



## ASX ANNOUNCEMENT

20 January 2020

### Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 15<sup>th</sup> January 2020

Global equity markets surged in the first few weeks of January following the signing of the trade deal between the US and China. **The “risk on rally” helped the Fund make a strong start to the year.** The estimated NTA per share for Fat Prophets Global Contrarian Fund as at the 15<sup>th</sup> January 2020 is as follows;

	Amount (\$)
Pre- Tax NTA (as at 15 January 2020)	1.3017
Pre- Tax NTA (as at 31 December 2019)	1.2375
Change in NTA	<b>5.19%</b>

#### Month to date NTA

For the period from the 31<sup>st</sup> December to the 15<sup>th</sup> January 2020, the Fund **recorded an estimated gain in pre-tax net tangible asset backing of 5.19% to \$1.3017.** The gain in pre-tax NTA was mainly attributable to solid performances in Asian markets with names we hold such as **Meituan Dianping, Korean cosmetic company LG Household & Healthcare, Sony, and Alibaba** delivering strong performances in recent weeks.

**The Fund’s long position in platinum also produced strong returns when the precious metal finally pushed above \$1000 oz.** Detracting from the Fund’s performance in January were stocks such as **Japan Airport Terminal** – which is correcting after a strong run last year, and **Western Areas** which was lower on the back of weaker nickel prices.

#### Portfolio Changes

The Fund added to holdings in **Sands China** after a site visit to Macau to inspect the company’s casino operations. We are not only impressed by the scale and quality of the Macau casino operation, but also the future growth plans **and the opening of the Londoner Casino in the next year or so.** We hold the view that the Macau gaming companies are not only cheap on a valuation basis, but that the revenues have stabilised and **will soon accelerate on the back of growth in mass and premium mass customer patronage.**

Historically, Macau gaming has been very dependent on VIP revenues, but this is set to change in the year ahead, and we see Sands China along with other names we hold such as **Wynn Macau and MGM China** reaching an inflection point. We reduced our position in **Japanese online clothing retailer Zozo** by around half, mainly due to non-performance in the share price.

Angus Geddes  
Chief Investment Officer  
**Fat Prophets Global Contrarian Fund**