

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
Appendix 4E Preliminary Final Report
For the year ended 30 June 2019

Details of Reporting Period

Current: Year ended 30 June 2019

Previous: Year ended 30 June 2018

Results announcement to the market

	\$	movement	% movement
Loss from ordinary activities	(1,047)	down	-123%
Loss from ordinary activities before tax attributable to members	(2,549)	down	-262%
Loss from ordinary activities after tax attributable to members	(1,779)	down	-248%

Dividends

No dividends were paid during the years ended 30 June 2019 and 30 June 2018.

Net tangible assets

	30 June 2019	30 June 2018
Net Tangible Assets (per share) backing before tax	1.0733	1.1228
Net Tangible Assets (per share) backing after tax	1.0858	1.1170

Dividend Reinvestment Plan (DRP)

N/A

Audit

This report (Appendix 4E) is based on financial accounts that have not yet been audited and are likely to obtain an unmodified opinion.

Annual General Meeting (AGM)

The AGM is to be held on 17 October 2019. This date is to be confirmed

Signed on behalf of Fat Prophets Global Contrarian Fund Ltd



Michael Gallagher
Chairman

Sydney, NSW
6 August 2019

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD

ACN 615 414 849

Financial Report

For the Year Ended 30 June 2019

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD

FINANCIAL REPORT

DIRECTORS' REPORT

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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:	www.fpcontrarian.com.au
Corporate Governance Statement:	http://fpcontrarian.com.au/wp-content/uploads/2017/08/Corporate-Governance-Statement.pdf

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019

The directors present their report on Fat Prophets Global Contrarian Fund Limited ("the Company") for the year ended 30 June 2019.

Directors' Experience and Other Directorships

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

Michael Gallagher (appointed 19 October 2016)

Chairman and Non-executive director
Director - Alternative Investment Management Association
Director - Spinnaker Investment Management

Mr Gallagher has over 26 years financial markets experience. In 2009 Michael co-founded Kima Capital, an Australian based funds management business, which he later moved to Hong Kong before it was acquired. Prior to Kima, Michael headed Australasian Equities for Rand Merchant Bank, overseeing the Equity Trading, Derivative and Equity Funds Management businesses from 2005-2009. In the 10 years prior to this Michael was a director at Macquarie Bank heading up the structured retail equity derivative businesses in Australia, South Africa and also spent time with Macquarie in the UK. Whilst at Macquarie, Michael also was seconded to start up and run Equity Derivative Businesses at Standard Bank & Nedbank in South Africa.

Katrina Vanstone (appointed 19 October 2016)

Non-executive director

Katrina has worked in financial markets for 30 years, both in Australia and offshore, including such leading organisations as HSBC and Deutsche Bank. Katrina has extensive experience in foreign exchange, interest rates and credit markets across asset and liability portfolios. She has held roles in trading, sales and syndication. She has extensive experience in the wholesale debt and derivative markets with strong product knowledge across capital structures and debt raisings, risk management and hedging, and cash and currency management. Katrina is a serving Director on the Board of the Eastern Suburbs District Rugby Union Football Club.

Angus Geddes (appointed 19 October 2016)

Executive director

Angus is the portfolio manager of the Manager with primary responsibility for the investment decisions and strategy of the Company. Angus is currently the CEO of Fat Prophets, overseeing the domestic and offshore businesses and taking an active involvement in the management of investment portfolios, as well as overseeing the publication of the daily newsletter. During his career, Angus has worked as a money market dealer in New Zealand, and a financial consultant in the United Kingdom and the United States. Moving to Australia in 1996, Angus worked for five years as a stockbroker at Bankers Trust and JB Were before co-founding Fat Prophets in June 2000.

Attendance at Meetings

Board of Directors Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Michael Gallagher	7	7
Katrina Vanstone	7	7
Angus Geddes	7	6

Audit Committee Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Michael Gallagher	1	1
Katrina Vanstone	1	1

Directors' Interests in Shares and Options

The relevant interests of the directors and their related entities in the securities of the Company as at 30 June 2019 were:

Director	Number of Shares	Number of Options
Michael Gallagher	20,000	-
Katrina Vanstone	10,907	-
Angus Geddes	281,918	-
Angus Geddes <Fat Prophets A/c>	715,930	-

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019

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:

	Year ended 30 June 2019 \$'000	Year ended 30 June 2018 \$'000
(Loss)/profit before income tax	(2,549)	1,571
Income tax benefit/(expense)	770	(365)
(Loss)/profit for the year attributable to shareholders	<u>(1,779)</u>	<u>1,206</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 30 June 2019 is held as to 121% (2018: 133%) in equity securities and -21% in cash and cash equivalents and interest bearing liabilities (2018: -33% in cash and cash equivalent assets and interest bearing liabilities). The invested position is recognised on the balance sheet in cash and cash equivalents, financial assets held at fair value through profit or loss, and interest bearing liabilities.

Dividends

No dividends will be made in respect of the year ending 30 June 2019.

Net Assets

As at 30 June 2019 the net assets of the Company were \$47,337,000 (2018: \$50,268,000). Please refer to the Statement of Financial Position for further details.

State of Affairs

During the financial year there were no significant changes in the state of affairs of the Company.

Events Subsequent to Balance Date

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Company, the result of those operations or the state of affairs of the Company in subsequent financial years.

Indemnification of Officers

The Company has indemnified directors and officers for any actions that may arise as a result of acting in their capacity as directors and officers of the Company in respect of:

- a) Liability to third parties when acting in good faith; and
- b) Costs and expenses of defending legal proceedings and ancillary matters.

The terms of the policy preclude disclosure of the premium.

Environmental Regulations

The Company's operations are not subject to any significant environmental regulations.

Remuneration Report

This remuneration report sets out information about the remuneration of the Company's directors for the year ended 30 June 2019, under the requirements of Section 300A(1) of the *Corporations Act 2001*.

Key management personnel

The directors and other key management personnel of the Company during the whole of the financial year, and up to the date of this report are (unless otherwise indicated):

Michael Gallagher	Chairman
Katrina Vanstone	Director
Angus Geddes	Director and Chief Investment Officer
Simon Wheatey	Investment Portfolio Manager
Robert Dardano	Chief Financial Officer
Richard Fabricius	Compliance Officer

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2019

Remuneration Report (continued)

Directors' Remuneration

The Company has a Nomination and Corporate Governance Committee which reviews and advises the Board on the composition of the Board and its committees.

Directors' base fees are set out in the Constitution at a maximum of \$125,000 combined per annum.

Directors' remuneration received or receivable for the year ended 30 June 2019 was:

Director	Directors' fees	Superannuation	Total
	\$	\$	\$
Michael Gallagher	44,000		44,000
Katrina Vanstone	33,000		33,000
Angus Geddes	-	-	-
	77,000	-	77,000

Directors' remuneration received or receivable for the period ended 30 June 2018 was:

Director	Directors' fees	Superannuation	Total
	\$	\$	\$
Michael Gallagher	44,000		44,000
Katrina Vanstone	31,000		31,000
Angus Geddes	-	-	-
	75,000	-	75,000

Proceedings on behalf of the Company

There are no proceedings that the directors have brought, or intervened in, on behalf of the Company.

Non-Audit Services

Details of amount paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 3(b) to the financial statements. The directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

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.

Chairman

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	Year ended 30 June 2019 \$'000	Year ended 30 June 2018 \$'000
Investment income			
Interest		9	-
Dividends		1,037	1,441
Gains on investments held at fair value through profit or loss		305	6,421
(Losses)/gains on foreign exchange		(2,398)	(3,217)
Total revenue		(1,047)	4,645
Expenses			
Management fees	3	590	665
Performance fees	3	-	1,634
Directors' fees		76	75
ASX fees		54	47
Insurance		47	29
Audit fees	3	34	39
Transaction costs		284	274
Legal and tax advice		30	23
Share registry fees		29	31
Interest expense		256	197
Other operating expenses		102	60
Total expenses		1,502	3,074
(Loss)/profit before income tax		(2,549)	1,571
Income tax expense		770	(365)
(Loss)/profit after income tax		(1,779)	1,206
Other comprehensive income		-	-
Total comprehensive (expense)/income attributable to shareholders		(1,779)	1,206
Basic (loss)/earnings per share (cents)		(4.00)	2.70
Diluted (loss)/earnings per share (cents)		(4.00)	2.70

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 30 JUNE 2019

	Note	30 June 2019 \$'000	As at 30 June 2018 \$'000
Assets			
Cash and cash equivalents		25,914	36,141
Receivables		57	290
Prepayments		-	37
Financial assets held at fair value through profit or loss		56,876	67,201
Current tax assets		-	-
Deferred tax assets		2,226	1,615
TOTAL ASSETS		85,073	105,284
Liabilities			
Payables		168	157
Interest bearing liabilities		35,891	52,945
Financial liabilities held at fair value through profit or loss		-	77
Current tax liability		105	-
Deferred tax liabilities		1,572	1,837
TOTAL LIABILITIES		37,736	55,016
NET ASSETS		47,337	50,268
SHAREHOLDERS' EQUITY			
Share capital	2	47,760	48,912
Retained profits		(423)	1,356
TOTAL SHAREHOLDERS' EQUITY		47,337	50,268

*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 YEAR ENDED 30 JUNE 2019

	Note	Share Capital \$'000	Retained Profits \$'000	Profits Reserve \$'000	Total Equity \$'000
Balance at 30 June 2017		48,233	150	-	48,383
Total comprehensive income for the period		-	1,206	-	1,206
Subtotal		-	1,206	-	1,206
Transactions with owners in their capacity as owners					
Shares issued	2	730	-	-	730
Costs of share issue net of deferred tax impact	2	(51)	-	-	(51)
Subtotal		679	-	-	679
Balance at 30 June 2018		48,912	1,356	-	50,268
Total comprehensive income for the year		-	(1,779)	-	(1,779)
Subtotal		-	(1,779)	-	(1,779)
Transactions with owners in their capacity as owners					
Shares issued	2	-	-	-	-
Shares bought back	2	(1,152)	-	-	(1,152)
Costs of share issue net of deferred tax impact	2	-	-	-	-
Subtotal		(1,152)	-	-	(1,152)
Transfer to profit reserve		-	-	-	-
		-	-	-	-
Balance at 30 June 2019		47,760	(423)	-	47,337

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 YEAR ENDED 30 JUNE 2019

	Note	Year ended 30 June 2019 \$'000	Year ended 30 June 2018 \$'000
Cash flows from operating activities			
Purchase of investments		(40,454)	(64,927)
Proceeds from sale of investments		51,007	49,239
Dividends received		1,256	1,222
Interest received		23	3
Realised FX gains/losses		(3,829)	(251)
Management fees paid		(594)	(663)
Performance fees paid		-	(1,715)
Interest paid		(260)	(171)
Income tax received		(1)	-
Other operating expenses		(600)	(518)
Net cash inflow/(outflow) from operating activities		6,548	(17,781)
Cash flows from financing activities			
Payment for share buy-back		(1,152)	-
Issue costs paid		-	(46)
Proceeds from the issue of shares associated with the exercise of options		-	730
Net cash (outflow)/inflow from financing activities		(1,152)	684
Effects of exchange rate changes on cash and cash equivalents		1,431	(2,966)
Net increase/(decrease) in cash and cash equivalents		6,827	(20,063)
Cash and cash equivalents at the beginning of the financial year		(16,804)	3,259
Cash and cash equivalents at the end of the financial year		(9,977)	(16,804)

*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 YEAR ENDED 30 JUNE 2019

1. General information and summary of significant accounting policies

These preliminary report has been prepared in accordance with the requirements of the Corporations Act 2001 and the Australian Accounting Standards. The preliminary report has been prepared on a going concern basis in accordance with the historical cost convention except where otherwise stated.

The preliminary report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the last annual report and any public announcements to the market made by the company during the reporting period in accordance with the continuous disclosure requirement of the Corporations Act 2001 and the listing rules of the Australian Stock Exchange.

The preliminary report is presented in Australian Dollars.

2. Share capital

Movements in share capital during the period are set out below:

	As at 30 June 2019		As at 30 June 2018	
	Shares	\$'000	Shares	\$'000
Ordinary shares - fully paid, net of IPO costs, net of tax	43,592,370	47,760	44,949,267	48,912

Movement in ordinary share capital

	Year ended 30 June 2019		Year ended 30 June 2018	
	Shares	\$'000	Shares	\$'000
Opening balance	44,949,267	48,912	44,315,377	48,233
Balance on incorporation date	-	-	-	-
Shares issued under the IPO	-	-	-	-
Ordinary shares issued	-	-	633,890	730
Shares bought back	(1,356,897)	(1,152)	-	-
Cost of issued capital, net of tax	-	-	-	(51)
Sub-total	43,592,370	47,760	44,949,267	48,912
Less costs of shares issued in relation to the IPO, net of tax (see breakdown below)	-	-	-	-
	43,592,370	47,760	44,949,267	48,912

Costs of shares issued in relation to the IPO, net of tax, transferred to equity

At 30 June 2019, the Company incurred the following fees in relation to the IPO that were transferred to equity:

	As at	
	30 June 2019 \$'000	30 June 2018 \$'000
Listing Cost	780	780
Sub-total	780	780
Less current and future period tax deductions	(214)	(214)
Total costs of shares	566	566

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

2. Share capital (continued)

Substantial share holders

The top twenty shareholders as at 30 June 2019 were:

Shareholder	30 June 2019 Unitholding	As at 30 June 2018 Unitholding
CS Third Nominees PTY Limited <HSBC Cust Nom AU Ltd 13 A/C>	2,419,984	-
Mr David Allen Parker & Mrs Helen Thirza Jane Parker <Parker Super Fund A/c>	1,000,000	1,000,000
Citicorp Nominees Pty Ltd <DPSL A/c>	815,412	886,232
Fat Prophets Pty Ltd	715,930	715,930
HSBC Custody Nominees (Australia) Limited	626,653	-
Y B & S Investments Pty Ltd <Prose Unit A/c>	433,990	433,990
Miei Ragazzi Pty Ltd <Uguccione S/F A/c>	410,000	450,000
Danielle Gibson	363,600	363,600
Martlet Commodities PTY Ltd	288,899	-
Ravenshaw Pty Ltd <Brodie Family Super A/c>	275,000	275,000
Mr Colin Weekes	274,200	-
M&L McCauley Investments Pty Ltd	250,000	260,000
J P Morgan Nominees Australia Limited	249,900	384,400
CJ Magarey PTY LTD <CJ Magarey Super Fund A/c>	200,000	-
Dillmar Pty Ltd <Petmar Family Pen Plan A/c>	200,000	200,000
H&S Stenning Pty Ltd <Stenning Family SF A/c>	200,000	200,000
Mrs Margaret Helen Howard & Mr William John Howard <WJ & MH Howard SF A/c>	200,000	200,000
Inmont Pty Ltd <Nicholas Galante A/c>	200,000	200,000
Mr Gerald Maurice Sachse & Mr Peter Brian Sachse <Gerald Super Fund A/c>	200,000	200,000
Rational Research Pty Ltd < Rational Research S/F A/c>	195,000	195,000

3. 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. No Performance fees were paid in the 2019 Financial period.

(b) Auditor's remuneration

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

Company:

	Year ended 30 June 2019 \$'000	Year ended 30 June 2018 \$'000
Audit and review of the financial statements	24	27
Tax compliance services	10	12
IPO Due Diligence	-	-
Independent accountant report and tax services	-	-
	34	39

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

4. 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 9 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 year ended 30 June 2019 was:

Director	Directors' fees \$	Superannuation \$	Total \$
Michael Gallagher	44,000		44,000
Katrina Vanstone	33,000		33,000
Angus Geddes	-	-	-
	77,000	-	77,000

Directors' remuneration received or receivable for the period ended 30 June 2018 was:

Director	Directors' fees \$	Superannuation \$	Total \$
Michael Gallagher	44,000		44,000
Katrina Vanstone	31,000		31,000
Angus Geddes	-	-	-
	75,000	-	75,000

5. Contingencies

As at 30 June 2019 and 30 June 2018, 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.

6. Commitments

As at 30 June 2019 and 30 June 2018, the Manager was not aware of any commitments considered material, individually or in aggregate, that were required to be accrued or disclosed.

7. Statement on whether the report is based on audited financial accounts

The report is based on financial accounts that have not yet been audited and are likely to obtain an unmodified opinion.

Yours faithfully



Michael Gallagher
Chairman

6 August 2019