

**Fat Prophets Global Property Fund**

**ARSN: 619 970 786**

**Interim Report for the half-year ended 31 December 2020**

**Results for Announcement to the Market**

**Appendix 4D**

**31 December 2020**

	<b>% change</b>	<b>6 months ended 31 December 2020 \$</b>	<b>6 months ended 31 December 2019 \$</b>
<b>Results</b>			
Investment income / (loss)	Up 458%	2,697,065	1,017,764
Change in net assets attributable to unit holders (excluding capital returns)	Up 316%	2,409,006	851,838
Profit attributable to unit holders	Up 316%	2,409,006	851,838
<b>Commentary on Results</b>			
Discussion and analysis of the Trust's results is contained in the Interim Report.			
<b>The Trust proposes to pay an interim distribution for the period</b>			
Interim distribution payable (\$'000)		319	404
Interim distribution payable (cents per unit)		1.40	2.66
Basic and diluted earnings (cents per unit)		10.58	5.61
		<b>31 December 2020</b>	<b>31 December 2019</b>
<b>Net Tangible Assets</b>			
Total net tangible assets attributable to unit holders		\$21,893,319	\$17,958,540
Units on issue		22,778,334	15,185,556
Net tangible assets attributable to unit holders per unit		\$0.96	\$1.18

**Fat Prophets Global Property Fund**

**ARSN 619 970 786**

Interim report for the half-year ended 31 December 2020

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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 interim financial report for the Fund for the half-year ended 31 December 2020.

### **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 and Senior Management**

The names of the directors and company secretaries of the Responsible Entity, during the financial half-year 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

### **Principal Activities**

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

The principal activity of the Fund during the period was to invest in accordance with the provisions of the Fund's constitution and the Product Disclosure Statement dated 11 July 2017 as varied by the supplementary PDSs 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, 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 Condensed Statement of Profit or Loss and Other Comprehensive Income included in these financial statements. The net gain attributable to unitholders for the period ended 31 December 2020 was \$2,409,006 (31 December 2019: gain \$851,838).

#### **Distributions**

A distribution of \$318,897 (1.40 cpu) for the period ended 31 December 2020 (31 December 2019: \$404,088 (2.66 cpu)) has been declared in December 2020. The final amount was confirmed in February 2021.

**Directors' Report (continued)*****Value of Assets and Units Issued***

The following units of the Fund were on issue as at 31 December 2020:

	As at 31 December 2020		As at 30 June 2020	
	No. of Units	Fair value (\$)	No. of Units	Fair value (\$)
	22,778,334	21,893,319	22,778,334	19,803,210
<b>Total</b>	<b>22,778,334</b>	<b>21,893,319</b>	<b>22,778,334</b>	<b>19,803,210</b>

***Significant Changes in State of Affairs***

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

***Subsequent Events***

No other matters or circumstance 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 and any public announcements made in respect of the Fund during the interim reporting period.

***COVID-19***

The coronavirus, COVID-19, was first identified as a new, highly contagious virus in December 2019. The World Health Organisation declared a global pandemic in March 2020 and as at 31 December 2020, COVID-19 remains prevalent throughout the world, including Australia. COVID-19 has caused unprecedented disruption to populations, businesses and general economic activity. As the situation evolves, it continues to have significant impacts on investment funds and their trustees and managers, both directly and indirectly.

As this situation is continuing, the Investment Manager has been monitoring both the valuation of the Fund's assets and the Fund's liquidity and is in close contact with service providers in assessing the ongoing operations, liquidity and the basis of the values and estimates reported. In these circumstances, there is uncertainty around valuations. The Investment Manager will continue to closely monitor market situations to ensure that valuations remain appropriate. The Investment Manager will provide resources and updates where necessary to provide informed guidance for investors during this rapidly changing environment.

***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.

## **Directors' Report (continued)**

### ***Indemnification of Directors, Officers and Auditors***

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

### ***Rounding***

The amounts contained in this report and in the financial statements have not been rounded to the nearest thousand dollars under the option available to the Fund under ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191. The Fund is an entity to which the legislative instrument applies.

### ***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*.

### ***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 4.

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.



Frank Tearle

Director

24 February 2021

Fat Prophets Global Property Fund  
ARSN: 619 970 786

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 31 December 2020,  
there have been:

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



PKF



PAUL PEARMAN  
PARTNER

24 FEBRUARY 2021  
SYDNEY, NSW



## Half Year Report for 2021

Dear Unitholders,

2020 was a very challenging year for equities and REITs. Equities have rebounded quite strongly in the latter part of the year off sharp lows, however global REITs remain around 20% below their pre COVID February 2020 levels at 31 December 2020, substantially underperforming equities.

The driver of weakness has been concern around utilisation of office, retail and healthcare related real estate impacted by COVID by occupiers, with associated uncertainty around rent payments and ultimately asset values.

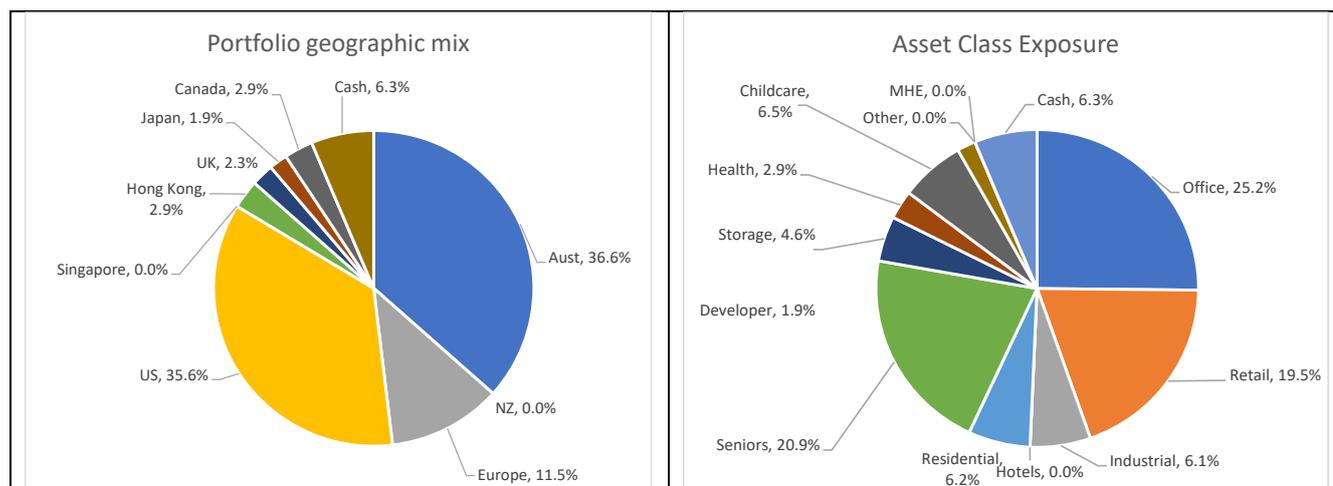
While some REITs pre-emptively wrote down their asset values which negatively impacted NTA's, there has been negligible evidence of asset values declining. On the contrary, record low interest rates have been driving demand for income producing real estate. In Australia there have been numerous significant asset transactions in the past six months which have been at close to record pricing. We believe this will prove supportive to NTA's.

Investors will be familiar with the Fat Prophets contrarian investing approach. This typically reflects a value investing approach rather than a growth/momentum investing style. This investing style was somewhat challenging post IPO as momentum performed. During 2020 into and post COVID however, our approach has been beneficial, resulting in significant outperformance relative to the benchmark.

Our investment positioning included being overweight Australia vs other global regions, and being overweight to retail and healthcare related subsectors. This strategy has played out well, with Australian REITs outperforming global REITs, reflecting the limited COVID impact in Australia vs other developed countries. This also resulted in the Australian dollar (AUD) outperforming the US dollar (USD) which benefitted the Fund portfolio positioning.

FPP places a strong emphasis on providing distribution opportunities for investors. The significant impact to business tenants which rent real estate during 2020 meant many tenants reduced or stopped paying rent for a period. A combination of this, as well as REITs taking a short term more conservative approach to balance sheet positioning, resulted in the majority of REITs cancelling or meaningfully reducing their June 2020 distributions. This flowed through and impacted the ability for FPP to pay a June distribution. A gradual recovery in the second half of 2020 allowed FPP to declare a 1.4cpu distribution while many REITs the Fund invests in gradually started to recommence partial distributions. We expect the outlook for distributions from investments held by the fund to continue to improve, and consequently the outlook for distributions from the Fund to continue to increase through 2021.

The following charts show the portfolio positioning as at 31 December 2020.



The Fund’s largest investment positions as at 31 December 2020 are shown in the following chart.



The Fund had a strong NTA increase of 16.9% in November 2020, substantially exceeding the benchmark for the month. Similarly, the 12 month NTA return for FPP after all fees and expenses comfortably exceeded benchmark returns during 2020. The November rally is indicative in our view of further recovery opportunity over the next twelve months. We have taken a value investing approach to portfolio positioning ahead of this. With REITs significantly lagging the equity recovery despite strong value pricing for direct real estate transactions, we believe the outlook for REITs in 2021 as vaccinations increase and peak COVID impact on tenants reduces is very positive.

**Fat Prophets Global Property Fund**

Chief Investment Advisor  
Simon Wheatley

**Fat Prophets Funds Management Pty Ltd**

Chief Executive Officer  
Angus Geddes

24 February 2021

## Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) The interim financial statements and notes set out on pages 10 to 19 are in accordance with the *Corporations Act 2001*, including:
- complying 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 31 December 2020 and its performance for the financial half-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.

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

24 February 2021

## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE UNITHOLDERS OF FAT PROPHETS GLOBAL PROPERTY FUND

#### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Fat Prophets Global Property Fund (the Fund), which comprises the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Fat Prophets Global Property Fund is not in accordance with the Corporations Act 2001 including:

- (a) giving a true and fair view of the Fund's financial position as at 31 December 2020, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001. In accordance with the Corporations Act 2001, we have given the Directors of the Responsible Entity a written Auditor's Independence Declaration.

#### Directors' Responsibility for the Half-Year Financial Report

The Directors' of the Responsible Entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with the Australian Accounting Standards and the Corporations Regulations 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the Fund's financial position as at 31 December 2020 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Fat Prophets Global Property Fund, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

### Auditor's Responsibility (cont'd)

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



PKF



PAUL PEARMAN  
PARTNER

24 FEBRUARY 2021  
SYDNEY, NSW

## Condensed Statement of Profit or Loss and Other Comprehensive Income for half-year ended 31 December 2020

	Note	Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
<b>Income</b>			
Net gains on financial instruments held at fair value through profit or loss	4	2,431,238	679,108
Foreign exchange (losses)/gains		(51,447)	267
Interest income		-	1,358
Dividend income		317,274	337,031
<b>Total income</b>		<b>2,697,065</b>	<b>1,017,764</b>
<b>Expenses</b>			
Administration fees		(16,071)	(13,433)
Management fees	8	(105,164)	(94,359)
Responsible entity fees		(47,472)	(15,645)
Professional fees		(34,130)	(5,500)
Other expenses		(85,222)	(36,989)
<b>Total operating expenses</b>		<b>(288,059)</b>	<b>(165,926)</b>
<b>Operating gain attributable to unitholders</b>		<b>2,409,006</b>	<b>851,838</b>
Distributions to unitholders		(318,897)	(404,088)
Increase in net assets attributable to unitholders	5	(2,090,109)	(447,750)
<b>Profit/(loss) for the period</b>		<b>-</b>	<b>-</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the period attributable to unitholders of the Fund</b>		<b>-</b>	<b>-</b>
<b>Basic and diluted earnings per unit (cents per unit)</b>		<b>10.58</b>	<b>5.61</b>

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

## Condensed Statement of Financial Position as at 31 December 2020

	Note	31 December 2020 \$	30 June 2020 \$
<b>Assets</b>			
Cash and cash equivalents		1,440,040	1,608,917
Dividend receivables		110,541	137,844
GST receivables		8,828	22,231
Financial assets at fair value through profit or loss	3	20,673,185	18,052,386
<b>Total assets</b>		<b>22,232,594</b>	<b>19,821,378</b>
<b>Liabilities</b>			
Distribution payable		318,897	-
Management fees payable		20,378	18,168
<b>Total liabilities (excluding net assets attributable to unitholders)</b>		<b>339,275</b>	<b>18,168</b>
<b>Net assets attributable to unitholders - liability</b>	5	<b>21,893,319</b>	<b>19,803,210</b>
<b>NTA per unit</b>		<b>0.96</b>	<b>0.87</b>

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

**Condensed Statement of Changes in Equity for half-year ended 31 December 2020**

	Half-year ended 31 December 2020	Half-year ended 31 December 2019
	\$	\$
<b>Total equity at the beginning of the period</b>		
Profit/(loss) for the period	-	-
Other comprehensive income	-	-
<b>Total comprehensive income</b>	-	-
Transactions with owners in their capacity as equity holders	-	-
<b>Total equity at the end of the financial period</b>	-	-

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

## Condensed Statement of Cash Flows for half-year ended 31 December 2020

	Note	Half-year ended 31 December 2020 \$	Half-year ended 31 December 2019 \$
<b>Cash flows from operating activities</b>			
Dividends received		343,135	290,859
Interest received		-	1,358
Management fees paid		(110,648)	(68,081)
Other payments		(192,642)	(183,725)
Other receipts		31,087	4,493
<b>Net cash provided by operating activities</b>		<b>70,932</b>	<b>44,904</b>
<b>Cash flows from investing activities</b>			
Payments for purchase of investments		(3,626,150)	(3,675,244)
Proceeds from sale of investments		3,425,193	2,757,887
Payments from spot foreign exchange trades		(67,591)	9,711
<b>Net cash used in investing activities</b>		<b>(268,548)</b>	<b>(907,646)</b>
<b>Cash flows from financing activities</b>			
Proceeds from exercise of options by unitholders	5	-	11,000
Distribution paid to unitholders		-	(575,516)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(564,516)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(197,616)</b>	<b>(1,427,259)</b>
Cash and cash equivalents at the beginning of the period		1,608,917	1,512,768
Effects of exchange rate changes on the balance of cash held in foreign currencies		28,739	(3,420)
<b>Cash and cash equivalents at the end of the period</b>		<b>1,440,040</b>	<b>82,089</b>
<b>Non cash activities</b>		<b>-</b>	<b>-</b>

The above condensed 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 investment trust (LIT) focussed on investing in global listed real estate investment trusts and its units are quoted on the Australian Securities Exchange (ASX: FPP) registered and domiciled in Australia. The Fund was constituted on 23 June 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) (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 Limited (the “Investment Manager”) is the investment manager of the Fund.

The coronavirus, COVID-19, was first identified as a new, highly contagious virus in December 2019. The World Health Organisation declared a global pandemic in March 2020 and as at 31 December 2020, COVID-19 remains prevalent throughout the world, including Australia. COVID-19 has caused unprecedented disruption to populations, businesses and general economic activity. As the situation evolves, it continues to have significant impacts on investment funds and their trustees and managers, both directly and indirectly.

As this situation is continuing, the Investment Manager has been monitoring both the valuation of the Fund’s assets and the Fund’s liquidity and is in close contact with service providers in assessing the ongoing operations, liquidity and the basis of the values and estimates reported. In these circumstances, there is uncertainty around valuations. The Investment Manager will continue to closely monitor market situations to ensure that valuations remain appropriate. The Manager will provide resources and updates where necessary to provide informed guidance for investors during this rapidly changing environment.

The financial statements were authorised for issue by the directors on 24 February 2021. The directors of the Responsible Entity have the power to amend and reissue the interim financial statements.

### 1. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these condensed financial statements are the same as those applied in the Fund’s financial statements as at and for the year ended 30 June 2020.

#### *a) Basis of Preparation*

This general purpose interim financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements and interpretations of the Australian Accounting Standards Board (the “AASB”), and the Corporations Act 2001 in Australia. For the purposes of preparing financial statements, the Fund is a for-profit entity.

This general purpose interim financial report has been prepared on an accruals basis using historical cost convention, except for the revaluation of investments in financial assets and liabilities, which have been measured at fair value through profit or loss.

The condensed Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity.

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on the historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about the carrying values of assets and liabilities that are not readily apparent from other sources.

## Notes to the Financial Statements

### 1. Summary of Significant Accounting Policies (continued)

#### a) Basis of Preparation (continued)

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Fund as the full year financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2020 and any public announcements made by the Fund during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

#### b) Statement of Compliance

The interim report is a general purpose financial report in accordance with the Corporations Act 2001 and AASB 134 *“Interim Financial reporting”*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards (*“IFRS”*) IAS 34 *“Interim Financial reporting”*.

#### c) Reporting Currency

All amounts are presented in Australian dollars as the functional and presentational currency of the Fund. All the global investments are converted to AUD.

#### d) Going Concern Basis

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

### 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

	31 December 2020	30 June 2020
	\$	\$
Investment in listed equity securities	20,673,185	18,052,386
<b>Total financial assets at fair value through profit or loss</b>	<b>20,673,185</b>	<b>18,052,386</b>

#### 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.

## Notes to the Financial Statements

## 3. Investments in Financial Instruments (continued)

## c) Fair Value Hierarchy (continued)

## 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.

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**

	31 December 2020			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
<b>Financial assets</b>				
Investment in listed equity securities	20,673,185	-	-	20,673,185
<b>Total financial assets designated at fair value through profit or loss</b>	<b>20,673,185</b>	<b>-</b>	<b>-</b>	<b>20,673,185</b>
	30 June 2020			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
<b>Financial assets</b>				
Investment in listed equity securities	18,052,386	-	-	18,052,386
<b>Total financial assets designated at fair value through profit or loss</b>	<b>18,052,386</b>	<b>-</b>	<b>-</b>	<b>18,052,386</b>

There were no transfers between levels 1, 2 and 3 during the period ended 31 December 2020. 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 31 December 20 the Fund had \$20,673,185 (30 June 2020: \$18,052,386) financial assets held at fair value through profit or loss included in level 1.

## Notes to the Financial Statements

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

	Half-year ended 31 December 2020	Half-year ended 31 December 2019
	\$	\$
Unrealised gains on financial instruments designated at fair value through profit or loss	1,983,121	310,496
Realised gains on financial instruments designated at fair value through profit or loss	448,117	368,612
<b>Net gains on financial instruments designated at fair value through profit or loss</b>	<b>2,431,238</b>	<b>679,108</b>

## 5. Net Assets Attributable to Unitholders

	Half-year ended 31 December 2020		As at 30 June 2020	
	No. of Units	\$	No. of Units	\$
Opening balance	22,778,334	19,803,210	15,175,556	17,499,790
Proceeds from exercise of options by unitholders	-	-	10,000	11,000
Proceeds from rights issue (net of costs)			7,592,778	6,771,861
Increase/(decrease) in net assets attributable to unitholders	-	2,090,109	-	(4,479,441)
<b>Closing balance</b>	<b>22,778,334</b>	<b>21,893,319</b>	<b>22,778,334</b>	<b>19,803,210</b>

## 6. Distribution

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.

A distribution of 1.4c was declared for the half-year. Out of the distribution amount of \$318,897 declared in respect of the half-year, as at 31 December 2020 \$318,897 of the declared distribution was payable to unitholders.

## 7. Segment Information

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

## Notes to the Financial Statements

### 8. 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) Management fees paid and payable to the investment manager*

In return for the performance of its duties as investment 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. For the half year ended 31 December 2020, the management fee expense incurred by the Fund was \$105,164 (2019: \$94,359).

#### *b) Other fees paid to related parties*

OMIFL also acts as custodian for the Fund and receives a fee for doing so. This fee is paid from the Fund.

#### *c) 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 period ended at 31 December 2020.

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 31 December 2020.

##### **(ii) Key Management Compensation**

Key management personnel of the Responsible Entity have not been compensated out of the Fund for the period ended 31 December 2020.

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 half-year.

#### *d) 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

## Notes to the Financial Statements

## 8. Related Party Transactions (continued)

## d) Other Key Management Personnel (continued)

## (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	34,500	-	-	34,500	33,160	0.15%	483
The Fat Prophets Global Contrarian Fund	1,105,209	-	-	1,105,209	1,062,268	4.85%	15,473
<b>Total</b>	<b>1,139,709</b>	<b>-</b>	<b>-</b>	<b>1,139,709</b>	<b>1,095,428</b>	<b>5.00%</b>	<b>15,956</b>

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

## (ii) Other Key Management Compensation

Key management personnel of the Investment Manager have not been compensated out of the Fund during the half-year ended 31 December 2020 (31 December 2019: \$nil).

## 9. Commitments and Contingencies

There are no commitments or contingencies at 31 December 2020.

## 10. Subsequent Events

No other matter or circumstance 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

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

#### Share 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

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Corporate Governance Statement link: <https://fpproperty.com.au/announcements>