

Fat Prophets Global Property Fund

ARSN: 619 970 786

Final Financial Report for the period from 23 June 2017 to 30 June 2018

Results for Announcement to the Market

Appendix 4E

30 June 2018

	\$	up/down	% change
Investment income	1,321,688	up	N/A
Change in net assets attributable to unit holders (excluding capital returns)	1,124,600	up	N/A
Profit attributable to unit holders	1,124,600	up	N/A
	Cents per share	Franked amount per share	Tax rate for franking
Distribution Information			
2018 Interim distribution	-	-	-
2018 Final distribution	2.39	0.05	30%
Final Distribution Dates			
Ex-distribution date			28 June 2018
Record date			29 June 2018
Payment date			31 August 2018
Distribution Reinvestment Plan			
The Distribution Reinvestment Plan is not in place.			
			30 June 2018
			\$
(Post Tax) Net tangible asset backing			1.11
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 Company's Annual Report, which accompanies this Appendix 4E. All the documents comprise the information required by the Listing Rule 4.3A.			

Fat Prophets Global Property Fund

ARSN 619 970 786

Financial report for the period from 23 June 2017 to 30 June 2018

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Directors' Report

The directors of One Managed Investment Funds Limited (ABN: 47 117 400 987; 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 report for the Fund for the period from 23 June 2017, the date of the scheme's constitution, to 30 June 2018. For clarity, the Fund was registered as a managed investment scheme on 7 July 2017 and commenced operations on 10 October 2017 and the financial report reflects the actual activity from that date.

Responsible Entity

The responsible entity of the Fund is OMIFL.

The registered office and principal place of business of the Responsible Entity is Level 11, 20 Hunter Street, 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 and Senior Management

The names of the directors and company secretaries of the Responsible Entity, during the financial period and up to the date of this report are:

Name	Title
Frank Tearle	Executive Director & Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director
Sarah Wiesener	Company Secretary

Frank Tearle

Executive Director & Company Secretary

Frank joined the OMIFL Board in December 2008. Before founding One Investment Group ("OIG"), Frank served in various roles at Allco Finance Group, including as head of business transition and operations, managing director of the Hong Kong office, Director in the corporate finance team and general counsel.

Frank has been non-executive director of several companies, including the manager of a Singapore listed property trust and an APRA regulated insurance company. He has more than 10 years' experience working in major law firms in Australia and the United Kingdom, specialising in mergers and acquisitions, capital markets, funds management and corporate governance. Frank holds a Master of International Business Law from the University of Technology, Sydney and a Bachelor of Law (Honours) from the University of Leicester.

Other current directorships

One Managed Investment Funds Limited as responsible entity of:

- Agricultural Land Trust (ASX:AGJ); and
- Gryphon Capital Income Trust (ASX:GCIT).

Columbus Investment Services Limited (ACN: 095 162 931) (AFSL: 221183) as responsible entity of Alternative Investment Trust (ASX:AIQ)

Asia Pacific Data Centre Limited (ACN: 159 624 585) (AFSL: 426502) as responsible entity of the Asia Pacific Data Centre Trust (ARSN: 161 049 556), a stapled entity of the APDC Group, ASX Code:AJD.

Directors' Report (continued)

Former directorships (last 3 years)

One Managed Investment Funds Limited as responsible entity of Aventus Retail Property Fund between 14 September 2015 and 11 March 2016 (ASX:AVN) (OMIFL retired as RE on 11 March 2016).

Justin Epstein

Executive Director

Justin joined the OMIFL Board in September 2009. He is a founding partner of OIG.

Prior to joining OIG, Justin was the investment director of the LCJB Investment Group, where he was responsible for sourcing and leading investment opportunities. Justin has previously worked in group strategy and business development for a major Australian investment bank, for the corporate finance and restructuring division of Ernst & Young and for a specialised property finance and investment group. Justin holds a Bachelor of Commerce from the University of New South Wales and is a Fellow of the Financial Services Institute of Australia.

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One Managed Investment Funds Limited as responsible entity of:

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One Managed Investment Funds Limited as responsible entity of Aventus Retail Property Fund between 14 September 2015 and 11 March 2016 (ASX:AVN) (OMIFL retired as RE on 11 March 2016)

Elizabeth Reddy

Director (Non-Executive)

Elizabeth joined the OMIFL Board in November 2009

Elizabeth spent over 20 years practising law in both private practice and commercial roles.

Elizabeth specialises in advising on the Corporations Act, contractual disputes, mergers and acquisitions, equitable claims, trade practices and insolvency. She is also experienced in compliance and risk management issues. She holds a Diploma in Law awarded by the NSW Solicitors Admission Board.

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Directors' Report (continued)

Former directorships (last 3 years)

One Managed Investment Funds Limited as responsible entity of Aventus Retail Property Fund between 14 September 2015 and 11 March 2016 (ASX:AVN) (OMIFL retired as RE on 11 March 2016).

Sarah Wiesener

Company Secretary

Sarah is a lawyer with over 20 years' experience in the financial services arena across a range of roles, structures and asset classes. She is a Chartered Company Secretary and has acted as Company Secretary to a number of listed property funds. Sarah has been head of compliance for a number of listed property funds. She has been a member of investment committees and provided support to audit, risk, and compliance committees as well as remuneration and nomination committees. She has experience in structuring complex capital markets transactions in domestic and overseas jurisdictions (primarily debt, securitization and collateralised debt structures) and has worked closely with management on a number of fund management products for wholesale and retail investors.

Director's Interests in units of the Trust

Details of interests in units and options of the Directors and Key Management Personnel ("KMPs") in the Trust as at 30 June 2018 can be found on page 38 of this report.

Meeting of Directors

The number of meetings of the board of the Responsible Entity (the "Board") and of each Board committee held during the year ended 30 June 2018, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
One Managed Investment Funds Limited		
Frank Tearle	5	5
Justin Epstein	5	5
Elizabeth Reddy	-	5

Principal Activities

The Fund is a registered managed investments scheme domiciled and registered in Australia and listed on the Australian Stock Exchange ("ASX"). The Fund was constituted on 23 June 2017 and commenced operations on 10 October 2017. As such, the financial reports will not contain any comparatives.

The principal activity of the Fund during the period was to invest in accordance with the provisions of the Fund constitution and the Product Disclosure Statement dated 11 July 2017 ("PDS") as varied by the supplementary Product Disclosure Statement 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 will not use leverage, shorting or derivatives and as such is simple in structure, targeting capital growth and distributions.

The Fund did not have any employees during the period.

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 these financial statements. The net gain attributable to unitholders for the period from 23 June 2017 to 30 June 2018 was \$1,124,600.

Directors' Report (continued)

Distributions

The Investment Manager 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.

A distribution of \$362,339 for the period ended 30 June 2018 has been declared in July 2018.

Value of Assets and Units Issued

The following units of the Fund were on issue as at 30 June 2018:

	As at 30 June 2018	
	No. of Units	Fair value (\$)
	15,166,056	16,829,721
Total	15,166,056	16,829,721

Significant Changes in State of Affairs

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

Subsequent Events

There has been no matter or circumstances occurring subsequent to the end of the period that has significantly affected, or may significantly affect, the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Likely Developments

The Fund will be managed in accordance with the constitution and investment objectives as detailed in the PDS dated 11 July 2017 as varied by the supplementary PDSs dated 28 July 2017 and 21 September 2017 and any public announcements made in respect of the Fund during the interim reporting period.

Option Granted

The Fund has issued 1 Loyalty Option for every unit subscribed under the terms of the PDS. There are 15,166,056 Loyalty Options issued as of 30 June 2018. Each Loyalty Option is exercisable at \$1.10 and will vest on the date that is 12 months from the date of quotation for the IPO Units on the ASX ("Vesting Date"). Loyalty Options which do not vest on the Vesting Date will immediately lapse. The Loyalty Options will have an exercise period of 12 months commencing on the Vesting Date. Loyalty options are not listed on the ASX.

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 the financial period, the Responsible Entity paid premiums in respect of contracts insuring the directors of the Responsible Entity against a liability incurred as a director or executive officer to the extent permitted by the Corporations Act 2001. The contracts of insurance prohibit disclosure of the nature of the liability and the amount of the premiums.

The Fund has not otherwise, during or since the end of the financial period, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Fund or of any related body corporate against a liability as such an officer or auditor.

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*.

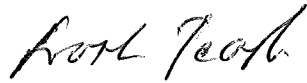
Non-Audit Services

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 7.

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

A handwritten signature in black ink, appearing to read 'Frank Tearle', written in a cursive style.

Frank Tearle

Director

27 August 2018

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 period ended 30 June 2018, 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

PKF

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SCOTT TOBUTT
PARTNER

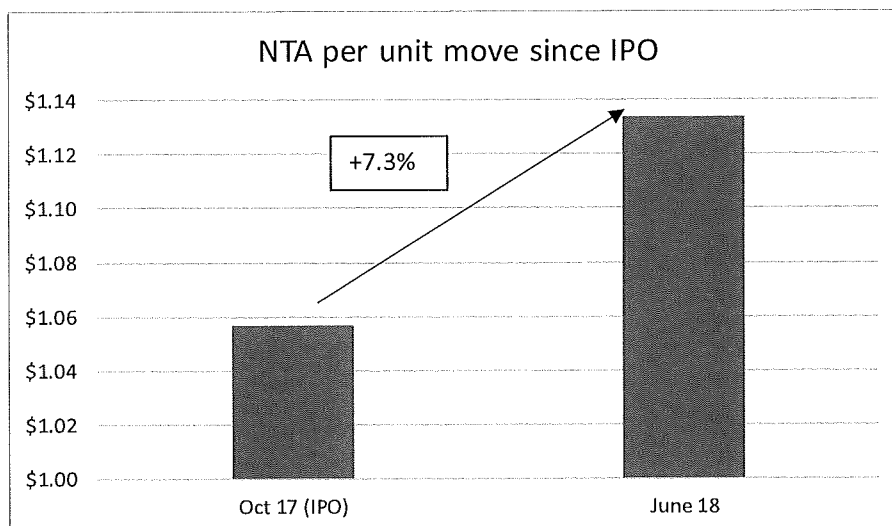
27 AUGUST 2018
SYDNEY

Dear Unitholders,

Inaugural Results – Year to 30 June 2018

We are pleased to report the first annual results for the Fat Prophets Global Property Fund (**the Fund**). The Fund commenced trading on the ASX on 10th October 2017, investing in listed global REITs (Real Estate Investment Trusts). As at the end of the period the Fund's net tangible asset backing (NTA) had increased 7.3% from \$1.057 to \$1.134 after fees during the part year period since initial public offering (IPO). We are pleased with this outcome, which is in line with the 8-10% discount rate (annual return expectation) many real estate assets owned by the REITs are valued on.

The Investment Manager is committed to achieving two key objectives for unitholders; to deliver capital growth through active global investment in value oriented REIT investments, and to deliver a growing stream of income through distributions to investors. The steady growth in NTA since IPO and the ability for the Fund to declare its first distribution on 26 June 2018 has reflected an investment outcome which demonstrates this targeted strategy of providing capital stability to NTA and generating income from distribution on investments.



The Fund was launched in October 2017, providing the first listed access to an actively managed global REIT fund in Australia. We believe this point of difference in investment product will continue to hold some appeal to investors.

Listed REITs are unit trusts which own physical real estate assets across various asset classes. Some are focussed on asset specific strategies while others are diversified. The net assets of the REIT (typically the value of its real estate assets less any debt) per unit in some markets are publicly disclosed while in other markets are estimated by investors and analysts. Movements in the value of the real estate assets held by the REITs causes the NTA or NAV per unit to rise or fall, and REITs typically are required to distribute the majority of the rental derived income they derive after costs.

The investment philosophy of Fund is similarly seeking to maximise capital growth of the Fund's NTA, as well as income available for distribution. The Fund seeks growth opportunities as well as REITs trading at discounts to their fundamental value to achieve our objective.

There were three key periods for the Fund since IPO;

- **Initial investment period** – The Fund had a 60 day period from IPO in October 2017 to invest the IPO capital. At the time we were judicious about placement of IPO proceeds as global REIT markets were rallying while the Fund held cash, however this headwind was recouped into the mid year results less than three months after IPO.
- **February downturn** – There was a significant global market correction which occurred in February 2018 driven by spiking US bond rates which impacted both equities and REITs. The volatility particularly impacted risk investments as investors fled to secure investments. This partly benefited REITs, although impacted several of the Fund's deep value holdings.
- **Market recovery** – Post the correction, investment markets rallied and stabilised. As such, the Fund has enjoyed 5 consecutive months of NTA growth since February. The manager undertook active asset reallocations around this market dislocation to take further advantage of opportunities.

As noted, one of the most significant things which occurred since IPO was the increase in US treasury yields and US official interest rates. Some REIT critics have maintained that either of these would have a negative impact on the pricing of REITs. We have long maintained the view that rising interest rates reflect underlying inflation and growth, both of which are positive for real estate. The 5 months of consecutive growth in NTA for the Fund into early FY19 despite US interest rates pushing above 3% in early 2018, and despite the Federal Reserve raising interest rates more than once, demonstrates that this negativity lacks foundation.

Overview

Strategically the Fund was underweight US investments for the first six months post inception while being overweight Australia. Both of these markets have now been neutralised and the Fund ended the Financial Year overweight Europe and underweight Hong Kong.

The Fund holds around 50 investment positions across developed markets in Australia, Singapore, Hong Kong, Japan, UK, Europe, and USA. A core investment thesis for the Fund is to be invested in REITs which are trading below their Net Asset Value (NAV). Long term research has demonstrated that through the cycle, REITs tend to mean revert around their NAV, implying there is outperformance opportunity by owning these under-priced investments.

Of the 50 investments held by the Fund over the eight months to 30 June, a significant 10% (five investments) have been subject to takeover bids and another has undertaken a restructure. These takeovers support the upside opportunity thesis from targeting undervalued REITs, and evidences that under priced investments will often be arbitrated out to the benefit of investors.

An additional target of the Fund is to provide an attractive yield for investors by passing through the distributions received from the Fund's investments. The first distribution was declared at the end of FY2018 at 2.39c per unit for the period since IPO. Distributions thereafter will be paid on a six monthly basis. The distribution reflected only the cash distributions actually received by the Fund as at 30 June rather than the much larger amount of distributions which the Fund was entitled to as at the end of June. A large number of REITs held by the fund went ex-distribution in June meaning the fund has entitlement to this income, although the payment will not be received until July or August 2018. As such this significant income already sets in place a meaningful amount of income reserved for distribution for the first half of FY19 to Fund investors.

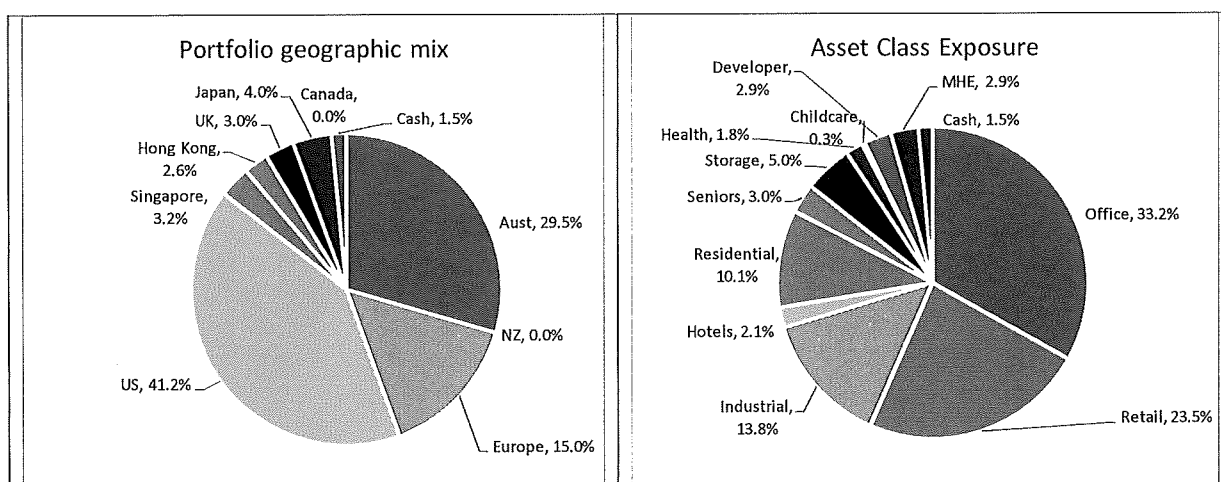
The Fund does not hedge currency, in line with both the Fund's stated strategy and the global benchmark against which the Fund's return is measured. The strengthening US dollar through 2018 has been broadly positive for the Fund, and in anticipation of this we increased the Fund's exposure to the US from underweight to market weight early in the calendar year.

Loyalty options

At listing, each investor was issued a 1 for 1 loyalty option to acquire additional units in the Fund at a price of \$1.10 per unit for the 12 month period following vesting in October 2018. The number of options vesting will be determined by the number of units held by the original investor at vesting date (not exceeding the allotted units at IPO). Communications around exercising entitlements will be advised closer to the entitlement date.

Portfolio review

The fund has been actively managed during since IPO. The geographic weighting of the Fund as at 30 June is shown below.



The initial overweight exposures to Japan and Spain proved fruitful and these positions were wound back to underweight these geographies at the end of the Financial Year. The US investment positions have been broadened and the weighting to the US has also increased over the past six months.

Australia makes up around one third of the portfolio weighting, in line with the benchmark initially set up for the Fund. The aim for the Fund was to provide Australian investors access to a global REIT portfolio, which is anchored by a meaningful investment in Australian REITs owning local office, retail and industrial real estate

typically well known to Australian residents. This strategy also insulates investors in the Fund to some degree from currency risk.

Overall, the initial investment thematic of the Fund was to take an overweight position in select shopping centre REITs globally which we view as significantly oversold in many cases. This strategy has seen some volatility, with a large sell off of the sector early in 2018, before some more positive than expected retail sales results in Australia and the US resulted in a resurgence of pricing of shopping centre REITs. Takeover proposals for Westfield in Australia, GGP Inc in the US, and Intu properties in the UK show that there is value in the sector for REITs trading meaningfully below NAV.

Undervalued office REITs such as Investa Office Fund in Australia which is under takeover offer from Blackstone evidence that there is also opportunity to seek office investments which are trading below the underlying value of their assets. We have tended to avoid industrial REITs which have been trading at very high valuations, often in excess of NAV, reflecting the fact that this asset class currently has one of the highest rental and revenue growth rates of any real estate asset class. The Fund's exposure to the fast growing self storage sector was a meaningful overweight however this has been trimmed back over the past 6 months.

The Fund ended FY18 essentially fully invested, with cash levels of less than 2%. The focus into FY19 will remain unchanged – targeting undervalued investment opportunities for medium term capital growth, as well as being strongly focussed on deriving distributions from the Fund's investments which will be passed onto Fund investors on a half yearly basis. The Fund aims to distribute up to 100% of its net income to investors, targeting to generate a regular and attractive yield. Additionally, we expect to introduce a distribution reinvestment program (DRP) over the next 6 months for the benefit of Fund investors, and updates regarding this will be posted on the Fund website.

We look forward to executing the Fund's unique strategy and remain positive about the prospects for global real estate returns over the next twelve months.



Fat Prophets Global Property Fund
Chief Investment Officer
Simon Wheatley

16 August 2018



Fat Prophets Funds Management
Chief Executive Officer
Angus Geddes

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 18 to 39 are in accordance with the *Corporations Act 2001*, including:
- compliance with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - giving a true and fair view of the Fund's financial position as at 30 June 2018 and its performance for the financial period 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.

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

Director

27 August 2018

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 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the period 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 consolidated entity's financial position as at 30 June 2018 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 consolidated 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 period. 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.

1. Valuation and existence of investments

Why significant

As at 30 June 2018, the carrying value of financial assets was \$16,741,073 which represented 99.5% 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 the valuation and existence of these investments 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 inception, additions and subtractions of purchases, sales and other relevant transactions and agreed to the 30 June 2018 balance.
- Agreeing investment quantity holdings at 30 June 2018 to independent third party sources.
- Agreeing all the listed equities investment prices to independent market pricing sources.
- Obtaining a third party report on whether the control over investment purchases and sales transactions were suitably designed and operated effectively for the period and assessed the report.

2. Accuracy and completeness of management and performance fees

Why significant

For the period ended 30 June 2018 the Fund has recognised management fees of \$114,223 and no performance fees as disclosed in Note 5 of the financial report.

The management and performance fee calculations are based on the portfolio Net Asset Value and made with related parties therefore heightening the inherent risk associated with these balances.

Given the nature of the various inputs and complexity of the management and performance fee calculations, we have determined 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:

- Recalculating management fees recognised in accordance with the terms outlined in the prospectus.
- Testing key inputs used in the calculation of the management fees and performed a reasonableness 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 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 consolidated 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

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

The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view 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.

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.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We 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 entity'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.

We 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 obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. 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, related safeguards.

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 period 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 period ended 30 June 2018.

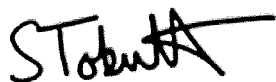
In our opinion, the Remuneration Report of Fat Prophets Global Property Fund for the period ended 30 June 2018, complies with section 300A of the Corporations Act 2001.

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



SCOTT TOBUTT
PARTNER

27 AUGUST 2018
SYDNEY

Statement of Profit or Loss and Other Comprehensive Income for the period ended 30 June 2018

	Note	Period from 23 June 2017 to 30 June 2018 \$
Income		
Net gains on financial instruments held at fair value through profit or loss	4	749,325
Foreign exchange losses		(70,460)
Interest income		24,279
Dividend income		618,544
Total income		1,321,688
Expenses		
Management fees	5	(114,223)
Other management fees	5	(33,653)
Broker fees		(404)
Dividend expense		(15,589)
Auditor's remuneration	10	(33,000)
Other expenses		(219)
Total operating expenses		(197,088)
Operating gain attributable to unitholders		1,124,600
Finance costs attributable to unitholders		
Distributions to unitholders		(362,339)
Increase in net assets attributable to unitholders	6(b)	(762,261)
Profit/(loss) for the period		-
Other comprehensive income		-
Total comprehensive income for the period attributable to unitholders of the Fund		-
Basic and diluted earnings per unit (cents per unit)		7.42

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

Statement of Financial Position as at 30 June 2018

	Note	30 June 2018 \$
Assets		
Cash and cash equivalents	8	346,335
Dividend receivables		167,893
GST receivables		7,585
Financial assets at fair value through profit or loss	3	16,741,073
Total assets		17,262,886
Liabilities		
Distribution payable	11	330,351
Management fees payable	5	16,260
Other management fees payable	5	12,840
Auditor's remuneration payable	10	22,000
Other payables	9	51,714
Total liabilities (excluding net assets attributable to unitholders)		433,165
Net assets attributable to unitholders - liability	6(b)	16,829,721
NTA per share		1.11

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

Statement of Changes in Equity for the period ended 30 June 2018

	Period from 23 June 2017 to 30 June 2018 \$
Total equity at the beginning of the period	-
Profit /(loss) for the period	-
Other comprehensive income	-
Total comprehensive income	-
Transactions with owners in their capacity as equity holders	-
Total equity at the end of the financial period	-

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.

Statement of Cash Flows for the period ended 30 June 2018

	Note	Period from 23 June 2017 to 30 June 2018 \$
Cash flows from operating activities		
Dividends received		434,843
Interest received		24,279
Management fees paid		(97,963)
Other payments		(20,040)
Net cash provided by operating activities	8(b)	341,119
Cash flows from investing activities		
Payments for purchase of investments		(22,640,440)
Proceeds from sale of investments		6,607,367
Payments from spot FX trades		(29,799)
Net cash used in investing activities		(16,062,872)
Cash flows from financing activities		
Proceeds from issue of units to unitholders	6(b)	16,682,662
Payments related to the initial public offering	6(b)	(615,202)
Net cash provided by financing activities		16,067,460
Net increase in cash and cash equivalents		345,707
Cash and cash equivalents at the beginning of the period		-
Effects of exchange rate changes on the balance of cash held in foreign currencies		628
Cash and cash equivalents at the end of the period	8(a)	346,335

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

Notes to the Financial Statements

General Information

Fat Prophets Global Property Fund (the “Fund”) is a listed real estate investment trust (“REIT”) and its units are listed on the Australian Stock Exchange (ASX: FPP) registered and domiciled in Australia. The Fund was constituted on 23 June 2017 and registered as managed investment scheme on 7 July 2017 and commenced operations on 10 October 2017. As such, the financial reports will not contain any comparatives.

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 11, 20 Hunter Street Sydney NSW 2000.

Fat Prophets Funds Management Limited (the “Investment Manager”) is the investment manager of the Fund.

The financial statements were authorised for issue by the directors on 27 August 2018. 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 instruments 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

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

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

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

e) Revenue and Income Recognition (continued)

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 139 *'Financial Instruments: Recognition and Measurement'*. This classification is determined by the purpose underpinning the acquisition of the investment. The classification of each financial instrument is re-evaluated at each financial period 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.

(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.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

g) Investments in Financial Instruments (continued)

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, interest, and amounts due from brokers. Dividends 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 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.

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.

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

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 and units (options) 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.

2. Adoption of New and Revised Accounting Standards

a) *Standards and Interpretations adopted in the current period*

There are no standards, interpretations or amendments to existing standards that are effective for the financial period beginning 23 June 2017 that have had a material impact on the Fund.

b) *Standards and Interpretations in issue but not yet adopted*

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not mandatory for the 30 June 2018 reporting period and have not been early adopted by the Fund. The impact of these standards and interpretations has been assessed and to the extent applicable to the Fund are discussed below.

IFRS 15 Revenue from Contracts with Customers (effective from 1 January 2018)

The new standard provides a single, comprehensive principles-based five-step model to be applied to all contracts with customers where the notion of control replaces the existing notion of risks and rewards. The core principle of this standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the considerations to which the entity expects to be entitled in exchange for those goods and services. The standard also includes a set of disclosure requirements that would result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Fund's main sources of income are interest, dividends and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, the directors do not expect the adoption of the new revenue recognition rules to have a significant impact on the Fund's accounting policies or the amounts recognised in the financial statements.

Notes to the Financial Statements

2. Adoption of New and Revised Accounting Standards (continued)

b) Standards and Interpretations in issue but not yet adopted (continued)

AASB 9 Financial Instruments (effective from 1 January 2018)

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The standard was not applicable until 1 January 2018 but was available for early adoption. The directors do not expect this to have a significant impact on the recognition, clarification and measurement of the Fund's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Fund does not apply hedge accounting. AASB 9 introduces a new impairment model. However, as the Fund's investments are all held at fair value through profit or loss, the change in impairment rules will not impact the Fund.

3. Investments in Financial Instruments

a) Financial Assets at Fair Value through Profit or Loss

	30 June 2018
	\$
Investment in listed equity securities	16,741,073
Total financial assets at fair value through profit or loss	16,741,073

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.

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.

Notes to the Financial Statements
3. Investments in Financial Instruments (continued)
c) Fair Value Hierarchy (continued)

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

Financial Assets at Fair Value through Profit or Loss

	30 June 2018			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Financial assets				
Investment in listed equity securities	16,741,073	-	-	16,741,073
Total financial assets designated at fair value through profit or loss	16,741,073	-	-	16,741,073

There were no transfers between levels 1, 2 and 3 during the period ended 30 June 2018. 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) is determined using the last traded quoted price in an active market. As at 30 June 2018, the Fund had \$16,741,073 financial assets held at fair value through profit or loss included in level 1.

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

	Period from 23 June 2017 to 30 June 2018 \$
Unrealised gains on financial instruments designated at fair value through profit or loss	615,701
Realised gains on financial instruments designated at fair value through profit or loss	133,624
Net gains on financial instruments designated at fair value through profit or loss	749,325

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 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 dividends of the Fund, and after subtracting any borrowings drawn down and adding back any borrowings repaid ("Net Asset Value").

Management fees for the period amounted to \$114,223. \$16,260 remained payable as at 30 June 2018.

Notes to the Financial Statements

5. Management and Performance Fees (continued)

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. The maximum amount payable in respect of other management costs from the Fund does not exceed 0.26% of the GAV of the Fund ("Expense Cap"). Any other management costs in excess of the Expenses Cap will be payable by the Investment Manager for a period of 2 years from IPO as per PDS supplementary disclosure 2.

Other management costs for the period were \$33,653 with \$12,840 payable at the period end.

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 period.

6. Net Assets Attributable to Unitholders

a) Issued Capital

	30 June 2018	
	No. of units	\$
Issued and paid up capital - Ordinary units	15,166,056	16,067,460

The beneficial interest in the asset is divided into units. Each fully paid unit confers on a unitholder an equal undivided interest in the assets. A unit confers on a unitholder an 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.

For every 1 unit issued under the initial offer, the unitholder received an entitlement to 1 Loyalty Option. There are 15,166,056 Loyalty Options issued for the period. Loyalty Options issued will either vest or lapse on the date that is 12 months after the Fund is admitted to the Official List. Each Vested Loyalty Option is exercisable at \$1.10 from the Vesting Date and up to the date that is 12 months after the Vesting Date.

Notes to the Financial Statements
6. Net Assets Attributable to Unitholders (continued)
b) Net Assets

	Period from 23 June 2017 to 30 June 2018	
	No. of units	\$
Opening balance	-	-
Proceeds from issue of units to unitholders	15,166,056	16,682,662
Cost of initial public offering	-	(615,202)
Increase in net assets attributable to unitholders	-	762,261
Closing balance	15,166,056	16,829,721

The Fund has a maximum authorised number of units of 150,000,000.

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 2018
	\$
Operating segment	
Investment management:	
Attributable to Australia	1,321,688
Total investment gain	1,321,688

8. Cash and Cash Equivalents

(a) Cash and cash equivalents include cash held at banks and brokers net of outstanding bank and broker overdrafts. Cash at the end of the period 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 2018
	\$
Cash at bank	37,053
Cash at broker	309,282
Cash and cash equivalents	346,335

Notes to the Financial Statements
8. Cash and Cash Equivalents (continued)

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

	Period From 23 June 2017 to 30 June 2018 \$
Profit/(loss) for the period	-
Increase in net assets attributable to unitholders	762,261
Distributions to unitholders	362,339
Net gains on financial assets held at fair value through profit or loss	(678,865)
Change in assets and liabilities:	
Decrease in other assets	(175,478)
Increase in other payables	70,862
Net cash provided by operating activities	341,119

9. Other Payables

	Year ended 30 June 2018 \$
Set-up fee	19,762
Withholding tax payable	31,952
Total payables	51,714

10. Auditor's Remuneration

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

	30 June 2018 \$
Audit of the financial report	30,000
IPO due diligence	
Independent accountant report and tax services	33,784
Total auditors remuneration	63,784

The Fund has paid \$10,000 for the half year accounts review and \$33,784 for IPO due diligence.

Notes to the Financial Statements

11. Distribution to Unitholders

The Fund will seek to pay ongoing half-yearly distributions reflecting up to a 100% payout ratio of the distributable income of the Fund, derived from distributions it received from its investments.

There is \$330,351 distribution payable to unitholders at 30 June 2018.

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.

(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 the 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.

Notes to the Financial Statements

12. Financial Risk Management Objectives and Policies (continued)

(a) Credit risk (continued)

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

	As of 30 June 2018
AA-	37,053
A	309,282
	346,335

(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.

(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.

Notes to the Financial Statements
12. Financial Risk Management Objectives and Policies (continued)
(i) Currency risk (continued)

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

30 June 2018	AUD \$	USD \$	GBP \$	EUR \$	JPY \$	NOK \$	SGD \$	HKD \$	SEK \$	Total \$
Assets (in AUD)										
Cash and cash equivalents	290,483	11,205	-	21,949	3,409	2,620	10,197	6,472	-	346,335
Dividend receivables	130,112	26,075	6,270	5,436	-	-	-	-	-	167,893
GST receivables	7,585	-	-	-	-	-	-	-	-	7,585
Financial assets at fair value through profit or loss	5,234,240	6,719,967	511,961	1,586,262	688,862	184,954	559,193	461,452	794,182	16,741,073
Total assets	5,662,420	6,757,247	518,231	1,613,647	692,271	187,574	569,390	467,924	794,182	17,262,886
Liabilities (in AUD)										
Distribution payable	330,351	-	-	-	-	-	-	-	-	330,351
Management fees payable	16,260	-	-	-	-	-	-	-	-	16,260
Other management fees payable	12,840	-	-	-	-	-	-	-	-	12,840
Auditors remuneration payable	22,000	-	-	-	-	-	-	-	-	22,000
Other payables	51,714	-	-	-	-	-	-	-	-	51,714
Total liabilities	433,165	-	-	-	-	-	-	-	-	433,165
Net exposure	5,229,255	6,757,247	518,231	1,613,647	692,271	187,574	569,390	467,924	794,182	16,829,721

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 2018	10%/(10%)	1,682,972/(1,682,972)

(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.

Notes to the Financial Statements
12. Financial Risk Management Objectives and Policies (continued)
(ii) Interest rate risk (continued)

The Fund's exposure to interest rate risk is set out in the following table:

	Floating interest rate \$	Non-interest bearing \$	Total \$
30 June 2018			
Assets			
Cash and cash equivalents	346,335	-	346,335
Dividend receivables	-	167,893	167,893
GST receivables	-	7,585	7,585
Financial assets at fair value through profit or loss	-	16,741,073	16,741,073
Total Assets	346,335	16,916,551	17,262,886
Liabilities			
Distribution payable	-	330,351	330,351
Management fees payable	-	16,260	16,260
Other management fees payable	-	12,840	12,840
Auditors remuneration payable	-	22,000	22,000
Other payables	-	51,714	51,714
Total liabilities	-	433,165	433,165
Net exposure	346,335	16,483,386	16,829,721

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 2018		
AUD interest rate	25bps/(25bps)	866/(866)

(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.

Notes to the Financial Statements
12. Financial Risk Management Objectives and Policies (continued)
(iii) Price risk (continued)

The Fund's investments are publicly traded. As at 30 June 2018, 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 2018
	\$
Financial assets at fair value through profit or loss	16,741,073
% change in price	10%
Impact on NAV	1,674,107

A negative sensitivity would have an equal but opposite impact.

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 period ended 30 June 2018 was:

Number of transactions: 133

Total brokerage paid: \$65,451

The investment summary of the Fund as at 30 June 2018 is listed as below.

AUD

AVENTUS RETAIL PROPERTY FUND
 AVEO GROUP UNT
 CENTURIAIndustr UNT
 CENTURIA METROPOLITAN ORD
 CHARTER HALL GRP UNT
 CHARTER HALL RETAIL REIT
 FOLKESTONE EDUCATION ORD
 GATEWAY LIFESTYLE GROUP UNT
 INDUSTRIA REIT ORD
 INGENIA COMMUNITIES UNT
 NATIONAL STORAGE REIT
 PROPERTYLINK GROUP ORD
 SERVCORP ORD
 SHOPPING CENTRES AUSTRALIA ORD G
 STOCKLAND UNT
 VICINITY CENTRES RES

EUR

ALSTRIA OFFICE REIT
 AROUNDTOWN ORD
 ICADE REIT ORD
 INMOBILIARIA COLONIAL ORD
 VONOVIA ORD

Notes to the Financial Statements

12. Financial Risk Management Objectives and Policies (continued)

(iii) Price risk (continued)

HKD
CHAMPION REIT
WHARF REIC ORD
JPY
MITSUI FUDOSAN ORD
SUMITOMO REALTY ORD
NOK
ENTRA ORD
SGD
FRASERS HOSPITALITY ORD
MAPLETREE COMMERCIAL UNT
STARHILL GLOBAL REIT UNT
SEK
CASTELLUM ORD
HUFVUDSTADEN A ORD
GBP
LAND SECURITIES GROUP REIT ORD
USD
AMERICAN HOMES 4 RENT CL A REIT ORD
AVALONBAY COMMUNITIES REIT ORD
BOSTON PROPERTIES REIT ORD
BRAEMAR HOTELS RESORTS ORD
BROOKDALE SENIOR LIVING ORD
CAMDEN PROPERTY REIT
CBL AND ASSOCIATES PROP REIT ORD
COLUMBIA PROPERTY REIT ORD
DDR REIT ORD
EXTRA SPACE STORAGE REIT ORD
GGP ORD
OMEGA HEALTHCARE REIT ORD
PROLOGIS REIT
SELECT INCOME REIT ORD
SERITAGE GROWTH PROPERTIES CL A ORD
SIMON PROP GRP REIT ORD
TANGER FACTORY REIT ORD
VEREIT ORD
VORNADO REALTY REIT ORD

Notes to the Financial Statements
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 2018 to the contractual maturity date. Net assets attributable to unitholders are classified as debt.

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 2018				Total
	< 1 month	1-3 months	3-12 months	> 12 months	
	\$	\$	\$	\$	\$
Distribution payable	-	330,351	-	-	330,351
Management fees payable	-	16,260	-	-	16,260
Other management fees payable	-	-	12,840	-	12,840
Auditors remuneration payable	-	22,000	-	-	22,000
Other payables	-	51,714	-	-	51,714
Total financial liabilities	-	420,325	12,840	-	433,165

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 and had reduced its holdings during the period.

(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 and Company Secretary
Justin Epstein	Executive Director
Elizabeth Reddy	Non-executive Director

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the period ended at 30 June 2018.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel at any time during the period ended at 30 June 2018.

Notes to the Financial Statements
13. Related Party Transactions (continued)
(a) Key management personnel (continued)
(ii) Key Management Compensation

Key management personnel of the Responsible Entity have not been compensated out of the Fund for the period ended 30 June 2018.

No key management personnel have entered into any other transactions with the Fund during the financial period 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 period and up to the date of this report are:

Name	Title
Simon Wheatley	Chief Investment Officer
Angus Geddes	Chief Executive Officer
Robert Dardano	Chief Financial Officer
Richard Fabricius	Compliance Officer

(i) Other Key Management Personnel Unitholdings

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	-	23,000	-	23,000	25,523	0.15%	292
The Fat Prophets Global Contrarian Fund	-	1,409,090	672,284	736,806	817,631	4.86%	17,604
Total	-	1,432,090	672,284	759,806	843,154	5.01%	17,895

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

(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 2018.

Notes to the Financial Statements

14. 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 2018.

	Number of holders of ordinary units
1 to 1,000	10
1,001 to 5,000	190
5,001 to 10,000	141
10,001 to 100,000	299
100,001 and over	10
	650
Holding less than a marketable parcel (of \$500)	2

(b) 20 Largest Unitholders

Top 20 unitholders of the Fund as at 1 August 2018 are listed out as follow.

Unitholders	Unit held	% of issued units
J P MORGAN NOMINEES AUSTRALIA LIMITED	1,178,237	7.77%
NATIONAL NOMINEES LIMITED	736,806	4.86%
HALCYON GRACE PTY LTD	454,500	3.00%
CITICORP NOMINEES PTY LIMITED	447,984	2.95%
ARMENSKO PTY LTD	200,000	1.32%
BENIRIS PTY LTD	200,000	1.32%
CLEWETT SUPER PTY LTD	200,000	1.32%
LE CHEM PTY LTD	195,688	1.29%
ANNE COOPER PTY LTD	172,582	1.14%
C J MAGAREY PTY LTD	150,000	0.99%
COOMBS CORP PTY LTD	100,000	0.66%
MR LUKE ORMOND KEIGHERY - MRS ANGELA KEIGHERY	100,000	0.66%
KENJOK PTY LTD	100,000	0.66%
MR RODNEY BRUCE LYNCH	100,000	0.66%
DR ROGER JOHN WILLIAM PARRISH - MRS NOREEN MARY PARRISH	100,000	0.66%
RAINWATER PLACE PTY LTD	100,000	0.66%
SIMON CEBER PTY LTD	100,000	0.66%
TARINLIGHT PTY LTD	100,000	0.66%
AJS STAFF SUPER FUND PTY LTD	91,000	0.60%
JOSEPHINE YOKE ENG NG AND DR	91,000	0.60%
Total	4,917,797	32.44%

(c) 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.

15. Commitments and Contingencies

There are no commitments or contingencies at 30 June 2018.

16. Subsequent Events

There has been no matter or circumstances occurring subsequent to the end of the period that has significantly affected, or may significantly affect the operations of the Fund, the results of those operations, or the state of affairs of the Fund in future financial years.

Notes to the Financial Statements

Corporate Information

Directors

Frank Tearle (Executive Director)
Justin Epstein (Executive Director)
Elizabeth Reddy (Non-Executive Director)

Registered Office

Level 11
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Telephone: (02) 8277 0000

Investment Manager

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Telephone: (02) 9024 6788

Registry

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Sydney NSW 2000
Telephone: 1300 554 474
Facsimile: (02) 9287 0303

Auditor

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Level 8
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Sydney NSW 2000

ASX Code: FPP

Website: www.fpproperty.com.au

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