



ASX ANNOUNCEMENT

20 November 2019

Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 13th November 2019

The Estimated NTA per share for Fat Prophets Global Contrarian Fund as at 13th November 2019 is as follows;

	Amount (\$)
Pre-Tax NTA (as at 13 November 2019)	1.1700
Pre-Tax NTA (as at 31 October 2019)	1.2010
Change in NTA	-2.58%

Weekly NTA

For the period from 31st October 2019 through to 13th November 2019, the Fund recorded a 2.58% decline in Pre-tax NTA. The lower performance followed a period of strong outperformance in the Fund during October. The portfolio is positioned for a strong run in stock markets through to the end of the year.

In terms of negative attribution, **Collins Foods** the Fund's largest position, corrected after court action was initiated in Victoria by competitor Taco Bill. Our positive medium to longer term outlook for the company has not changed.

Gold equities also underperformed which weighed on the Fund. We lightened our exposures to gold miner ETFs **GDX** and **GDXJ** during the month and booked a good profit on **Harmony** with the view that gold could continue to correct for a number of months. We still have significant exposure to gold in the Fund, and our longer-term outlook remains bullish. Also weighing on the Fund was the position in **Western Areas**, which was reduced during the month at a good profit.

During the period we added to the Fund's existing position in **Disney**, prior to the launch of the streaming service Disney+, which so far has exceeded expectations and instigated a round of fresh broker upgrades.

We also established beach head positions in swiss banks **UBS** and **Credit Suisse** with the view that European banks could be approaching a significant inflection point after years of poor performance. German manufacturing data has been resilient of late and expectations towards the eurozone economy generally are pessimistic.

We initiated three short futures positions in **10-year German**, **US** and **Australian bond futures**, albeit these are quite small at this stage. Interest rates generally seem to be rising once again at the long end of the curve after reaching the lowest levels in history. German rates in particular, got down to as low as negative 0.7%, so this provided a timely opportunity to go short.

The Euro Stoxx index is in the process of breaking out on the upside, which dovetails with our view that the broader eurozone economy is set to improve. We initiated a small long position in **Euro**

Stoxx futures to take advantage of this, holding the view that the Euro Stoxx index will soon shortly push to new highs in the months ahead, accompanied by rising interest rates.



Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund