



ASX ANNOUNCEMENT

17 July 2020

Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 15th July 2020

The estimated NTA per share for Fat Prophets Global Contrarian Fund as at the 15th of July 2020 is as follows:

Month to date NTA

	Amount (\$)
Pre- Tax NTA (as at 15 July 2020)	1.2353
Pre- Tax NTA (as at 30 June 2020)	1.1312
Change in NTA (30 June 2020 to 15 July 2020)	9.20%

The Fund has to date, had a strong performance in July. For the period from the 30th of June to the 15th of July 2020 the Fund recorded an increase in NTA from \$1.1312 to \$1.2353, **a gain of 9.20%.** **The gains in the portfolio have generally been across the portfolio.**

Market outlook and Portfolio Changes

We established a moderate position in UK listed **silver producer Fresnillo** since the last ASX update. Fresnillo operates a number of mines in Mexico and is that country's largest producer of gold and silver. Whilst the company has had some operational challenges in recent years that has led to underperformance relative to peers, **we believe that gap can now close. Fresnillo has made a number of operational improvements, and this is now coming through in recent earnings updates.**

Additionally, **silver has significantly lagged the gold price up until recent months, but this underperformance should now close as the bull market in precious metals broadens. Fresnillo should benefit from higher silver prices.**

We continue to hold a bullish outlook on precious metals, and gold and silver producers. Whilst gold and precious metals are possibly overbought near term. The growing number of tailwinds will likely see gold and silver prices continue to rise in our view, particularly as governments continue to resort to money printing measures to offset the recession and a return to full employment. **Unlike 2008, the quantitative easing measures in this cycle are likely to manifest in the real economy, and ultimately create inflation.** The Fund has around 18% exposure to precious metals.

The Board notes the recent outperformance of the Fund has led to a widening of the share price discount to estimated pre-tax NTA, which is now over 20%. The Board remains committed to narrowing this gap.

Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund