ASX ANNOUNCEMENT

Sydney, 10th November, 2017: Fat Prophets Global Contrarian Fund (FPC) announces a Disclosure pursuant to ASX Listing Rule 4.12

Dear Shareholders,

During October the Global Contrarian Fund continued the strong run seen in September with double digit gains in two of the top 10 positions being a key driver of performance. The Fund's strong tilt towards Japan also boosted our NTA after a strong start to the third quarterly reporting season. We continue to favour Japan, which we see as being **positioned for a significant rerating by global investors who remain significantly underweight the market.** With the domestic election safely to one side and Prime Minister Shinzo Abe effectively installed for another political term, we expect growth in the world's third largest economy to accelerate, which has contributed the Nikkei lifting to 23 year highs.

This post-tax net tangible asset backing per Fat Prophets Global Contrarian Fund Limited share as at 31 October 2017 was $1.XX, representing a X% increase on last month's NTA of $1.1109.

	31-Oct-17	30-Sep-17	Change
Pre Tax NTA	1.1736	1.1147	5.28%
Post Tax NTA	1.XX	1.1109	%

Positive contributors during the month were **Praemium** (+37.2%), **Reliance Industries** (+20.3%), **Minebea Mitsumi** (+17.2%), **Fairfax Media** (+16.4%) and **Fanuc** (+15.7). The stocks that weighed over October include **Sands China** (-9.6%), **Coeur Mining** (-17.4%) and **Powerhouse Energy** (-23.5%).

In Europe we saw civil unrest in Spain with the Catalan parliament voting to declare independence, while Madrid moved to impose direct rule over the region. This resulted in large protests in Barcelona and charges being laid against Catalan President Carles Puigdemont for holding the referendum. The now exiled Catalan government has had its powers suspended by the Spanish Authorities which is likely to quell any further moves for independence over the medium term. Despite the political turmoil the IBEX 35 held above 10,000, which underscores the strength in Spanish economic recovery - one of the hardest hit in the Eurozone post GFC recession.

In Japan we saw the re-election of Prime Minister Shinzo Abe in a landslide victory. Abe who is just 63, has retained his two-third majority in the 465-member lower house. This significantly boosts his chance of winning another term as head of his Liberal Democratic Party which could see him become Japan's longest serving leader. Importantly this continuity of leadership paves the way for more stimulus in the form of ultra-easy monetary policy which has helped the Japanese economy expand for six straight quarters.

Shares in India's state controlled banks soared during October when Prime Minister Narendra Modi's Government announced it would inject an unprecedented 2.11 trillion rupees ($32 billion) to recapitalise the country's banks to boost credit and the economy. The government plans to break the circuit of nonperforming loans and bad debts that have plagued the larger SOE banks over the past decade. The recapitalisation will enable the state banks to return to focusing on growth and this underpinned a significant rerating of **ICICI Bank** over the month.

The Contrarian Funds largest position **Baidu** reported its third quarter results towards the end of October. Total revenues in the third quarter came in at RMB 23.5 billion (US$3.5 billion), marking a strong 29% increase on a year ago and effectively in line with the Wall Street consensus estimate of RMB 23.6 billion. Positively, the company continues to strengthen its mobile business and revenue generated from mobile increased from 64% of the total in 3Q16 to 73% in 2Q17.

Operating profit hit RMB 4.7 billion (US$706 million), representing a surge of 69%. Net income of RMB 7.95 billion more than doubled (+157%) from a year earlier, boosted by RMB 4.23 billion of other income linked to the sale of Baidu Deliveries. Costs were up 24% year on year however as the company invests heavily in Artificial Intelligence which we see as having the potential to be a key growth driver in the future.

Diversified Indian conglomerate **Reliance Industries** reported a 39% year-on-year increase in second quarter operating profits with the refining and petrochemical businesses leading the way. Consolidated revenue came in at INR 1.01 trillion (US$15.6 billion), up 23.9% from the prior year while net profit was up 12.5% at INR 81.09 (US$1.2 billion), a marked increase from a year earlier for a company of this size. Reliance's fast-growing Jio telecom division surprised on the upside, with a positive EBITDA and EBIT contribution for the first quarter with the segment's standalone numbers reported for the first time.

We hold the view that Jio will prove the jewel in the crown for Reliance over the next five years as it rolls out India's fastest growing 4G net mobile phone network. While only launched in September 2016, within three months Jio had surpassed 50 million subscribers and now has over 138 million subscribers which is about 11% of the market. The Indian telecom market has huge potential, with many Indian's still using feature phones rather than smartphones and Jio is already the world's largest data consumption networks.

Australian financial platform provider **Praemium** had an excellent month gaining nearly 40%. The company reported record inflows for the September quarter of $587 million in Australia and $749 million globally. Funds Under Administration (FUA) have now surpassed the $6.6 billion mark with this up 31% on the same time last year. The inherent operating leverage with Praemium's business model is attractive, in addition to the industry being relatively fragmented which raises the prospects of consolidation.

During the month we added Japanese integrated chemical business **Sumitomo Chemical** which is moving away from the LCD market (which has become more commoditised) and moving towards Organic Light Emitting Diodes (OLED) used in smartphone applications. Sumitomo Chemical is a dominant supplier for next generation OLED models for a major North American Smartphone maker.

Fairfax Media had a solid performance after investors voted overwhelmingly in favour of the partial demerger of the Domain real estate business. As we have written previously, the share price was sold off heavily earlier in the year following the withdrawal of two private equity firms. The value of Fairfax post demerger of Domain is likely to be reassessed. Fairfax is also pursuing an aggressive cost out program with the print assets and appealing a blocked merger decision with the NZ competition regulator.

Consumer electronics company **Sony** had an excellent second quarter reporting a consensus beating 22.1% surge in sales on a year earlier with the largest contribution coming from the Games & Network services segment, while favourable exchange rates also added 15% to the top line. Playstation 4 has outsold its chief rival, Xbox, while restructuring efforts have seen the Home & Entertainment business turnaround from bleeding red ink a few years ago to making a significant contribution to the bottom line.

Japanese machine and electrical component manufacturer **Minebea Mitsumi** also released its second quarter result to 30 September with net sales, operating income and net income all hitting quarterly record highs. Net sales were up 52.3% year on year to ¥235.8 billion while net income per share was up 87%. Minebea Mitsumi is the result of merger in January 2017 between Mitsumi Electric and Minebea Co. with the merged company focused on cost reductions and the development of high value-added products and new technologies. Strong demand for the company's electrical components in particular has underpinned an upward revision of its full year forecast net sales by 26.8%.

We added **Volkswagen** to the portfolio which we consider to be attractive given depressed investor sentiment, despite the fact that the company continues to perform strongly from an operational perspective. Although the turmoil and fallout of the "diesel-gate" scandal has weighed on management, Europe's largest carmaker has weathered the "storm well" still managing to report a €1.72bn operating profit in the third quarter versus forecasts of €1.496bn. The result was 48% lower than a year ago due to a €2.6bn charge related to the diesel scandal, but comfortably beat analyst estimates by a significant margin. Operating income before one-off charges increased by 15.1% on a year ago to €4.32bn. Revenue in the quarter increased by 5.8% on a year ago to €55bn and the company increased its profit margin guidance for 2017.

Volkswagen has spent €14.5bn this year resolving the diesel scandal but still has a cash balance of €25.4bn. Revenue in 2017 is expected to be 4% higher than in 2016 and deliveries in the first three quarters were up 2.5% on a year ago. The company holds some exceptional brands in its portfolio including Audi, Porsche, Bentley, Lamborghini and Ducati, not to mention the iconic VW Kombi Van with a revamped electric model scheduled for commercial production in 2020. Last but not least, Volkswagen is materially undervalued by the market valued on a forecast PE of just 5 and an EV/EBIDTA multiple of just 3X – not to mention trading at a significant discount to the European auto sector.

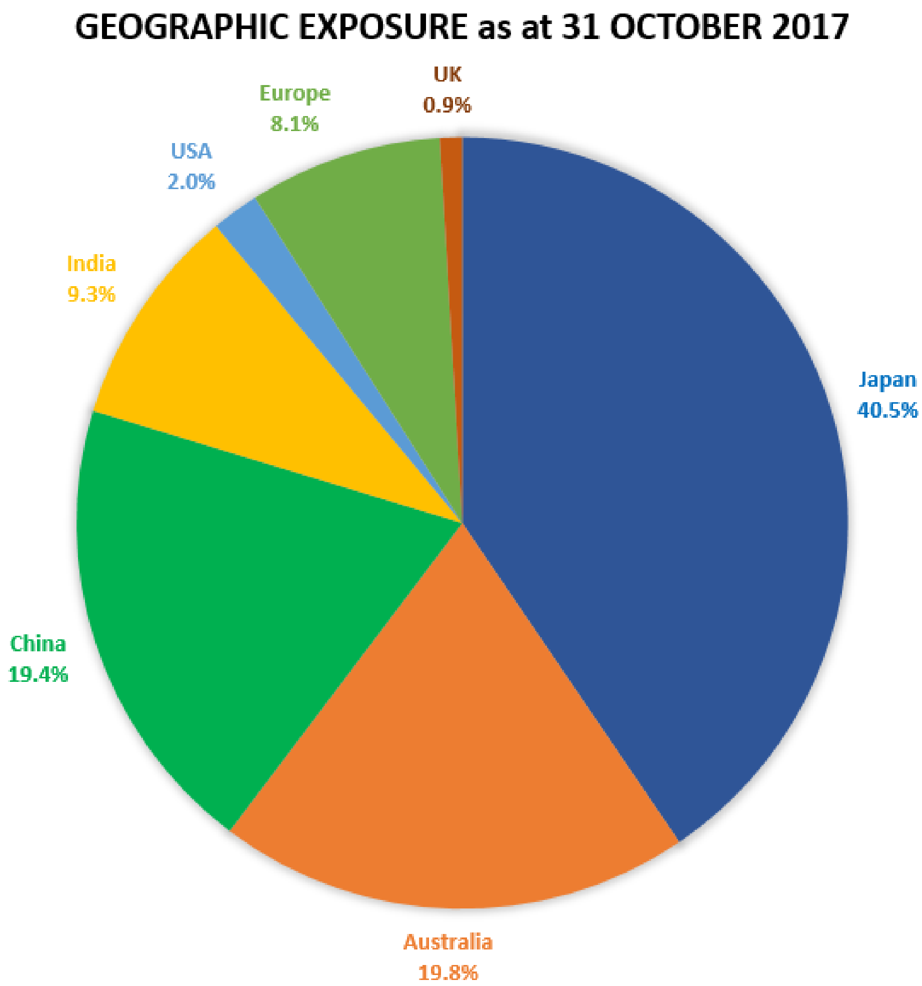
As mentioned last month, Australian hotel operator **Mantra** accepted an offer from French multinational hotel group Accor S.A. to acquire 100% of its shares at a price of $3.96 per share. This represented a 23% premium to where the stock was previously trading and values the business at $1.18 billion. This saw the share price rally to around $3.90 and we decided to take profits and reallocate capital to other opportunities. Mantra was one of the Funds Top 10 Holdings so the sell down locked in a sizeable boost to NTA.

During October we established a position in KFC operator **Collins Foods**. The shares have been under pressure as of late with the company due to release its results at the end of this month. Collins expanded its KFC franchise network into Europe last December with the acquisition of 12 restaurants in Germany. Management reported at the AGM that the integration has progressed well. This deal was followed up by the purchase of 16 restaurants in the Netherlands, which was completed in late August. Collins has a good track record in operating KFC stores and if the management team can deliver on recent acquisitions in Australia and Europe, we believe there is significant upside.

As at the end of October the Fund had leverage of 39%.

Top 10 Holdings	**31 October 2017**	**Country**
BAIDU INC	9.1%	China
MGM CHINA HOLDINGS LTD	6.3%	China
FAIRFAX MEDIA LTD	6.3%	Australia
WYNN MACAU LTD	6.3%	China
QBE INSURANCE	6.2%	Australia
RELIANCE INDUSTRIES LTD	5.7%	India
SUMITOMO MITSUI FINANCIAL GROUP	5.6%	Japan

SONY CORP	5.4%	Japan
MITSUBISHI UFJ FINANCIAL GROUP	5.0%	Japan
NIPPON TELEGRAPH AND TELEPHONE CORP	4.0%	Japan



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