for identical assets or liabilities. These quoted prices represent actual and regularly occurring market transactions on an arm's length basis.

Level 2:

Financial instruments are valued using inputs other than quoted prices covered in Level 1. These other inputs include quoted prices that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). The inputs included in this level encompass quoted prices in active markets for similar assets or liabilities, quoted prices in markets in which there are few transactions for identical or similar assets or liabilities. Financial instruments that are valued using other inputs that are not quoted prices but are observable for the assets or liabilities also fall into this categorisation.

For personal use only

3. Investments in Financial Instruments (continued)

(c) Fair Value Hierarchy (continued)

Level 3:

Financial instruments that have been valued, in whole or in part, by using valuation techniques or models that are based on unobservable inputs that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Unobservable valuation inputs are determined based on the best information available, which might include the entity's own data, reflecting its assumptions as well as best practices carried out or undertaken by other market participants. These valuation techniques are used to the extent that observable inputs are not available.

The following table shows an analysis of financial instruments, recorded at fair value and presented by level of the fair value hierarchy:

	30 June 2023			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
Financial assets				
Listed equity	17,213,312	-	-	17,213,312
Total financial assets held at fair value through profit or loss	17,213,312	-	-	17,213,312

	30 June 2022			Total
	Level 1	Level 2	Level 3	
	\$	\$	\$	\$
Financial assets				
Listed equity	18,456,739	-	-	18,456,739
Total financial assets held at fair value through profit or loss	18,456,739	-	-	18,456,739

There were no transfers between levels 1, 2 and 3 during the year ended 30 June 2023. The Fund's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Valuation techniques used to derive level 1 fair values

Level 1

The fair value of financial instruments that are traded in an active market (for example, listed equities) are determined using the last traded quoted price in an active market. As at 30 June 2023, the Fund had \$17,213,312 (2022: \$18,456,739) financial assets held at fair value through profit or loss included in level 1.

For personal use only

Fat Prophets Global Property Fund

Notes to the financial statements

4. Net gains on Financial Instruments Held at Fair Value through Profit or Loss

	Year ended 30 June 2023	Year ended 30 June 2022
	\$	\$
Unrealised losses on financial instruments at fair value through profit or loss	(209,031)	(4,612,216)
Realised (losses)/gains on financial instruments at fair value through profit or loss	(444,440)	1,193,467
Net loss on financial instruments designated at fair value through profit or loss	(653,471)	(3,418,749)

5. Management and Performance Fees

Investment Management Fees

In return for the performance of its duties as manager of the Fund, the Investment Manager is entitled to be paid a management fee payable monthly in arrears equivalent to 1.0% per annum (plus GST) of the Net Asset Value calculated at the end of the month.

The Net Asset Value for management fee purposes is essentially the market value of all the investments (including cash) that make up the Portfolio reduced by any accrued but unpaid expenses of the Fund, but not provisions for tax payable or unpaid distributions of the Fund, and after subtracting any borrowings drawn down and adding back any borrowings repaid ("Net Asset Value").

Management fees for the year amounted to \$200,519 (2022: \$256,546). \$17,589 remained payable as at 30 June 2023 (2022: \$19,265).

Other Management Costs

The Responsible Entity and the Investment Manager are entitled to be paid or reimbursed for expenses relating to proper performance of their respective duties. These expenses include the responsible entity fees, the custody fee and ordinary expenses. The responsible entity fees and custody fees each accrue daily and are payable monthly in arrears from the Fund's assets. Other ordinary expenses are generally paid as incurred.

Performance Fees

In addition to the monthly Management Fee, in return for the performance of its duties as manager, the Investment Manager is entitled to be paid a quarterly Performance Fee of 17.5% (plus GST) of the outperformance between the Net Asset Value at the end of the relevant period and the performance of the benchmark. The Fund will be assessed against the Fund Benchmark. The benchmark use for performance fee calculation is the combination of 25% of S&P/ASX 300 AREIT Accumulation Index (Total Return) and 75% of FTSE EPRA NAREIT Global Developed Total Return Index given in AUD.

No performance fee is accrued for the year (2022: nil).

Fat Prophets Global Property Fund

Notes to the financial statements

6. Net assets attributable to unitholders

a) Issued Capital

	30 June 2023		30 June 2022	
	No. of units	\$	No. of units	\$
Issued and paid up capital - Ordinary units	22,713,007	22,799,490	22,778,334	22,860,771
Buy Backs	(97,416)	(76,262)	(65,327)	(61,281)
Total issued capital	22,615,591	22,723,228	22,713,007	22,799,490

The beneficial interests in the Fund are divided into units. Each fully paid unit confers on a unitholder an equal undivided interest in the assets as a whole, subject to the liabilities. It does not confer on a unitholder any interest in any particular asset. A unitholder holds a unit subject to the rights, restrictions and obligations attaching to that unit.

The Responsible Entity must determine the distributable income of the Fund for each distribution period. A unit, option or any other interest, right or instrument relating to the Fund may be transferred. The PDS dated 11 July 2017 provides a glossary of terms and their detailed descriptions on P126.

b) Net Assets

	30 June 2023		30 June 2022	
	No. of units	\$	No. of units	\$
Opening balance	22,713,007	20,316,824	22,778,334	24,792,123
Buy Backs	(97,416)	(76,262)	(65,327)	(61,281)
Decrease in net assets attributable to unitholders	-	(1,747,269)	-	(4,414,018)
Total issued capital	22,615,591	18,493,293	22,713,007	20,316,824

Fat Prophets Global Property Fund

Notes to the financial statements

7. Segment Information

The Fund has only one reportable segment. The Fund operates predominantly in Australia, investing in domestic and international securities, and in one industry being the securities industry, deriving revenue from dividend income, interest income and from the investment portfolio.

	Year ended 30 June 2023	Year ended 30 June 2022
	\$	\$
Operating segment		
Investment management:		
Attributable to Australia	169,804	(2,504,570)
Total investment gains/(losses)	169,804	(2,504,570)

8. Cash and Cash Equivalents

(a) Cash and cash equivalents include cash held at banks and custodian net of outstanding bank and broker overdrafts. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the Statement of Financial Position as follows:

	As at 30 June 2023	As at 30 June 2022
	\$	\$
Cash at bank	32,521	5,715
Cash at custodian	1,823,062	1,772,996
Cash and cash equivalents	1,855,583	1,778,711

(b) Reconciliation of decrease in net assets attributable to unitholders resulting from operations for the period to net cash flows provided by operating activities:

	Year ended 30 June 2023	Year ended 30 June 2022
	\$	\$
Decrease in net assets attributable to unitholders	(1,747,269)	(4,414,018)
Distributions to unitholders	1,357,685	1,365,320
Net losses on financial assets held at fair value through profit or loss	653,471	3,418,749
Foreign exchange gains	(59,957)	(50,014)
Change in assets and liabilities:		
Increase/(decrease) in other assets	18,888	(15,921)
Increase/(decrease) in other payables	9,905	(4,020)
Net cash provided by operating activities	232,723	300,093

For personal use only

9. Other Receivables

	Year ended 30 June 2023	Year ended 30 June 2022
	\$	\$
GST receivable	8,580	9,804
Total receivables	8,580	9,804

10. Auditor's Remuneration

The auditor of the Fund is PKF (NS) Audit & Assurance Limited Partnership.

	30 June 2023	30 June 2022
	\$	\$
Audit and review of the financial report	28,865	25,500
Audit of compliance plan - Ernst & Young	5,000	4,350
Total auditors remuneration	33,865	29,850

11. Distribution to Unitholders

The Fund generally pays half-yearly distributions reflecting up to a 100% payout ratio of the distributable income of the Fund. Subject to the Constitution, distributions (if any) will generally be paid within 3 months of the distribution calculation date. Distributions are expected but not guaranteed.

The Fund paid a distribution of 3 cpu in respect of the period ended 31 December 2022, and a final distribution of \$678,468 (3 cpu) was payable as at 30 June 2023. The distributions paid for the year ended 30 June 2023 were predominantly tax deferred.

12. Financial Risk Management Objectives and Policies

Risks arising from holding financial instruments are inherent in the Fund's activities, and are managed through a process of ongoing identification, measurement and monitoring.

Financial instruments of the Fund comprise investments in financial assets for the purpose of generating a return on the investments made by unitholders, in addition to cash and cash equivalents, and receivables from investments sold.

The Investment Manager was responsible for identifying and controlling the risks that arise from these financial instruments.

The Fund was exposed to credit risk, market risk and liquidity risk arising from the financial instruments it holds. The risk management policies employed by the Fund to manage these risks are discussed below.

For personal use only

12. Financial Risk Management Objectives and Policies (continued)

(a) Credit risk

Credit risk represents the risk that the Fund will incur financial loss as a result of a failure by a counter party to discharge an obligation to a financial instrument.

In relation to derivative financial instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. This risk may be minimised by:

- ensuring counterparties, together with the respective credit limits are approved;
- ensuring that transactions are undertaken with a large number of counterparties; and
- ensuring that the majority of transactions are undertaken on recognised exchanges.

(i) Settlement of securities transactions

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase orders on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

(ii) Cash and cash equivalents

In relation to cash and cash equivalents, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. This risk may be minimised by ensuring counterparties, together with the respective credit limits are approved.

The following table details the breakdown by credit rating of cash and cash equivalents held by the Fund:

	As at 30 June 2023	As at 30 June 2022
	\$	\$
AA-	32,521	5,715
A	1,823,062	1,772,996
	1,855,583	1,778,711

(iii) Other

The Fund is not materially exposed to credit risk on other financial assets. The maximum exposure to credit risk at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due.

12. Financial Risk Management Objectives and Policies (continued)

(b) Market risk

Market risk represents the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in fair value of a financial asset. These fluctuations can be due to changes in market variables such as currency risk, price risk, and interest risk. Market risk is minimised by ensuring that all investment activities are undertaken in accordance with agreed investment and leverage guidelines, and meets the Investment Manager's selection, analysis and due diligence criteria.

(i) Currency risk

The Fund invests internationally and holds monetary assets denominated in currencies other than the Australian dollar.

Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

The Fund's policy is to have currency exposure unhedged. The Fund does have the ability to hedge if deemed appropriate. Foreign exchange derivatives may be used for hedging purposes, or to manage currency exposure of the Fund.

For accounting purposes, the Fund does not designate any derivatives in a hedging accounting relationship, and hence these derivative financial instruments are classified as at fair value through profit or loss.

When the Investment Manager formulates a view on the future direction of foreign exchange rates and the potential impact on the Fund, the Investment Manager factors that into its portfolio allocation decisions. While the Fund has direct exposure to foreign exchange rate changes on the price of non - Australian dollar denominated securities, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which the Fund invests, even if those companies' securities are denominated in Australian dollars. For that reason, the following sensitivity analysis may not necessarily indicate the total effect on the Fund's net assets attributable to unitholders of future movements in foreign exchange rates.

Fat Prophets Global Property Fund

Notes to the financial statements

12. Financial Risk Management Objectives and Policies (continued)

(b) Market risk (continued)

(i) Currency risk (continued)

The table below summarises the Fund's exposure to foreign currencies.

	AUD	USD	GBP	CAD	EUR	JPY	SGD	HKD	SEK	Total
30 June 2023	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets (in AUD)										
Cash and cash equivalents	33,273	113,441	58,136	639,121	534,937	27,092	108,383	65,891	275,309	1,855,583
Dividend receivables	98,644	24,272	-	-	-	-	-	540	-	123,456
GST receivables	8,580	-	-	-	-	-	-	-	-	8,580
Financial assets at fair value through profit or loss	6,624,158	8,471,379	409,866	-	393,677	446,395	-	439,884	427,953	17,213,312
Total assets	6,764,656	8,609,092	468,002	639,121	928,614	473,487	108,383	506,315	703,262	19,200,931
Liabilities (in AUD)										
Distribution payable	678,468	-	-	-	-	-	-	-	-	678,468
Management fees payable	17,589	-	-	-	-	-	-	-	-	17,589
Custody fees payable	3,756	-	-	-	-	-	-	-	-	3,756
Responsible Entity fees payable	7,825	-	-	-	-	-	-	-	-	7,825
Total liabilities	707,638	-	-	-	-	-	-	-	-	707,638
Net exposure	6,057,018	8,609,092	468,002	639,121	928,614	473,487	108,383	506,315	703,262	18,493,293

Fat Prophets Global Property Fund

Notes to the financial statements

12. Financial Risk Management Objectives and Policies (continued)

(b) Market risk (continued)

(i) Currency risk (continued)

	AUD	USD	GBP	CAD	EUR	JPY	SGD	HKD	SEK	Total
30 June 2022	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assets (in AUD)										
Cash and cash equivalents	779,507	529,455	39,549	77,727	155,851	19,376	101,847	39,345	36,054	1,778,711
Dividend receivables	96,732	26,781	-	3,749	6,988	-	-	4,045	2,825	141,120
GST receivables	9,804	-	-	-	-	-	-	-	-	9,804
Due from broker	-	421,732	-	-	678,645	-	-	-	542,261	1,642,638
Financial assets at fair value through profit or loss	6,885,834	8,112,465	516,805	678,214	631,167	466,800	-	607,116	558,338	18,456,739
Total assets	7,771,877	9,090,433	556,354	759,690	1,472,651	486,176	101,847	650,506	1,139,478	22,029,012
Liabilities (in AUD)										
Distribution payable	681,970	-	-	-	-	-	-	-	-	681,970
Management fees payable	19,265	-	-	-	-	-	-	-	-	19,265
Buyback payable	16,870	-	-	-	-	-	-	-	-	16,870
Due to broker	-	483,568	-	-	230,788	-	-	-	279,727	994,083
Total liabilities	718,105	483,568	-	-	230,788	-	-	-	279,727	1,712,188
Net exposure	7,053,772	8,606,865	556,354	759,690	1,241,863	486,176	101,847	650,506	859,751	20,316,824

12. Financial Risk Management Objectives and Policies (continued)

(b) Market risk (continued)

(i) Currency risk (continued)

The following table demonstrates the sensitivity of the Fund's net profit and net assets to a reasonable change in foreign exchange rates, with all other variables held constant.

	Change in foreign exchange rate	Effect on net profit attributable to unitholders
		\$
Year ended 30 June 2023	10%/(10%)	1,243,628/(1,243,628)
Year ended 30 June 2022	10%/(10%)	1,326,305/(1,326,305)

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

The Investment Manager is responsible, through its Investment and Risk Management Committees, for managing direct interest rate risk and reporting any issues to the Board.

All financial assets and financial liabilities included in the Statement of Financial Position are carried at fair value. The Fund's exposure to interest rate risk is set out in the following table:

For personal use only

Fat Prophets Global Property Fund**Notes to the financial statements****12. Financial Risk Management Objectives and Policies (continued)****(b) Market risk (continued)****(ii) Interest rate risk (continued)**

	Floating interest rate \$	Non- interest bearing \$	Total \$
30 June 2023			
Assets			
Other assets	1,855,583	-	1,855,583
Dividends receivable	-	123,456	123,456
GST receivable	-	8,580	8,580
Financial assets at fair value through profit or loss	-	17,213,312	17,213,312
Total assets	1,855,583	17,345,348	19,200,931
Liabilities			
Distributions payable	-	678,468	678,468
Management fees payable	-	17,589	17,589
Custody fees payable	-	3,756	3,756
Responsible Entity fees payable	-	7,825	7,825
Total liabilities	-	707,638	707,638
Net exposure	1,855,583	16,637,710	18,493,293

Fat Prophets Global Property Fund

Notes to the financial statements

12. Financial Risk Management Objectives and Policies (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

	Floating interest rate \$	Non- interest bearing \$	Total \$
30 June 2022			
Assets			
Cash and cash equivalents	1,778,711	-	1,778,711
Dividends receivable	-	141,120	141,120
GST receivable	-	9,804	9,804
Due from broker	-	1,642,638	1,642,638
Financial assets at fair value through profit or loss	-	18,456,739	18,456,739
Total assets	1,778,711	20,250,301	22,029,012
Liabilities			
Distributions payable	-	681,970	681,970
Management fees payable	-	19,265	19,265
Buyback payable	-	16,870	16,870
Due to broker	-	994,083	994,083
Total liabilities	-	1,712,188	1,712,188
Net exposure	1,778,711	18,538,113	20,316,824

12. Financial Risk Management Objectives and Policies (continued)

(b) Market risk (continued)

(ii) Interest rate risk (continued)

The following table demonstrates the sensitivity of the Fund's net assets attributable to unitholders and operating profit to a reasonable change in interest rates, with all other variables constant. The 25 basis point sensitivity is based on a reasonable volatility of change in the AUD cash interest rate over the coming year. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variations in the risk variables

	Change in basis points increase/(decrease)	Impact on operating profit / Net assets attributable to unitholders \$
30 June 2023		
AUD interest rate	25bps/(25bps)	4,639/(4,639)
30 June 2022		
AUD interest rate	25bps/(25bps)	4,447/(4,447)

(iii) Price risk

Price risk is the risk that the fair value or future cash flows of investments decreases as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual stock or factors affecting all instruments in the market. Price risk is managed by monitoring compliance with established investment mandate limits. All securities present a risk of loss of capital. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.

The Fund's investments are publicly traded. As at 30 June 2023, a positive 10% movement in the value of the Fund's portfolio would have had an impact on the Fund's operating profit and net assets attributable to unitholders as shown in the table below:

	30 June 2023 \$	30 June 2022 \$
Financial assets at fair value through profit or loss	17,213,312	18,456,739
% change in price	10%	10%
Impact on Net Asset Value	1,721,331	1,845,674

A negative sensitivity would have an equal but opposite impact.

12. Financial Risk Management Objectives and Policies (continued)

(b) Market risk (continued)

(iii) Price risk (continued)

The Investment Manager seeks to manage and reduce the price risk of the Fund by diversification of the investment portfolio across numerous stocks. The relative weightings of the individual securities and market sectors are reviewed daily and the risk managed on a daily basis.

The total number of securities transactions, together with total brokerage paid during the year ended 30 June 2023 was:

- Number of transactions: 2023: 11 (2022: 28)
- Total brokerage paid: 2023: \$8,138.88 (2022: \$24,143.77)

The investment summary of the Fund as at 30 June 2023 is listed as below.

Investments	Unit holding	Fair value \$	% of Portfolio
AUD	1,881,363	6,624,158	38.50%
CENTURIA OFFICE REIT	200,000	274,000	1.59%
CHARTER HALL GRP UNT	70,000	749,700	4.36%
CHARTER HALL LONG WALE REIT ORD	100,000	401,000	2.33%
DEXUS PROPERTY GROUP UNT	50,000	390,000	2.27%
ELANOR INVESTORS ORD	79,250	128,781	0.75%
ESTIA HEALTH ORD	200,000	592,000	3.44%
NATIONAL STORAGE REIT	136,239	320,162	1.86%
SCENTRE GROUP ORD	250,000	662,500	3.85%
CHARTER HALL EDUCATION TRUST UNT	175,000	514,500	2.99%
DEXUS CONVNIENCE RE REIT STAPLED UNT	170,000	435,200	2.53%
DEXUS INDUSTRIA REIT STAPLED UNT	200,000	516,000	3.00%
ELANOR COMMERCIAL PROPE STAPLED UNT	10,874	9,515	0.06%
GOODMAN GROUP UNT	40,000	802,800	4.66%
GPT GROUP STAPLED UNT	200,000	828,000	4.81%

For personal use only

12. Financial Risk Management Objectives and Policies (continued)

(b) Market risk (continued)

Investments	Unit holding	Fair value \$	% of Portfolio
EUR	100,000	393,677	2.28%
AROUNDTOWN ORD	70,000.00	121,195	0.70%
INMOBILIARIA COLONIAL ORD	30,000	272,481	1.58%
HKD	373,200	439,884	2.56%
ESR ORD	58,200	149,685	0.87%
LINK REIT-100	15,000	124,863	0.73%
SUNLIGHT REIT	300,000	165,336	0.96%
JPY	15,000	446,395	2.59%
MITSUI FUDOSAN ORD	15,000	446,395	2.59%
SEK	30,000	427,953	2.49%
CASTELLUM ORD	30,000	427,953	2.49%
GBP	30,000	409,866	2.38%
SEGRO REIT ORD	30,000	409,866	2.38%
USD	121,089	8,471,379	49.22%
ASHFORD ORD	170	2,478	0.01%
AVALONBAY COMMUNITIES REIT ORD	2,000	567,696	3.30%
EQUINIX REIT	500	587,837	3.42%
ESSEX PROPERTY REIT	3,000	1,054,139	6.12%
HEALTHPEAK PROPERTIES ORD	25,000	753,599	4.38%
KIMCO REALTY REIT ORD	25,000	739,352	4.30%
ORION OFFICE REIT ORD	352	3,489	0.02%
REALTY INCOME REIT	3,525	316,076	1.84%
RETAIL VALUE ORD	42	17	0.00%
SIMON PROP GRP REIT ORD	8,000	1,385,483	8.05%
TANGER FACTORY REIT ORD	15,000	496,476	2.88%
VENTAS REIT	17,500	1,240,589	7.21%
VORNADO REALTY REIT ORD	13,000	353,659	2.05%
WELLTOWER ORD	8,000	970,486	5.64%
Grand Total	2,550,652	17,213,312	100%

For personal use only

12. Financial Risk Management Objectives and Policies (continued)

(c) Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities.

To control liquidity and cash flow risk the entity invests in accordance with agreed Investment Portfolio guidelines and leverage ratios.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period from 30 June 2023 to the contractual maturity date. Net assets attributable to unitholders are classified as a liability.

The amounts in the table are the contractual undiscounted cash flows. Balances due equal their carrying balances, as the impact of discounting is not significant.

The following table shows the maturity analysis of liabilities:

	30 June 2023				
	< 1 month	1-3 months	3-12 months	> 12 months	Total
Liabilities	\$	\$	\$	\$	\$
Distributions payable	-	678,468	-	-	678,468
Management fees payable	-	17,589	-	-	17,589
Custody fees payable	-	3,756	-	-	3,756
Responsible Entity fees payable	-	7,825	-	-	7,825
Total liabilities	-	707,638	-	-	707,638

	30 June 2022				
	< 1 month	1-3 months	3-12 months	> 12 months	Total
Liabilities	\$	\$	\$	\$	\$
Distributions payable	-	681,970	-	-	681,970
Management fees payable	-	19,265	-	-	19,265
Buyback payable	16,870	-	-	-	16,870
Due to broker	994,083	-	-	-	994,083
Total liabilities	1,010,953	701,235	-	-	1,712,188

For personal use only

13. Related Party Transactions

The responsible entity of the Fund is OMIFL.

The Fat Prophets Global Contrarian Fund is one of the investors in the Fund.

(a) Key management personnel

(i) Directors

The key management personnel of the Responsible Entity, during the period and up to the date of this report are:

Name	Title
Frank Tearle	Executive Director & Company Secretary
Sarah Wiesener	Executive Director & Company Secretary
Michael Sutherland	Executive Director

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the year ended at 30 June 2023.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel at any time during the year ended at 30 June 2023.

(ii) Key Management Compensation

Key management personnel of the Responsible Entity have not been compensated out of the Fund for the year ended 30 June 2023.

No key management personnel have entered into any other transactions with the Fund during the financial year and there were no material balances involving key management personnel's interests outstanding at the end of the financial year.

(b) Other Key Management Personnel

The key management personnel of the Investment Manager during the year and up to the date of this report are:

Name	Title
Simon Wheatley	Chief Investment Officer
Angus Geddes	Chief Executive Officer

Fat Prophets Global Property Fund

Notes to the financial statements

13. Related Party Transactions (continued)

(b) Other Key Management Personnel (continued)

(i) Other Key Management Personnel Unitholdings

Except as disclosed above, no key management personnel have entered into any other transactions with the Fund during the financial year and there were no material balances involving key management personnel's interests outstanding at the end of the financial year.

Unitholder	Number of Units held opening	Number of units acquired	Number of units disposed	Number of Units held closing	Fair value of investment (\$)	% Interest held	Distributions paid/payable by the Fund (\$)
Simon Wheatley	34,500	-	-	34,500	28,211	0.15%	2,070
The Fat Prophets Global Contrarian Fund	1,105,209	-	-	1,105,209	903,729	4.89%	66,313
Total	1,139,709	-	-	1,139,709	931,940	5.04%	68,383

(ii) Other Key Management Compensation

Key management personnel of the Investment Manager have not been compensated out of the Fund for the year ended 30 June 2023.

14. Commitments and Contingencies

There are no commitments or contingencies as at 30 June 2023 (30 June 2022: Nil).

15. Subsequent Events

The investment manager has been given Board approval to continue with a buyback program of up to 10% of its units on issue.

This arrangement shall cease on 11 April 2024.

Unitholder Information

(a) Distribution of Ordinary Units

Analysis of number of ordinary unit holders by size of holding as below was applicable to 1 August 2023.

	Number of holders of ordinary shares
1 to 1,000	48
1,001 to 5,000	114
5,001 to 10,000	104
10,001 to 100,000	243
100,001 and over	20
	529
Holding less than a marketable parcel (of \$500)	29

Fat Prophets Global Property Fund

Notes to the financial statements

Unitholder Information (continued)

(b) 20 Largest Unitholders

Top 20 unitholders of the Fund as at 1 August 2023 are listed out as follow.

Largest unitholders	Unit held	% of issued units
CITICORP NOMINEES PTY LIMITED	7,274,956	32.17%
J P MORGAN NOMINEES AUSTRALIA	1,262,714	5.58%
BNP PARIBAS NOMINEES PTY LTD	1,105,209	4.89%
CASTLE PARTNERS PTY LTD	443,083	1.96%
MR DAVID COOPER + MS ADRIENNE WITTEMAN	428,496	1.89%
CITICORP NOMINEES PTY LIMITED <DPSL A/C>	367,091	1.62%
MR TREVOR JAMES SUTHERLAND + MRS KAREN ANNE SUTHERLAND	250,528	1.11%
TRENDSETTER TRAVEL & CRUISE CENTRE PTY LTD	249,328	1.10%
LE CHEM PTY LTD	195,688	0.87%
RK & DF CONSULTING PTY LT	175,000	0.77%
MR MATTHEW BENJAMIN MCCAULEY & MRS LYNDIA MAREE MCCAULEY	155,000	0.69%
COOMBS CORP PTY LTD	150,000	0.66%
C J MAGAREY PTY LTD	150,000	0.66%
WONDAKIA PTY LTD	150,000	0.66%
HSBC CUSTODY NOMINEES	143,178	0.63%
DR MARTYN FIELDS & DR SARAH HENDERSON	127,500	0.56%
MR GRAHAM DRUMMOND & VALERIE DRUMMOND	125,000	0.55%
MR JOHNATHON MATTHEWS	116,180	0.51%
PRIMARY COMMUNITY AGED CARE	106,261	0.47%
PROVIDENCE GOLD AND MINERALS	101,735	0.45%
Total	13,076,947	57.82%

(c) Substantial Unitholders

Name of unitholder	Number of units	% of units issued
"CITICORP NOMINEES PTY LIMITED"	7,274,956	32.17%

(d) Voting Rights

On a show of hands, each member of the Fund has 1 vote and on a poll, each member of the Fund has 1 vote for each dollar of the value of the total interests they have in the Fund.

Fat Prophets Global Property Fund

Notes to the financial statements

Corporate Information

Directors

Name	Title
Frank Tearle	Executive Director & Company Secretary
Sarah Wiesener	Executive Director & Company Secretary
Michael Sutherland	Executive Director

Registered Office

Level 16
Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000
Telephone: (02) 8277 0000

Investment Manager

Fat Prophets Funds Management Pty Limited
Level 3
22 Market Street
Sydney NSW 2000
(Australian Financial Services Licence Number: 229183)
Telephone: (02) 9024 6788

Registry

Link Market Services
Level 12
680 George Street
Sydney NSW 2000
Telephone: 1300 554 474
Facsimile: (02) 9287 0303

Auditor

PKF (NS) Audit & Assurance Limited Partnership
Level 8
1 O'Connell Street
Sydney NSW 2000

ASX Code: FPP

Website: www.fpproperty.com.au

Corporate Governance Statement link: <https://fpproperty.com.au/a-homepage-section/>