ASX ANNOUNCEMENT

Sydney, 14th October 2019: Fat Prophets Global Contrarian Fund (FPC) announces a Disclosure pursuant to ASX Listing Rule 4.12

Dear Investors,

The net tangible asset backing (NTA) for the Fat Prophets Global Contrarian Fund fell slightly in September, falling **0.29% on a pre-tax basis, and 1.62% on a post-tax basis. Note that the Fund has moved to weekly NTA reporting. This will allow greater transparency and more timely updates to shareholders.**

The Fund held approximately AUD$64.3 million of stocks at the end of September. The largest holding continues to be **Collins Foods, at 9.03%,** while internationally the largest holding was **The Walt Disney Company, at 5.75%.** Overall the Fund, excluding a futures position in platinum, utilised leverage of 24.8% against the value of the shares. The domestic split of the overall portfolio was A$27.4million with the balance of A$36.9million being international stocks. The largest concentration was in the US with A$13.7million of listed stocks, which included a significant proportion of the Fund's gold equity exposure.

	30-Sep-19	31-Aug-19	Change
Pre-Tax NTA	1.1393	1.1426	-0.29%
Post-Tax NTA	1.1177	1.1361	-1.62%

Attribution

Performance was affected in September by a correction in the gold price after a strong rally in the precious metals sector. We remain bullish in our outlook for gold and precious metals generally. Western Areas experienced a strong re-rating on the back of a firmer nickel price and a number of broker upgrades. Japanese online retailer Zozo (JP:3092) produced solid returns after Yahoo Japan made a tender offer to buy out the founding shareholder. The tie up between Yahoo Japan and Zozo should see strong returns as online distribution channels are greatly expanded.

Collins Foods hit record highs after being included in the ASX200 for the first time. Competitor Restaurant Brands announced a solid lift in same store sales within its KFC footprint in Australia and NZ.

On the negative side, the Fund's investments within the gold sector, namely the VanEck Vectors Gold Miners (NYSE:GDX) and VanEck Vectors Junior Gold Miners (NYSE:GDXJ) ETFs, declined in line with the gold price. The Fund's direct gold equity investments also corrected in line with the gold spot price, with Harmony and Evolution Mining also giving up some ground. Telstra also underperformed due to ongoing uncertainty over the proposed Vodafone/TPG merger and legal action against the ACCC, and a recent revenue downgrade.

We established a position in UK listed Vodafone Group (LSE:VOD), following a significant fall in the share price after the telco giant slashed its dividend by 40% earlier in the year. The market reacted harshly as this was the first dividend cut by the telecommunications giant since it began paying dividends in 1990. Nonetheless we believe the reaction has been excessive, and there a number of potential catalyst drivers.

One tailwind will be the company's decision to separate its tower masts in Europe, with the standalone entity having proportionate annual revenues of around €1.7 billion and EBITDA of €900 million. The company outlined a few options for monetising these assets, which are not in our view being fully reflected in the current group valuation. Proceeds will be used to repay some of the group's hefty €27 billion debt pile, while a recent US$1.5 billion bond offering will also assist in refinancing endeavours.

The monetisation of Vodafone's tower assets and non-core assets (including Vodafone NZ and potentially the group's venture in Australia) and a growing contribution from the recent acquisition of Liberty Global's cable assets (Germany, Czech Republic, Hungary and Romania) should allow the company to chip away at debt, maintain and eventually begin increasing its dividend again. Some capital appreciation may also be forthcoming if Vodafone can integrate the Liberty Global assets effectively.

We also added a position in Samsung during the month. Shares in the South Korean technology giant sold off in August the wake of a poor second-quarter, with profits slumping due to weak demand for memory chips. However, a recovery both in semiconductor prices, and also in the performance of the smartphone unit, could provide a welcome boost.

The next few quarters however should be much more positive and particularly amidst a rebound in the memory chip market. Demand for chips has been rising again, while on the other side stockpiles of key DRAM and NAND flash chips are declining, which should provide a tailwind to pricing. Samsung has almost half of the DRAM chip market.

Samsung's smartphone sales could also get a lift from the revamped mid-range Galaxy A series, which is proving popular in Southeast Asia and Europe. The positive initial response for the Galaxy Fold raises the prospects of further earnings gains through an expanded foldable smartphone line-up next year.

Positive attributions

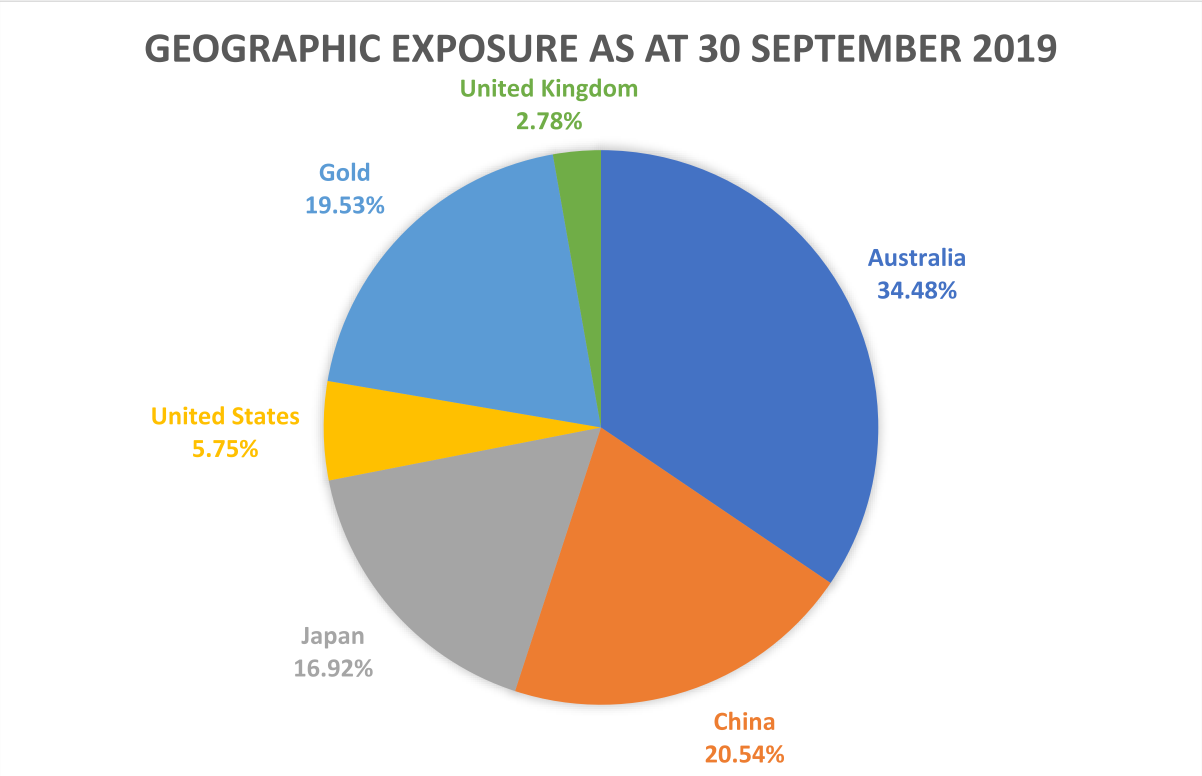
Company	Country	Attribution (bpts)
Collins Foods	Australia	161.6
Western Areas	Australia	119.9
Meituan Dianping	China	45.9
ZOZO	Japan	41.2
Japan Airport	Japan	36.9

Negative attributions

Company	Country	Attribution (bpts)
Harmony Gold	United States	180.5
Evolution Mining	Australia	85.3
VanEck Vectors Jnr Gold ETF	Unites States	73.2
St Barbara	Australia	49.8
The Walt Disney Company	United States	39.5

Portfolio positions

Top 10 Holdings	30 September 2019	Country
Collins Foods	9.03%	Australia
The Walt Disney Company	5.75%	United States
Meituan Dianping	4.95%	China
Sony	4.87%	Japan
Nintendo	4.86%	Japan
Telstra	4.64%	Australia
Harmony Gold	4.58%	United States
Western Areas	4.58%	Australia
Evolution Mining	4.58%	Australia
Nine Entertainment	4.55%	Australia



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Fat Prophets Global Contrarian Fund