



ASX ANNOUNCEMENT

24 March 2020

Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 18th March 2020

The estimated NTA per share for Fat Prophets Global Contrarian Fund as at the 18th March 2020 is as follows;

Month to date NTA

	Amount (\$)
Pre- Tax NTA (as at 18 March 2020)	0.7271
Pre- Tax NTA (as at 29 February 2020)	1.1180
Change in NTA	-34.96 %

For the period from the 29th of February 2020 to the 18th of March 2020, the Fund recorded a decline in Pre-Tax NTA of **-34.86 % to \$0.7271 due to the unprecedented conditions in the financial markets due to the Covid-19 outbreak and the rapid decline in markets**. We significantly reduced the size of the portfolio last week to reduce exposure to the market. With the global shutdown, financial markets are now pricing in the worst economic downturn since the Great Depression.

Many businesses are also trying to work if they can survive the shutdown. Government assistance has been forthcoming, but more needs to be done to help industries such as the airlines and restaurants survive. The race is on to develop preventative medicines and a vaccine, but governments need to do more than this to ensure the global economy can recover. Stocks we hold such as **Dominos Pizza, Tencent, Alibaba, Sony, Spotify and Nintendo** have held up well. Others have not fared as well, as **Coca Cola Amatil and Collins Foods**, despite KFC remaining open to service the takeaway/drive through and home delivery market.

We took the view late last week that the with the Australian dollar falling to record low levels at 55 cents, A\$ gold prices are at a near term peak, and subsequently sold down the Fund's precious metal exposure, which included ETFs GD and GDXJ and Evolution. The worlds facing a formidable challenge in the weeks and months ahead, not just with fighting the Covid-19 virus, but getting the global economy back up and running.

The world will recover however, and history has shown us that the rebound when it finally comes could be quick. A lot now depends on the fiscal support governments can provide to the private sector, which now needs to be ramped up quickly in the months ahead. While markets conditions are challenging and concerning, we continue to look proactively and position the portfolio for the inevitable rebound.

Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund