



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

## **ASX ANNOUNCEMENT**

13 December 2023

### **FPP NTA November 2023**

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

### November 2023 Monthly NTA Announcement

Key Points:

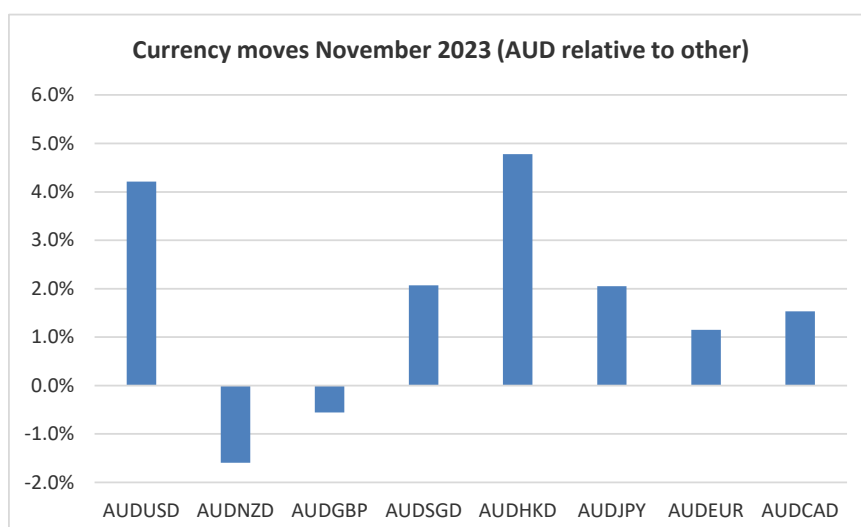
- Fund NTA increased 6.64 % post fees during November post fees and expenses, ending at \$0.8335 per unit
- The global REIT index increased 5.6% in AUD terms during November whilst the Australian REIT Index increased by 10.9% for an aggregated 6.97% return
- Performance was driven by an increasing market conviction that US interest rates have likely peaked

Dear Unitholders,

November was a month of significant strength for REITs, rebounding off the levels in October which were the lowest in several years. In last months NTA investor update we stated that we expected that these could represent cyclical lows and prove a deep value point.

|                                  | 31 Oct-23 | 30 Nov-23 | Change |
|----------------------------------|-----------|-----------|--------|
| Value per unit (ex distribution) | \$0.7816  | \$0.8335  | 6.64%  |

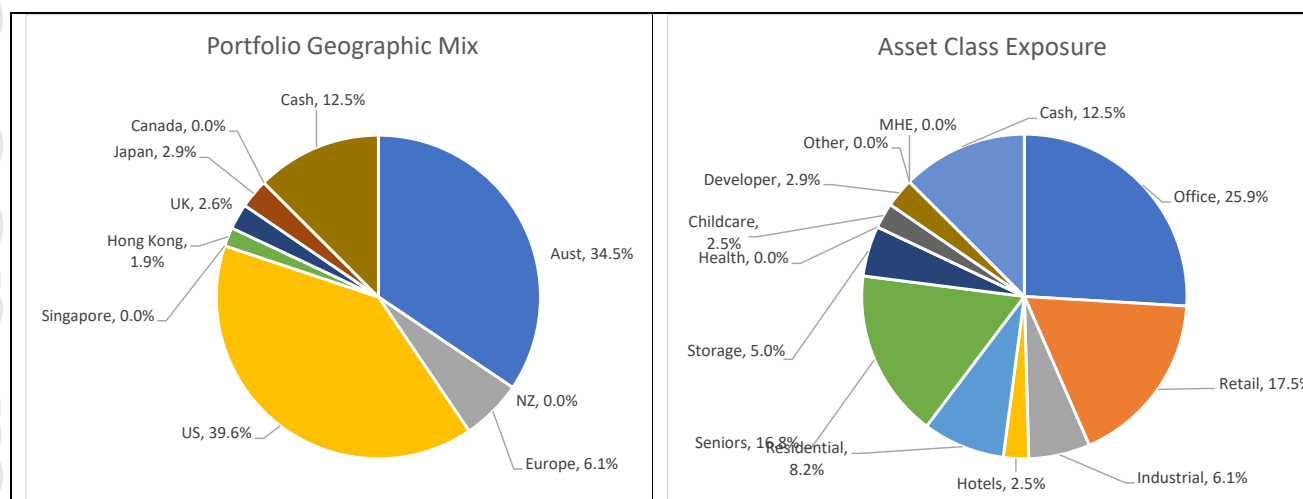
The AUD to USD increased in November providing a relatively meaningful currency headwind to offshore returns.



Source: Eikon

The Fund cash balance increased to 12.5% being the highest level in over a year after the recent de-weighting to holdings in Goodman Group and Simon Property Group. The Fund commenced an investment position in Cromwell Property Group in Australia during the month of October after its share price has halved over the past year and it was trading at a 60% discount to its net asset backing. This investment was up more than 35% in November.

The current Fund portfolio geographic allocation at the end of November 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 33.



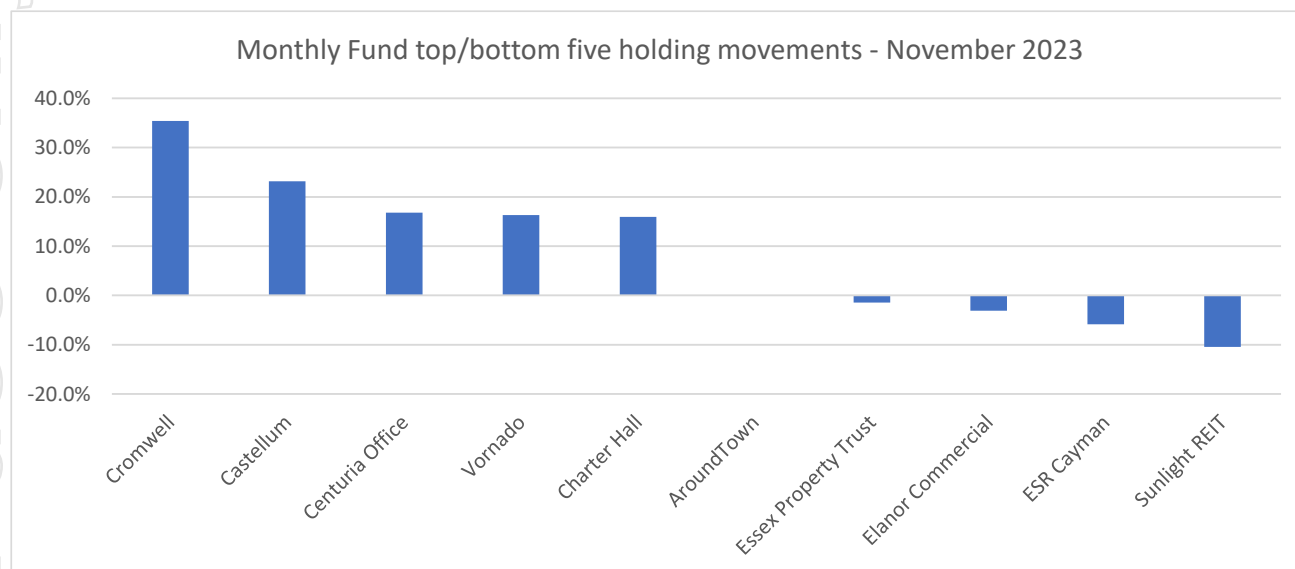
Top holdings in the Fund as at the end of November are summarised in the following chart.

Simon Property Group (SPG) has been the largest holding in the Fund for some time but has now been downweighted and is the fifth largest portfolio position now. SPG's share price has rebounded by 27% off its lows of October.



The best and worst contributors to return for the month of November are summarised in the following chart.

Cromwell was the best performer, although the size of the position is relatively small as such the contribution to performance was more limited.



## Outlook

Last month we made commentary that we saw deep value in the global REIT sector, and expected that the depths of October pricing may prove to be the bottom of the sell off. Since that point the Australian and global REIT sectors have both rebounded strongly. The driver of this has been a mixture of dovish language from the US FOMC regarding the trajectory for US interest rates, which increasing market conviction that rates have close to peaked, and are expected to decline in 2024. This has been a positive driver for interest rate sensitive stocks such as REITs.

Despite the meaningful rebound in REIT pricing since October lows, REITs remain at extremely discounted pricing levels relative to their net asset value, and on price earnings multiples relative to global equities. While REITs have experienced significant underperformance relative to equities for an extended period while interest rates have been increasing, they have historically outperformed when the interest rate cycle peaks and when interest rates are declining. We believe both of these conditions are being entered and see meaningful upside and positive relative return opportunity for REITs.

## Fat Prophets Global Property Fund

Fund Manager

Simon Wheatley

13 December 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.