

**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD**  
**Appendix 4D**  
**For the Half-Year Ended 31 December 2018**

**Details of reporting period**

Current: Half-year ended 31 December 2018

Previous corresponding: Half-year ended 31 December 2017

**Results for announcement to the market**

	Half-year ended			
	31 December 2018	31 December 2017		
	\$'000	\$'000	Up/(Down)	Movement
<b>(Loss)/Revenue</b> from ordinary activities	(8,916)	8,747	(17,663)	-202%
<b>(Loss)/Profit</b> from ordinary activities				
before tax expense	(9,635)	6,381	(16,016)	-251%
<b>(Loss)/Profit</b> after tax from ordinary activities				
attributable to members	(7,006)	4,511	(11,517)	-255%
<b>Total comprehensive (loss)/income</b>				
for the half-year attributable to members	(7,006)	4,511	(11,517)	-255%

**Details of dividends/distributions**

No dividends were declared, paid or payable during the half-year.

**Details of dividends/distribution reinvestment plan (DRP)**

Not applicable as no dividends were declared, paid or payable.

**Net Tangible Assets per share (cents)**

	31 December 2018	31 December 2017
<b>Pre-tax NTA</b>	0.9092	1.2302
<b>Post-tax NTA</b>	0.9631	1.1919

**Control gained or lost over entities during the half-year**

The Company did not gain or lose control over any entities during the half-year.

**Details in associates and joint ventures entities**

The Company did not have any interest in any associates or joint ventures entities during the current half-year.

**Independent audit report**

This report is based on the interim financial report which has been subject to an independent review by the Company's Auditors, PKF (NS) Audit and Assurance Limited Partnership. All documents comprise the information required by Listing Rule 4.2A.

**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD**  
ACN 615 414 849

**Interim Financial Report**  
**For the Half-Year Ended 31 December 2018**

**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD**  
**Interim Financial Report**  
**For the Half-Year Ended 31 December 2018**

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**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD**  
**CORPORATE DIRECTORY**

Directors:	Michael Gallagher Katrina Vanstone Angus Geddes
Company Secretary:	Brett Crowley
Investment Manager:	Fat Prophets Funds Management Pty Limited
Auditor:	PKF(NS) Audit & Assurance Limited Partnership Level 8, 1 O'Connell Street SYDNEY NSW 2000
Country of Incorporation:	Australia
Registered Office:	Level 3 22 Market Street SYDNEY NSW 2000
Share Registry:	Computershare Investor Services Pty Limited Yarra Falls, 452 Johnston Street ABBOTSFORD VIC 3067
ASX Code :	FPC
ACN:	615 414 849
Website:	<a href="http://www.fpcontrarian.com.au">www.fpcontrarian.com.au</a>
Corporate Governance Statement:	<a href="http://fpcontrarian.com.au/wp-content/uploads/2017/08/Corporate-Governance-Statement.pdf">http://fpcontrarian.com.au/wp-content/uploads/2017/08/Corporate-Governance-Statement.pdf</a>

**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD**  
**ACN 615 414 849**  
**DIRECTORS' REPORT**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

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The directors present their report on Fat Prophets Global Contrarian Fund Limited ("the Company") for the half-year ended 31 December 2018.

**Directors**

The following persons were directors of the Company during the whole of the half-year, and up to the date of this report (unless otherwise stated):

Michael Gallagher	Chairman and Non-executive director
Katrina Vanstone	Non-executive director
Angus Geddes	Executive director

**Principal Activities of the Company**

The Company's principal activity is to invest predominantly in a concentrated portfolio of listed securities from global equity markets, with the objective of providing long-term capital growth.

**Review of Operations**

The performance of the Company, as represented by the results of its operations, was as follows:

	Half-year ended	
	31 December 2018	31 December 2017
	\$'000	\$'000
(Loss)/profit before income tax	(9,635)	6,381
Income tax benefit/(expense)	2,629	(1,870)
(Loss)/profit for the half-year attributable to shareholders	<u>(7,006)</u>	<u>4,511</u>

Please refer to the Statement of Profit or Loss and Other Comprehensive Income for further details.

The invested position of the Company as at 31 December 2018 is held as to 142% (30 June 2018: 133%) in equity securities and -42% (30 June 2018: -33%) in cash and cash equivalent assets. The invested position is recognised on the balance sheet in cash and cash equivalents and financial assets held at fair value through profit or loss, and interest bearing liabilities.

**Dividends**

No dividends will be made in respect of the half-year ending 31 December 2018.

Details of the Plan can be found on the Company's website (under ASX announcements).

**Rounding of amounts**

Amounts in the Directors' report have been rounded to the nearest thousand, or in certain cases to the nearest dollar in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

**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 3.

Signed at Sydney this 28<sup>th</sup> day of February 2019, in accordance with a resolution of the Board of Directors by:



Chairman

## Auditors' Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Fat Prophets Global Contrarian Fund Ltd

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2018, there have been:

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



PAUL PEARMAN  
PARTNER

28 FEBRUARY 2019  
SYDNEY

**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD**  
**ACN 615 414 849**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

		Half-year ended	
	Note	31 December 2018 \$'000	31 December 2017 \$'000
<b>Investment income</b>			
Dividends	4	391	545
(Losses)/gains on investments held at fair value through profit or loss		(7,072)	7,574
(Losses)/gains on foreign exchange		(2,235)	628
<b>Total (loss)/revenue</b>		<b>(8,916)</b>	<b>8,747</b>
<b>Expenses</b>			
Management fees		301	328
Performance fees		-	1,634
Interest expense		73	52
Directors' fees		37	34
ASX fees		35	55
Insurance		20	19
Audit fees		24	25
Transaction costs		164	152
Legal and tax advice		15	11
Share registry fees		16	20
Other operating expenses		34	36
<b>Total expenses</b>		<b>719</b>	<b>2,366</b>
<b>(Loss)/profit before income tax</b>		<b>(9,635)</b>	<b>6,381</b>
Income tax benefit/(expense)		2,629	(1,870)
<b>(Loss)/profit after income tax</b>		<b>(7,006)</b>	<b>4,511</b>
Other comprehensive income		-	-
<b>Total comprehensive (loss)/income attributable to shareholders</b>		<b>(7,006)</b>	<b>4,511</b>
<b>Basic (losses)/earnings per share (cents)</b>	7	<b>(15.60)</b>	<b>10.09</b>
<b>Diluted (losses)/earnings per share (cents)</b>	7	<b>(15.60)</b>	<b>10.09</b>

*This Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements which follow.*

**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD**  
**ACN 615 414 849**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	As at 31 December 2018 \$'000	30 June 2018 \$'000
<b>Assets</b>			
Cash and cash equivalents	5	28,258	36,141
Receivables		83	290
Prepayments		35	37
Financial assets held at fair value through profit or loss	3	57,834	67,201
Deferred tax assets		2,450	1,615
<b>TOTAL ASSETS</b>		<b>88,660</b>	<b>105,284</b>
<b>Liabilities</b>			
Payables		148	157
Interest bearing liabilities	5	45,416	52,945
Income tax payable		43	-
Financial liabilities held at fair value through profit or loss		-	77
Deferred tax liabilities		-	1,837
<b>TOTAL LIABILITIES</b>		<b>45,607</b>	<b>55,016</b>
<b>NET ASSETS</b>		<b>43,053</b>	<b>50,268</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	6	48,703	48,912
Retained profits / (losses)		(5,650)	1,356
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>43,053</b>	<b>50,268</b>

*This Statement of Financial Position should be read in conjunction with  
the Notes to the Financial Statements which follow.*

**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD**  
**ACN 615 414 849**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

	Note	Share Capital \$'000	Retained Profits / (Losses) \$'000	Profits Reserve \$'000	Total Equity \$'000
<b>Balance at 30 June 2017</b>		<b>48,233</b>	<b>150</b>	<b>-</b>	<b>48,383</b>
Profit for the half-year		-	4,511	-	4,511
Total comprehensive income for the half-year		-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>4,511</b>	<b>-</b>	<b>4,511</b>
<b>Transactions with owners in their capacity as owners</b>					
Shares issued	6	730	-	-	730
Costs of share issue net of deferred tax	6	(46)	-	-	(46)
<b>Subtotal</b>		<b>684</b>	<b>-</b>	<b>-</b>	<b>684</b>
Transfer to profit reserve		-	-	-	-
		-	-	-	-
<b>Balance at 31 December 2017</b>		<b>48,917</b>	<b>4,661</b>	<b>-</b>	<b>53,578</b>
<b>Balance at 30 June 2018</b>		<b>48,912</b>	<b>1,356</b>	<b>-</b>	<b>50,268</b>
Loss for the half-year		-	(7,006)	-	(7,006)
Total comprehensive income for the half-year		-	-	-	-
<b>Subtotal</b>		<b>-</b>	<b>(7,006)</b>	<b>-</b>	<b>(7,006)</b>
<b>Transactions with owners in their capacity as owners</b>					
Shares acquired under buy-back	6	(209)	-	-	(209)
<b>Subtotal</b>		<b>(209)</b>	<b>-</b>	<b>-</b>	<b>(209)</b>
Transfer to profit reserve		-	-	-	-
		-	-	-	-
<b>Balance at 31 December 2018</b>		<b>48,703</b>	<b>(5,650)</b>	<b>-</b>	<b>43,053</b>

*This Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements which follow.*

**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD**  
**ACN 615 414 849**  
**STATEMENT OF CASH FLOWS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

		<b>Half-year ended</b>	
	<b>Note</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Purchase of investments		(36,037)	(50,620)
Proceeds from sale of investments		37,075	21,722
Dividends received		591	563
Interest received		6	3
Management fees paid		(310)	(318)
Performance fees paid		-	(384)
Interest paid		(74)	(28)
Other operating expenses		(494)	(294)
<b>Net cash inflow/(outflow) from operating activities</b>		<b>757</b>	<b>(29,356)</b>
<b>Cash flows from financing activities</b>			
Proceeds from the issue of shares		-	730
Payment for shares buy-back including transaction costs		(209)	-
Issue costs paid		-	(46)
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(209)</b>	<b>684</b>
Effects of exchange rate changes on cash and cash equivalents		(902)	55
<b>Net decrease in cash and cash equivalents</b>		<b>(354)</b>	<b>(28,617)</b>
Cash and cash equivalents at the beginning of the half-year		(16,804)	3,259
<b>Cash and cash equivalents at the end of the half-year</b>	<b>5</b>	<b>(17,158)</b>	<b>(25,358)</b>

*This Statement of Cash Flows should be read in conjunction with  
the Notes to the Financial Statements which follow.*

**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD**  
**ACN 615 414 849**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

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**1. General information**

Fat Prophets Global Contrarian Fund Limited ("the Company") is a listed investment company incorporated in Australia. The Company was incorporated on 19 October 2016. The registered office and principal place of business of the Company is Level 3, 22 Market Street, Sydney NSW 2000.

These condensed interim financial statements are for the half-year ended 31 December 2018, and were authorised for issue by the Directors on 27 February 2019.

The Company will be managed in accordance with the Constitution and investment objectives as detailed in the Replacement Prospectus dated 16 January 2017. The Manager is Fat Prophets Funds Management Pty Ltd, ACN 615 545 537, an Authorised Representative of Fat Prophets Pty Ltd (AFSL 229183).

A summary of the material accounting policies adopted by the Company in the preparation of the interim financial statements is set out as below:

**2. Summary of significant accounting policies**

**(a) Basis of preparation**

These condensed interim financial statements for the half-year ended 31 December 2018 have been prepared in accordance with accounting standard *AASB 134 Interim Financial Reporting*, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001* in Australia.

For the purposes of preparing financial statements, the Company is a for-profit entity.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities except where otherwise stated.

The half-year financial report has been prepared on a going concern basis in accordance with the historical cost convention with the exception of the valuation of investments described on Note 3 below.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities.

The Company manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

These half-year financial statements do not include all the notes of the type normally included in annual financial statements and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements. Accordingly, these half-year financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2018 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**(b) Accounting policies**

The accounting policies applied in these interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 30 June 2018, except for the policies stated below.

**(c) New and amended standards adopted by the Company**

Certain new accounting standards and interpretations have been published for the 31 December 2018 reporting period by the Company. The directors' assessment of the impact of these new standards (to the extent relevant to the Company) and interpretations is set out below:

*(i) AASB 9: Financial Instruments* (AASB 9) (effective 1 July 2018)

AASB 9 contains new requirements of the classification, measurement and de-recognition of financial assets and liabilities, replacing the recognition and measurement requirements in AASB 139 Financial Instruments: Recognition and Measurement. Under the new requirements the four current categories of financial assets will be replaced with two measurement categories: fair value and amortised cost, and financial assets will only be measured at amortised cost where very specific conditions are met. AASB 9 introduces new hedge accounting requirements including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.

The new expected-loss impairment model requires credit losses to be recognised when financial instruments are first recognised, and results in full lifetime expected credit losses recognised when there is a significant increase in credit risk. The balance of financial assets scoped into AASB 9 impairment requirements are not material.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Summary of significant accounting policies (continued)**

**(c) New and amended standards adopted by the Company (continued)**

*(i) AASB 9: Financial Instruments (AASB 9) (effective 1 July 2018) (continued)*

There was no impact on the Company upon adoption of AASB 9 on 1 July 2018 as the Company currently classifies financial assets and financial liabilities at fair value through profit or loss or amortised cost, and the Company does not apply hedge accounting.

*(ii) AASB 15 Revenue from Contracts with Customers, (applicable from 1 July 2018)*

AASB 15 supersedes AASB 18 Revenue and AASB 111 Construction Contracts. Although AASB 15 is principles-based, it is a significant change from the current revenue requirements and will involve more judgements and estimates as revenue is recognised when control of a good or service transfers to a customer, or on satisfaction of performance obligations under contracts, which replaces the existing notion of risk and rewards.

There was no impact on the Company upon the adoption of AASB 15 on 1 July 2018 as the Company's revenue recognition of interest, dividend, investment gains/(losses) and foreign exchange gains/(losses) were unaffected as these items are excluded from the scope of AASB 15.

**(d) New standards and interpretations not yet adopted**

There were no new standards, interpretations or amendments to existing accounting standards that are not mandatory for the interim reporting period ending 31 December 2018.

**(e) Rounding of amounts to the nearest thousand dollars**

The Company is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollar, unless otherwise indicated.

**3. Fair value measurement**

The Company measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis.

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

*(i) Fair value in an active market (Level 1)*

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

*(ii) Recognised fair value measurements*

The table below presents the Company's financial assets and liabilities measured and recognised at fair value as at 31 December 2018 and 30 June 2018.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>At 31 December 2018</b>				
Financial assets at fair value through profit or loss:				
Listed securities	57,834	-	-	57,834
	<b>57,834</b>	<b>-</b>	<b>-</b>	<b>57,834</b>

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**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

**3. Fair value measurement (continued)**

*(ii) Recognised fair value measurements (continued)*

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>At 30 June 2018</b>				
Financial assets at fair value through profit or loss:				
Listed securities	67,201	-	-	67,201
	<b>67,201</b>	<b>-</b>	<b>-</b>	<b>67,201</b>
Financial liabilities at fair value through profit or loss:				
Futures	77	-	-	77
	<b>77</b>	<b>-</b>	<b>-</b>	<b>77</b>

*(iii) Transfer between levels*

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

*(iv) Fair value of financial instruments not carried at fair value*

The carrying value of trade receivables and trade payables approximate their fair value because of the short-term nature of the instruments and low credit risk.

**4. Segment information**

*Identification of reportable operating segments*

The Company is organised into one main operating segment with the key function of the investment of funds internationally. AASB 8: Operating Segments requires disclosure of revenue by investment type and geographical location, which is outlined below:

	Half-year ended	
	31 December 2018 \$'000	31 December 2017 \$'000
<b>(a) Investment income by investment type</b>		
Equity securities - dividends	391	545
<b>Total</b>	<b>391</b>	<b>545</b>
<b>(b) Investment income by geographical area</b>		
Australia	95	219
Europe - Euro	26	36
Europe - Other	-	4
Hong Kong	105	52
Asia ex Hong Kong	112	191
North America	53	43
<b>Total</b>	<b>391</b>	<b>545</b>

**5. Cash and cash equivalents and interest bearing liabilities**

	As at	
	31 December 2018 \$'000	30 June 2018 \$'000
<i>Cash and cash equivalents</i>		
Cash at bank (custodian) - AUD	28,240	36,082
Cash at bank (custodian) - NZD	18	-
Cash at bank (custodian) - USD	-	42
Cash at bank (custodian) - other currencies	-	17
	<b>28,258</b>	<b>36,141</b>
<i>Interest bearing liabilities</i>		
Overdraft at custodian	(45,416)	(52,945)
	<b>(17,158)</b>	<b>(16,804)</b>

Overdraft at Custodian is a cash facility offered by the Custodian.

**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
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**6. Share capital and share option reserve**

**Shares**

There is a single class of ordinary shares on issue. For all shares issued in accordance with the Prospectus dated 16 January 2017 an option was also issued. The amount paid by each shareholder was allocated between the share and the option based on relative market prices on the first day of trading. Costs of fundraising were allocated between shares and options on the same basis.

Each Share confers on its holder equal voting rights and to share equally in dividends and any surplus on winding up.

Subject to the *Corporations Act 2001* and the Listing Rules, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders in general meeting by special resolution.

Movements in share capital during the half-year are set out below:

	<b>As at</b>		<b>As at</b>	
	<b>31 December 2018</b>		<b>30 June 2018</b>	
	<b>Shares</b>	<b>\$'000</b>	<b>Shares</b>	<b>\$'000</b>
Ordinary shares - fully paid, net of Capital				
Raising costs, net of tax	44,705,393	48,703	44,949,267	48,912

**Movement in ordinary share capital**

	<b>Half-year ended</b>		<b>Half-year ended</b>	
	<b>31 December 2018</b>		<b>31 December 2017</b>	
	<b>Shares</b>	<b>\$'000</b>	<b>Shares</b>	<b>\$'000</b>
Opening balance	44,949,267	48,912	44,315,377	48,233
Ordinary shares issued	-	-	633,990	730
Cost of issued capital, net of tax	-	-	-	(46)
Shares acquired under buy-back	(243,874)	(209)	-	-
Closing balance at 31 December	<b>44,705,393</b>	<b>48,703</b>	<b>44,949,367</b>	<b>48,917</b>

**Options**

Under the Offer outlined in the Replacement Prospectus dated 16 January 2017, the Company offered one option for every one Share subscribed for, exercisable on any business date after vesting of the options on 17 March 2018.

The terms and conditions of the options were as follows:

- An option may be transferred or transmitted in any manner approved by the ASX;
- An option may be exercised by the registered holder of the option, and a share in the Company issued, with payment to the Company of \$1.10 per option being exercised;
- An option may be exercised on any business day from the date of vesting provided the option holder buys back in by 17 March 2019.

Movement in options that are still outstanding was as follows:

	<b>Half-year ended</b>		<b>Half-year ended</b>	
	<b>31 December 2018</b>		<b>31 December 2017</b>	
<b>Details</b>	<b>Options</b>	<b>\$'000</b>	<b>Options</b>	<b>\$'000</b>
Opening balance	44,315,277	-	44,315,277	-
Options issued during the half-year	-	-	-	-
Options exercised, and related transfer to share	-	-	-	-
Options on issue at end of the half-year	<b>44,315,277</b>	<b>-</b>	<b>44,315,277</b>	<b>-</b>

**Capital Management**

The Company's objectives for managing capital are to invest the capital in investments meeting the description, risk exposure and expected return as indicated in the Company's Replacement Prospectus dated 16 January 2017.

**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

**7. Earnings per share**

	<b>Half-year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
Weighted average number of ordinary shares used in the calculation of basic earnings per share	44,898,710	44,697,929
<b>Basic (losses)/earnings per share (cents)</b>	<b>(15.60)</b>	<b>10.09</b>
Weighted average number of shares used in the calculation of diluted earnings per share	44,898,710	44,697,929
<b>Diluted (losses)/earnings per share (cents)</b>	<b>(15.60)</b>	<b>10.09</b>

**8. Expenses**

**(a) Fees paid to the Investment Manager**

The Company has appointed Fat Prophets Funds Management Pty Limited as the Investment Manager. A summary of the fees (GST exclusive) charged by the Investment Manager is set out below.

**(i) Management fee**

The Investment Manager is entitled to be paid a management fee equal to 1.25% p.a. of the Portfolio Net Asset Value. The management fee is calculated and accrued on the last day of each month and paid within 20 days of the end of the month.

**(ii) Performance fee**

At the end of each quarter, the Investment Manager is entitled to receive a performance fee of 20% (plus GST) of the difference between the Net Portfolio Value at the end of the relevant period and highest Net Portfolio Value of any preceding period.

The formula for the Performance Fee is outlined below:

$$PF = 0.20 \times (CNPV - PNPV + D - NC)$$

Where:

PF = the amount of the Performance Fee;

CNPV is the Net Portfolio Value on the last business day of the relevant quarter;

PNPV is the higher of:

(i) the Net Portfolio Value on the last business day of the immediately preceding quarter; and

(ii) the previous highest Net Portfolio Value calculated under this formula;

D is the aggregate of all dividends or other distributions in respect of all Shares paid or payable to Shareholders, or the value of entitlements other than cash dividends or distributions where those other entitlements are given or due to Shareholders, on a pre-tax basis, where the Shares were quoted 'ex' dividend, distribution or other entitlement on the ASX in respect of such dividend, distribution or other entitlement at any time during the quarter;

NC is the aggregate dollar value of any new capital subscribed for Shares during the quarter (including dividend reinvestments and exercise of options), calculated at the subscription price for that new capital less the costs incurred in raising that new capital less the aggregate dollar value of any buy-back of Shares or capital reduction or capital return during the quarter

If PF is a negative number, no Performance Fee is payable in respect of that quarter.

The Performance Fee shall be paid to the Manager within twenty (20) days of the end of each quarter.

**(b) Auditor's remuneration**

During the half-year the following fees were paid or payable for services provided by PKF, the auditor of the Company:

	<b>Half-year ended</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>
Review of the financial statements	5,000	5,000
	<b>5,000</b>	<b>5,000</b>

**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD**  
**ACN 615 414 849**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

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**9. Related party transactions**

All transactions with related parties are conducted on normal commercial terms and conditions, and are as follows:

- The compensation arrangements with the Directors and Executive Directors (refer to Directors' Remuneration below);
- The interests in the Company held directly or indirectly by the Directors and Executive Directors (refer to remuneration report included in the directors' report); and
- The Management Agreement between the Company and the Investment Manager (refer to Note 8 for details of fees paid to the Investment Manager). Angus Geddes is Director of the Investment Manager.

**Directors' Remuneration**

Directors' remuneration received or receivable for the half-years ended 31 December 2018 and 2017 was:

	Half-year ended 31 December 2018		
	Directors' fees	Superannuation	Total
Director	\$	\$	\$
Michael Gallagher	22,000	-	22,000
Katrina Vanstone	16,500	-	16,500
Angus Geddes	-	-	-
	<b>38,500</b>	<b>-</b>	<b>38,500</b>

  

	Half-year ended 31 December 2017		
	Directors' fees	Superannuation	Total
Director	\$	\$	\$
Michael Gallagher	22,000	-	22,000
Katrina Vanstone	16,500	-	16,500
Angus Geddes	-	-	-
	<b>38,500</b>	<b>-</b>	<b>38,500</b>

**10. Contingencies**

As at 31 December 2018 (2017: None), the Manager was not aware of any liabilities or gain or loss contingencies considered material, individually or in aggregate, that were required to be accrued or disclosed.

**11. Commitments**

As at 31 December 2018 (2017: None), the Manager was not aware of any commitments considered material, individually or in aggregate, that were required to be accrued or disclosed.

**12. Events subsequent to reporting date**

No significant events have occurred since the end of the reporting period which would impact on the financial position of the Company disclosed in the Statement of Financial Position as at 31 December 2018 or on the results and cash flows of the Company for the half-year ended on that date.

**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD**  
**ACN 615 414 849**  
**DIRECTORS' DECLARATION**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2018**

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1. In the directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 13 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
  - (ii) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Chairman

Sydney, NSW  
28 February 2019

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FAT PROPHETS GLOBAL CONTRARIAN FUND LTD

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of Fat Prophets Global Contrarian Fund Ltd (the company), which comprises the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

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

- (a) giving a true and fair view of the company's financial position as at 31 December 2018, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### Independence

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

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

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

#### Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the company's financial position as at 31 December 2018 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Fat Prophets Global Contrarian Fund Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

## Auditor's Responsibility (cont'd)

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



PKF



PAUL PEARMAN  
PARTNER

28 FEBRUARY 2019  
SYDNEY