

Fat Prophets Global Property Fund

ARSN: 619 970 786

Final Financial Report for the period from 01 July 2018 to 30 June 2019

Results for Announcement to the Market

Appendix 4E

30 June 2019

	\$	up/down	% change
Revenue from ordinary activities	1,766,052	up	33.62%
Profit/(loss) from ordinary activities after tax attributable to unitholders	1,562,711	up	38.96%
Net Profit/(loss) for the period attributable to unitholders	1,562,711	up	38.96%
Distribution Information	Cents per unit	Franked amount per unit	Tax rate for franking
2019 Interim distribution	2.1599	-	-
2019 Final distribution	3.7924	0.02	30%
Final Distribution Dates			
Ex-distribution date			27 June 2019
Record date			28 June 2019
Payment date			21 August 2019
Distribution Reinvestment Plan			
The Distribution Reinvestment Plan is not in place.			
	30 June 2019	30 June 2018	
	\$	\$	
(Post Tax) Net tangible asset backing	1.15	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 Fund'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 year ended 30 June 2019

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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 year ended 30 June 2019.

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 Secretaries

The directors of One Managed Investment Funds Limited ("OMIFL"), the responsible entity of Fat Prophets Global Property Fund (the "Fund") in the office during the year and at the date of this report are:

Name	Title
Frank Tearle	Executive Director & Company Secretary
Sarah Wiesener	Executive Director (appointed as a Director on 26 October 2018) and Company Secretary
Justin Epstein	Non-executive Director from 1 January 2019 (Executive Director to 31 December 2018)
Elizabeth Reddy	Non-executive Director (resigned on 26 October 2018)

Frank Tearle **(Executive Director)**

Frank joined the Board in December 2008. Before founding 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.

He has been a non-executive director of the investment manager of a Singaporean 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. 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 directorships

Mr Tearle is, at the date of this Annual Report, a director of:

- OMIFL which is the responsible entity of Agricultural Land Trust (ASX Code:AGJ) and Gryphon Capital Income Trust (ASX Code:GCIT); and
- Columbus Investment Services Limited (CISL) as responsible entity of the Alternative Investment Trust (ASX Code:AIQ).

In the three years' prior to the date of this Annual Report, Mr Tearle was a director of the responsible entity (OMIFL) for Aventus Property Retail Trust (ASX Code:AVN); Residential Parks No.2 Trust (a stapled entity of Gateway Lifestyle Group ASX Code:GTY); and director of Asia Pacific Data Centre Limited as responsible entity of the Asia Pacific Data Centre Trust, a stapled entity of the APDC Group (ASX Code:AJD).

Directors' Report (continued)

Sarah Wiesener

(Executive Director)

Sarah joined the Board in October 2018 and is a lawyer with over 20 years' experience in the financial services arena across a range of roles, structures and asset classes. She has acted as company secretary to a number of listed property funds.

She has been head of compliance for a number of listed property funds, a member of investment committees and provided support to audit, risk, and compliance committees as well as remuneration and nomination committees.

Sarah holds a Bachelor of Laws from Bristol University (Honours), holds a current NSW practising certificate and is a chartered company secretary.

Other directorships

Ms Wiesener is, at the date of this Annual Report, a director of:

- OMIFL which is the responsible entity of Agricultural Land Trust (ASX Code:AGJ) and Gryphon Capital Income Trust (ASX Code:GCIT); and
- CISL as responsible entity of the Alternative Investment Trust (ASX Code:AIQ).

In the three years' prior to the date of this Annual Report, Ms Wiesener was not a director of the responsible entity (OMIFL) or any other listed entity.

Justin Epstein

(Non-Executive Director)

Justin joined the Board in September 2009 and is a founding partner of OIG. In early 2019, Justin became a Non-Executive Director stepping back from his executive role in OIG. He remains involved in setting OIG's strategic direction and entities associated with Justin remain shareholders in OIG.

Before founding OIG, he was the investment director of LCJB Investment Group. 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 is also a director of a private investment company primarily focused on equity investments and distressed debt opportunities. He holds a Bachelor of Commerce from the University of New South Wales and is a Fellow of the Financial Services Institute of Australia.

Other directorships

Mr Epstein is, at the date of this Annual Report, a director of:

- OMIFL which is the responsible entity of Agricultural Land Trust (ASX Code:AGJ) and Gryphon Capital Income Trust (ASX Code:GCIT); and
- CISL as responsible entity of the Alternative Investment Trust (ASX Code:AIQ)

In the three years' prior to the date of this Annual Report, Mr Epstein was a director of the responsible entity (OMIFL) for Aventus Property Retail Trust (ASX Code:AVN); Residential Parks No.2 Trust (a stapled entity of Gateway Lifestyle Group ASX Code:GTY); and director of Asia Pacific Data Centre Limited as responsible entity of the Asia Pacific Data Centre Trust, a stapled entity of the APDC Group (ASX Code:AJD).

Directors' Report (continued)

Elizabeth Reddy

(Non-Executive Director - resigned on 26 October 2018)

Ms Reddy is an experienced corporate and commercial lawyer, having practised as a lawyer for in excess of 10 years both in the private and commercial arenas.

Ms Reddy specialises in the Corporations Act, contractual disputes, merges and acquisitions, equitable claims, trade practices and insolvencies. Ms Reddy is also experienced in compliance and risk management issues.

Ms Reddy spent a number of years working at both of Freehills and Atanaskovic Hartnell prior to undertaking a number of commercial roles. Ms Reddy holds a Diploma in Law.

Other directorships

In the three years' prior to the date of this Annual Report, Ms Reddy was a director of the responsible entity (OMIFL) for Aventus Property Retail Trust (ASX Code:AVN); Residential Parks No.2 Trust (a stapled entity of Gateway Lifestyle Group ASX Code:GTY); and director of Asia Pacific Data Centre Limited as responsible entity of the Asia Pacific Data Centre Trust, a stapled entity of the APDC Group (ASX Code:AJD).

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 2019 can be found on page 36 of this report.

Meeting of Directors

The number of meetings of the Board of OMIFL as Responsible Entity of the Fat Prophets Global Property Fund ('the Board') and of each Board committee held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
One Managed Investment Funds Limited		
Frank Tearle	4	4
Justin Epstein	1	4
Sarah Wiesener	3	4

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.

The principal activity of the Fund during the year was to invest in accordance with the provisions of the Fund constitution and the Product Disclosure Statement dated 11 July 2017 ("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 year.

Directors' Report (continued)

Review of Operations

Results

The results of the operations of the Fund are disclosed in the Statement of Profit or Loss and Other Comprehensive Income included in these financial statements. The net gain attributable to unitholders for the period from 1 July 2018 to 30 June 2019 was \$1,562,711 (23 June 2017 to 30 June 2018 : \$1,124,600).

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 full year distribution of \$903,094 (2018: \$362,339) for the year ended 30 June 2019 was declared during the year ended 30 June 2019.

Value of Assets and Units Issued

The following units of the Fund were on issue as at 30 June 2019:

	As at 30 June 2019		As at 30 June 2018	
	No. of Units	Fair value (\$)	No. of Units	Fair value (\$)
	15,175,556	17,499,790	15,166,056	16,829,721
Total	15,175,556	17,499,790	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

Loyalty Options which have not been exercised by 10th October 2019 will lapse. The expenses cap which is in place until the 2nd anniversary of the listing on ASX has been fully expended and the manager has been supporting the expenses of the Fund. The fees for the Responsible Entity were discounted by 50% for 2 years from the listing date. These fees will be charged at the full rate from October 2019.

Likely Developments

Increased costs as a result of the expiration of the expenses cap will see pressure on distributions.

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.

Options Granted

The Fund has issued 1 Loyalty Option for every unit subscribed under the terms of the PDS. There are 10,948,306 Loyalty Options issued as of 30 June 2019. Each Loyalty Option is exercisable at \$1.10 and will vest or lapse on 10 October 2019 being the date that is 12 months from the date of quotation for the IPO Units on the ASX ("Vesting Date"). Loyalty Options which did not vest on the Vesting Date will immediately lapse. The Loyalty Options have an exercise period of 12 months commencing on the Vesting Date. Loyalty options are not listed on the ASX. Loyalty Options not exercised by 10th October 2019 will lapse.

Directors' Report (continued)

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.

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 6.

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

28 August 2019



Fat Prophets Global Property Fund

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

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

PKF

PAUL PEARMAN
PARTNER

28 AUGUST 2019
SYDNEY, NSW

PKF(NS) Audit & Assurance Limited
Partnership
ABN 91 850 801 039

Liability limited by a scheme
approved under Professional
Standards Legislation

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Dear Unitholders,

Full year Results – year to 30 June 2019

We are pleased to report the full year financial year 2019 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). For the first part year since IPO in FY18, the Fund ended FY18 with an NTA of \$1.1097 after paying a distribution of 2.39c. This pattern of growth and distributions continued in FY19. NTA ended FY19 at \$1.1532 after allowance for the payment of total distributions of 5.95c per unit over the year in six monthly distributions. This NTA per unit has further grown to \$1.175 as at the end of July 2019, being the most up to date NTA publicly available at the time of writing.

The growth in NTA and the payment of regular distributions effectively deploys the strategy of the Fund which was advised at the time of the IPO. 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 Fund continued to be supported by Fat Prophets at the cost level. The Manager provided a two year commitment from the time of IPO to cap total expenses to the Fund at 1.25% of gross assets. It is expected that as this guarantee winds off in October 2019 the management expense ratio of the Fund will increase which will impact the outlook for distributable income. The Manager is reviewing ways this could be addressed and retains a disciplined cost focus.

The investment period over the past twelve months has been dominated by two key factors impacting the Fund;

Bond yields: Bond yields have trended lower in most jurisdictions, and the movement of the Federal Reserve to raise rates in the US last year has now reversed. In Australia, the 10 year bond has recently reflected a yield below 1% which is extraordinarily low. Government bonds are a proxy for the risk free rate and they drive valuations, particularly for REITs and Real Estate. As such the price returns from some REITs over the past twelve months has been very healthy. The Fund has enjoyed exposure to this in its investment portfolio. Similarly, the real estate which REITs own has often had healthy valuation upside. This includes European residential, office assets in Australia, and industrial property globally. As asset values rise, so does the underlying NAV of the REITs owning this property, and this typically is reflected in the share prices of the REITs.

Currency: The Fund undertakes no currency hedging. It has around one third of its holdings in Australia, with the balance of the Fund exposed to currency moves in the various countries it invests relative to the Australian dollar (AUD). The largest country exposure of the Fund is in the US, and over the past year the AUD has weakened relative to the USD. This has had a positive impact to the NTA of the Fund.

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 during the 12 month period following vesting in October 2018. These loyalty options will expire in a matter of weeks. There

have been only a negligible number of loyalty options exercised. While the Fund NTA has been higher than the loyalty option exercise price for the entire time the loyalty options have been exercisable, the share price has been trading at a discount to NTA and below the loyalty share exercise price.

Overview

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.

Strategically the Fund has had a mild overweight allocation to the US over the past year. The Fund was underweight Australia and with a value bias had been invested in Australian retail sectors while avoiding more expensive office and industrial sectors. This has worked against the Fund however with investors continuing to chase large REITs with exposure to office and industrial such as Dexs Property Group and Goodman Group which both had share price increases of ~50% over the past year.

An underweight exposure in the Fund to Hong Kong was further reduced in the second half of FY19 and this has been fortuitous given the recent unrest in the area which has meaningfully impacted on local shares including REITs and real estate companies.

The Fund's value bias has seen it watching retail REITs closely on a global basis. We have been actively investing into opportunities however the outcomes have been disappointing. The sector continues to be impacted by a shift to online shopping and investors are pricing a meaningful discount to NAV in many cases for these REITs. A catalyst to turn this around is not apparent. We will continue reviewing closely our exposure to the sector and how deep we want to play discount to value.

The Fund ended FY19 essentially fully invested, with cash levels of less than 5% after allowance for payment of the distribution. The focus into FY20 will remain on 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 deliver a regular and attractive yield.

We look forward to continuing to execute the Fund's unique strategy and remain positive about the prospects for global real estate returns over the next twelve months given the backdrop of low global yields.

Fat Prophets Global Property Fund

Chief Investment Officer

Simon Wheatley

Fat Prophets Funds Management

Chief Executive Officer

Angus Geddes

28 August 2019

Directors' Declaration

In the opinion of the directors of the Responsible Entity:

- (a) The financial statements and notes set out on pages 15 to 38 are in accordance with the *Corporations Act 2001*, including:
- compliance with Australian 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 2019 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

28 August 2019



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 2019, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Fund.

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

- i) Giving a true and fair view of the Fund's financial position as at 30 June 2019 and of its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

Independence

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

Key Audit Matters

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

PKF(NS) Audit & Assurance Limited
Partnership
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1. Valuation and existence of investments

Why significant

As at 30 June 2019, the carrying value of financial assets was \$16,489,346 which represented 94.2% of the Fund's Net Assets, as disclosed in Note 3 of the financial report.

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

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

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 the Fund's establishment, taking into consideration current period purchases, sales and other relevant transactions and agreeing to the final 30 June 2019 balance.
- Agreeing investment quantity holdings at 30 June 2019 to independent third party sources.
- Agreeing all the listed equities investment prices to independent market pricing sources as at 30 June 2019.
- Obtaining a report on whether the controls over investment purchases and sales transactions were suitably designed and operated effectively for the period and assessed the report.

2. Accuracy and completeness of management and performance fees

Why significant

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, as disclosed in Note 5 of the financial report.

For the year ended 30 June 2019 the Fund has recognised management fees of \$179,168 and no performance fees.

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

How our audit addressed the key audit matter

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

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

Other Information

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

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

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

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

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

Directors' Responsibilities for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Fat Prophets Global Property Fund for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

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



PKF



PAUL PEARMAN
PARTNER

28 AUGUST 2019
SYDNEY

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019

	Note	Year ended 30 June 2019 \$	Period from 23 June 2017 to 30 June 2018 \$
Income			
Net gains on financial instruments held at fair value through profit or loss	4	491,412	749,325
Foreign exchange movement		46,640	(70,460)
Interest income		2,694	24,279
Dividend income		1,225,306	618,544
Total income		1,766,052	1,321,688
Expenses			
Management fees	5	(179,168)	(114,223)
Other management costs	5	(24,173)	(33,653)
Broker fees		-	(404)
Dividend expense		-	(15,589)
Auditor's remuneration		-	(33,000)
Other expenses		-	(219)
Total operating expenses		(203,341)	(197,088)
Operating gain attributable to unitholders		1,562,711	1,124,600
Finance costs attributable to unitholders			
Distributions to unitholders		(903,094)	(362,339)
Increase in net assets attributable to unitholders	6(b)	(659,617)	(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)		10.30	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 2019

	Note	30 June 2019 \$	30 June 2018 \$
Assets			
Cash and cash equivalents	8	1,512,768	346,335
Dividend receivables		120,100	167,893
GST receivables		8,651	7,585
Financial assets at fair value through profit or loss	3	16,489,346	16,741,073
Total assets		18,130,865	17,262,886
Liabilities			
Distribution payable	11	575,524	330,351
Management fees payable	5	50,963	16,260
Other management fees payable	5	4,588	12,840
Other payables	9	-	73,714
Total liabilities (excluding net assets attributable to unitholders)		631,075	433,165
Net assets attributable to unitholders - liability	6(b)	17,499,790	16,829,721
NTA per unit		1.15	1.11

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

Statement of Changes in Equity for the year ended 30 June 2019

	Year ended 30 June 2019	Period from 23 June 2017 to 30 June 2018
	\$	\$
Total equity at the beginning of the year		
Profit /(loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Transactions with owners in their capacity as equity holders	-	-
Total equity at the end of the financial year	-	-

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

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

Statement of Cash Flows for the year ended 30 June 2019

		Year ended 30 June 2019	Period from 23 June 2017 to 30 June 2018
	Note	\$	\$
Cash flows from operating activities			
Dividends received		1,273,099	434,843
Interest received		2,694	24,279
Management fees paid		(144,465)	(97,963)
Other payments		(75,252)	(20,040)
Net cash provided by operating activities	8(b)	1,056,076	341,119
Cash flows from investing activities			
Payments for purchase of investments		(6,804,944)	(22,640,440)
Proceeds from sale of investments		7,596,864	6,607,367
Payments from spot FX trades		(4,639)	(29,799)
Net cash provided by/(used in) investing activities		787,281	(16,062,872)
Cash flows from financing activities			
Proceeds from issue of units to unitholders	6(b)	10,450	16,682,662
Payments related to the initial public offering	6(b)	-	(615,202)
Distribution paid to unit holders		(689,909)	-
Net cash (used in)/provided by financing activities		(679,459)	16,067,460
Net increase in cash and cash equivalents		1,163,898	345,707
Cash and cash equivalents at the beginning of the period		346,335	-
Effects of exchange rate changes on the balance of cash held in foreign currencies		2,535	628
Cash and cash equivalents at the end of the period	8(a)	1,512,768	346,335
Non cash activities		-	-

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 registered and domiciled in Australia and is listed on the ASX. The Fund is an investment trust focussed on global investments with exposure to real estate. 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.

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 Pty Ltd (the "Investment Manager") is the investment manager of the Fund.

The financial statements were authorised for issue by the directors on 28 August 2019. 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.

Interest Income

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

Notes to the Financial Statements

1. Summary of Significant Accounting Policies (continued)

f) Cash and Cash Equivalents

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

g) Investments in Financial Instruments

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

(i) Classification

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

Financial Instruments Designated at Fair Value through Profit or Loss

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

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

(ii) Recognition/derecognition

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

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

(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)

(iii) Measurement (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) New and amended standards adopted by the Fund

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. The new Standard has been applied as at 1 July 2018.

The adoption of AASB 15 has had no effect on the Fund.

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139's 'Financial Instruments: Recognition and Measurement' requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

The adoption of AASB 9 has not had a material effect on the Fund.

b) Standards and Interpretations in issue but not yet adopted

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Fund's financial statements are disclosed below, except for those standards which, in the opinion of the Board, will clearly not impact the Fund. The Fund intends to adopt these standards, if applicable, when they become effective.

AASB 16 Leases

AASB 16 was issued in January 2016 and requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 17. Lessor accounting is substantially unchanged from today's accounting under AASB 17. Lessors will continue to classify all leases using the same classification principle as in AASB 17 and distinguish between two types of leases: operating and finance leases. The standard requires lessees and lessors to make more extensive disclosures than under AASB 17. AASB 16 is effective for annual periods beginning on or after 1 January 2019, however early adoption is permitted. The Fund is not a Lessor and expects no impact of adopting this standard.

Notes to the Financial Statements

3. Investments in Financial Instruments

a) Financial Assets at Fair Value through Profit or Loss

	30 June 2019	30 June 2018
	\$	\$
Investment in listed equity securities	16,489,346	16,741,073
Total financial assets at fair value through profit or loss	16,489,346	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 2019			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Financial assets				
Investment in listed equity securities	16,489,346	-	-	16,489,346
Total financial assets designated at fair value through profit or loss	16,489,346	-	-	16,489,346

	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 year ended 30 June 2019. 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 2019, the Fund had \$16,489,346 (2018: \$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

	Year ended 30 June 2019 \$	Period from 23 June 2017 to 30 June 2018 \$
Unrealised gains on financial instruments designated at fair value through profit or loss	588,472	615,701
Realised gains/(losses) on financial instruments designated at fair value through profit or loss	(97,060)	133,624
Net gains on financial instruments designated at fair value through profit or loss	491,412	749,325

Notes to the Financial Statements

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

Management fees for the year amounted to \$179,168 (2018: \$114,223). \$50,963 remained payable as at 30 June 2019 (30 June 2018: \$16,260).

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 Expense Cap will be payable by the Investment Manager for a period of 2 years from IPO as per PDS supplementary disclosure. The expense cap will expire on 10 October 2019 and full costs will be recoverable from the assets of the Fund.

Other management costs for the year were \$24,173 (2018: \$33,653) with \$4,588 (2018: \$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 used for performance fee calculation is the combination of 25% of S&P/ASX 300 AREIT Accumulation Index (Total Return) and 75% of FTSE EPRA NAREIT Global Developed Total Return Index given in AUD.

No performance fee is accrued for the year (2018: nil).

6. Net Assets Attributable to Unitholders

a) Issued Capital

	30 June 2019		30 June 2018	
	No. of units	\$	No. of units	\$
Issued and paid up capital - Ordinary units	15,166,056	16,067,460	15,166,056	16,067,460
Option exercised	9,500	10,450	-	-
Total issued capital	15,175,556	16,077,910	15,166,056	16,067,460

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

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

Notes to the Financial Statements
6. Net Assets Attributable to Unitholders (continued)
a) Issued Capital (continued)

For every 1 unit issued under the initial offer, the unitholder received an entitlement to 1 Loyalty Option. There are 10,948,306 Loyalty Options issued for the period. Loyalty Options issued will either be vested or lapsed on 10 October 2019, the date that was 12 months after the Fund was 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. Loyalty options not exercised by 10 October 2019 will lapse.

b) Net Assets

	Year ended 30 June 2019		Period from 23 June 2017 to 30 June 2018	
	No. of units	\$	No. of Units	\$
Opening balance	15,166,056	16,829,721	-	-
Proceeds from issue of units to unitholders	9,500	10,452	15,166,056	16,682,662
Cost of initial public offering	-	-	-	(615,202)
Increase in net assets attributable to unitholders	-	659,617	-	762,261
Closing balance	15,175,556	17,499,790	15,166,056	16,829,721

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 2019	Period from 23 June 2017 to 30 June 2018
	\$	\$
Operating segment		
Investment management:		
Attributable to Australia	1,766,052	1,321,688
Total investment gain	1,766,052	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 year as shown in the statement of cash flows is reconciled to the related items in the Statement of Financial Position as follows:

	As at 30 June 2019	As at 30 June 2018
	\$	\$
Cash at bank	11,350	37,053
Cash at broker	1,501,418	309,282
Cash and cash equivalents	1,512,768	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:

	Year ended 30 June 2019	Period from 23 June 2017 to 30 June 2018
	\$	\$
Profit/(loss) for the year	-	-
Increase in net assets attributable to unitholders	659,617	762,261
Distributions to unitholders	903,094	362,339
Net gains on financial assets held at fair value through profit or loss	(538,052)	(678,865)
Change in assets and liabilities:		
Decrease in other assets	46,727	(175,478)
Increase in other payables	(15,310)	70,862
Net cash provided by operating activities	1,056,076	341,119

9. Other Payables

	Year ended 30 June 2019	Period from 23 June 2017 to 30 June 2018
	\$	\$
Set-up fee	-	19,762
Withholding tax payable	-	31,952
Other payable	-	22,000
Total payables	-	73,714

10. Auditor's Remuneration

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

	30 June 2019	30 June 2018
	\$	\$
Audit of the financial report	27,000	30,000
IPO due diligence		
Independent accountant report and tax services	-	33,784
Total auditors remuneration	27,000	63,784

Notes to the Financial Statements

11. Distribution to Unitholders

The Fund pays 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 \$575,524 distribution payable to unitholders on the register at 30 June 2019 (2018: 330,351).

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)
(ii) Cash and cash equivalents (continued)

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

	As of 30 June 2019	As of 30 June 2018
AA-	11,350	37,053
A	1,501,418	309,282
	1,512,768	346,336

(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)
(b) Market risk(continued)
(i) Currency risk (continued)

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

	AUD \$	USD \$	GBP \$	EUR \$	JPY \$	NOK \$	SGD \$	HKD \$	SEK \$	Total \$
30 June 2019										
Assets (in AUD)										
Cash and cash equivalents	591,898	381,331	12,872	29,674	257,925	8,291	9,266	202,746	18,764	1,512,768
Dividend receivables	64,986	30,874	6,317	17,922	-	-	-	-	-	120,100
GST receivables	8,651	-	-	-	-	-	-	-	-	8,651
Financial assets at fair value through profit or loss	4,150,177	7,335,542	1,054,568	1,692,641	517,258	219,427	148,539	378,799	992,395	16,489,346
Total assets	4,815,712	7,747,747	1,073,757	1,740,237	775,183	227,718	157,805	581,545	1,011,159	18,130,865
Liabilities (in AUD)										
Distribution payable	575,524	-	-	-	-	-	-	-	-	575,524
Management fees payable	50,963	-	-	-	-	-	-	-	-	50,963
Other management fees payable	4,588	-	-	-	-	-	-	-	-	4,588
Total liabilities	631,075	-	-	-	-	-	-	-	-	631,075
Net exposure	4,184,637	7,747,747	1,073,757	1,740,237	775,183	227,718	157,805	581,545	1,011,159	17,499,790
30 June 2018										
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
Other payables	73,714	-	-	-	-	-	-	-	-	73,714
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

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

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

	Change in foreign exchange rate	Effect on net profit attributable to unitholders \$
Year ended 30 June 2019	10%/(10%)	1,749,979/(1,749,979)
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.

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

	Floating interest rate \$	Non-interest bearing \$	Total \$
30 June 2019			
Assets			
Cash and cash equivalents	1,512,768	-	1,512,768
Dividend receivables	-	120,100	120,100
GST receivables	-	8,651	8,651
Financial assets at fair value through profit or loss	-	16,489,346	16,489,346
Total Assets	1,512,768	16,618,097	18,130,865
Liabilities			
Distribution payable	-	575,524	575,524
Management fees payable	-	50,963	50,963
Other management fees payable	-	4,588	4,588
Total liabilities	-	631,075	631,075
Net exposure	1,512,768	15,987,022	17,499,790

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

	Floating interest rate \$	Non-interest bearing \$	Total \$
30 June 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
Other payables	-	73,714	73,714
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 2019		
AUD interest rate	25bps/(25bps)	3,782/(3,782)
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)
(b) Market risk(continued)
(iii) Price risk (continued)

The Fund's investments are publicly traded. As at 30 June 2019, 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 2019	30 June 2018
	\$	\$
Financial assets at fair value through profit or loss	16,489,346	16,741,073
% change in price	10%	10%
Impact on NAV	1,648,935	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 2019 was:

Number of transactions: 2019: 82 (2018: 133)

Total brokerage paid: 2019: \$66,191 (2018: \$65,451)

The investment summary of the Fund as at 30 June 2019 is listed as below.

Investments
AUD

AVEO GROUP UNT
 CHARTER HALL GRP UNT
 NATIONAL STORAGE REIT
 NEXTDC ORD
 SCENTRE GROUP ORD
 SERVCORP ORD
 SHOPPING CENTRES AUSTRALASIA PROPERTY GROUP ORD
 VICINITY CENTRES RES
 ABACUS PROPERTY GROUP UNT
 APN INDUSTRIA REIT STAPLED UNT
 ARENA REIT UNT
 AVENTUS RETAIL PROPERTY FUND
 CHARTER HALL EDUCATION TRUST UNT

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)

(b) Market risk(continued)

(iii) Price risk (continued)

HKD

WHARF REIC ORD

CHAMPION REIT

JPY

MITSUI FUDOSAN ORD

NOK

ENTRA ORD

SGD

FRASERS HOSPITALITY ORD

SEK

CASTELLUM ORD

HUFVUDSTADEN A ORD

GBP

INTU PROPERTIES REIT ORD

LAND SECURITIES GROUP REIT ORD

SEGRO REIT ORD

USD

HUAZHU GROUP ADR REP ORD

AMERICAN HOMES 4 RENT CL A REIT ORD

ASHFORD HOSPITALITY REIT ORD

AVALONBAY COMMUNITIES REIT ORD

BRAEMAR HOTELS RESORTS ORD

BROOKDALE SENIOR LIVING ORD

CAMDEN PROPERTY REIT

COLUMBIA PROPERTY REIT ORD

CUBESMART REIT ORD

EXTRA SPACE STORAGE REIT ORD

INDUSTRIAL LOGISTICS PROPERTIES ORD

OFFICE PROPERTIES INCOME ORD

PROLOGIS REIT

RETAIL VALUE ORD

SERITAGE GROWTH PROPERTIES CL A ORD

SITE CENTERS ORD

SPIRIT REALTY CAPITAL REIT ORD

TANGER FACTORY REIT ORD

TAUBMAN CNTR REIT ORD

VAIL RESORTS ORD

VEREIT ORD

VORNADO REALTY REIT ORD

BROOKFIELD PROPERTY PARTNERS UNT

EXTENDED STAY AMERICA UNT

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 2019 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 2019				Total \$
	< 1 month	1-3 months	3-12 months	> 12 months	
	\$	\$	\$	\$	
Distribution payable	-	575,524	-	-	575,524
Management fees payable	-	50,963	-	-	50,963
Other management fees payable	-	-	4,588	-	4,588
Total financial liabilities	-	626,487	4,588	-	631,075

	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
Other payables	-	73,714	-	-	73,714
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.

Notes to the Financial Statements
13. Related Party Transactions (continued)
(a) Key management personnel
(i) Directors

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

Name	Title
Frank Tearle	Executive Director & Company Secretary
Sarah Wiesener	Executive Director (appointed as a Director on 26 October 2018) and Company Secretary
Justin Epstein	Non-executive Director from 1 January 2019 (Executive Director to 31 December 2018)
Elizabeth Reddy	Non-executive Director (resigned on 26 October 2018)

Key management personnel of the Responsible Entity and their associated entities did not hold any units in the Fund during the year ended at 30 June 2019.

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to the key management personnel at any time during the year ended at 30 June 2019.

(ii) Key Management Compensation

Key management personnel of the Responsible Entity have not been compensated out of the Fund for the year ended 30 June 2019.

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

(b) Other Key Management Personnel

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

Name	Title
Simon Wheatley	Chief Investment Officer
Angus Geddes	Chief Executive Officer
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	26,523	0.15%	555
The Fat Prophets Global Contrarian Fund	736,806	-	-	736,806	849,653	4.86%	33,518
Total	759,806	-	-	759,806	876,176	5.01%	34,564

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

Notes to the Financial Statements
13. Related Party Transactions (continued)
(b) Other Key Management Personnel (continued)
(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 2019.

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 2019.

	Number of holders of ordinary shares
1 to 1,000	17
1,001 to 5,000	170
5,001 to 10,000	118
10,001 to 100,000	227
100,001 and over	13
	545
Holding less than a marketable parcel (of \$500)	6

(b) 20 Largest Unitholders

Top 20 unitholders of the Fund as at 1 August 2019 are listed out as follow.

Unitholders	Unit held	% of issued shares
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	1,853,080	12.21%
J P MORGAN NOMINEES AUSTRALIA LIMITED	994,755	6.55%
NATIONAL NOMINEES LIMITED	736,806	4.86%
CITICORP NOMINEES PTY LIMITED	458,262	3.02%
HALCYON GRACE PTY LTD	454,500	2.99%
C J MAGAREY PTY LTD	275,500	1.81%
ARMENSKO PTY LTD	200,000	1.32%
BENIRIS PTY LTD	200,000	1.32%
CLEWETT SUPER PTY LTD	200,000	1.32%
MR JOHNATHON MATTHEWS	200,000	1.32%
M&L MCCAULEY INVESTMENTS PTY	199,864	1.32%
LE CHEM PTY LTD	195,688	1.29%
MR TREVOR JAMES SUTHERLAND + MRS KAREN ANNE SUTHERLAND	144,352	0.95%
COOMBS CORP PTY LTD	100,000	0.66%
GFTQ 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%
RK & DF CONSULTING PTY LTD	100,000	0.66%
SIMON CEBER PTY LTD	100,000	0.66%
Total	6,812,807	44.90%

(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.

Notes to the Financial Statements

15. Commitments and Contingencies

There are no commitments or contingencies at 30 June 2019.

16. Subsequent Events

Loyalty Options which have not been exercised by 10th October 2019 will lapse. The expenses cap which is in place until the 2nd anniversary of the listing on ASX has been fully expended. The fees for the Responsible Entity were discounted by 50% for 2 years from the listing date. These fees will be charged at the full rate from October 2019.

Except for the above, no other matters or circumstances have arisen since the end of the financial year which significantly affected or could 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 & Company Secretary
Sarah Wiesener	Executive Director (appointed as a Director on 26 October 2018) and Company Secretary
Justin Epstein	Non-executive Director from 1 January 2019 (Executive Director to 31 December 2018)
Elizabeth Reddy	Non-executive Director (resigned on 26 October 2018)

Registered Office

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Telephone: (02) 8277 0000

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Sydney NSW 2000
(Australian Financial Services Licence Number: 229183)
Telephone: (02) 9024 6788

Registry

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

Auditor

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

ASX Code: FPP

Website: www.fpproperty.com.au

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