



ASX ANNOUNCEMENT

2 October 2020

Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 30th September 2020

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 30 September 2020 is as follows:

Month to date NTA

	Amount (\$)
Pre-Tax NTA (as at 30 September 2020)	1.2397
Pre-Tax NTA (as at 31 August 2020)	1.2927
Change in NTA (31 August 2020 to 30 September 2020)	-4.10%

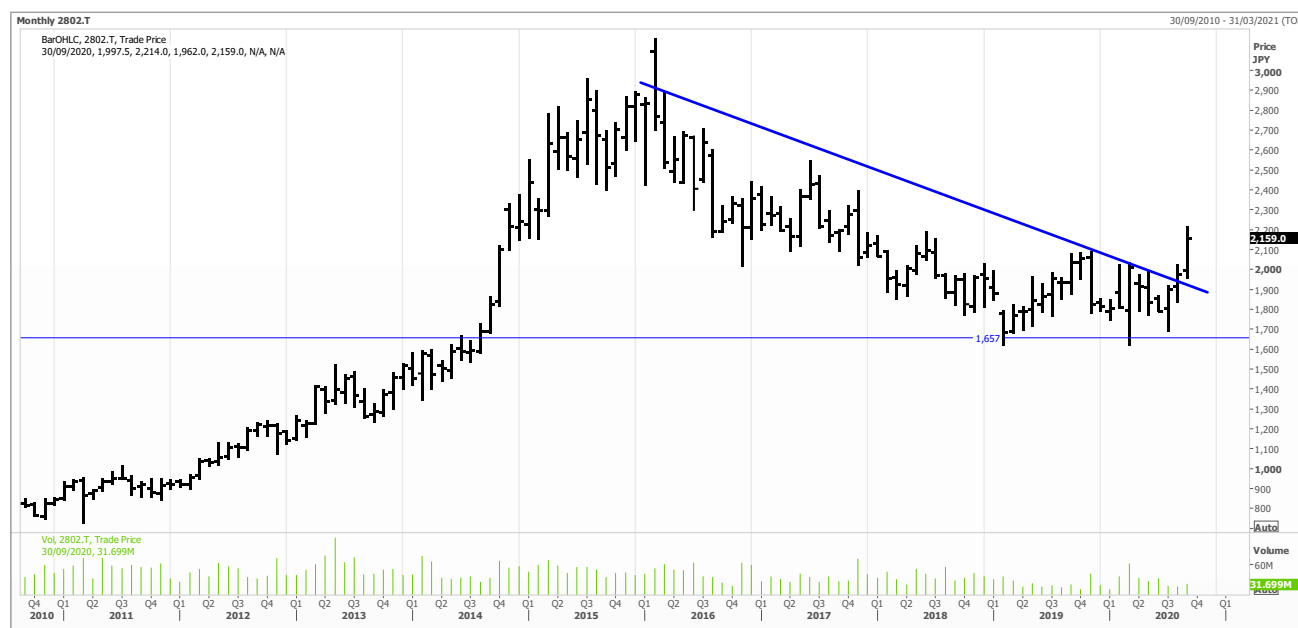
For the period from 31 August to 30 September 2020, the Fund recorded a decrease in estimated pre-tax NTA from \$1.2927 to \$1.2397, **a loss of 4.10%, which was positive given many market indices were down more than this over the same period.**

Portfolio Changes and Market Outlook

Markets have stabilised in recent days and the corrective selloff looks to be nearing an end. Washington continues to negotiate another round of fiscal stimulus but has yet to agree. We are confident that another round of stimulus is coming, but the big question remains whether it is before or after the election. The Fund's precious metals exposure was a significant detractor to performance during September, but we see this as being corrective. **We anticipate precious metals to be a principal beneficiary from the money printing activities of the US and other governments in coming years.**

We added equity exposure since our last update, taking advantage of market weakness. Japanese food conglomerate **Ajinomoto** (JP:2702), the owner of the Kikkoman sauce brand, was added to the portfolio. **We think Japan generally makes a compelling investment case, with rising return on equity potentially set to eclipse many developed world countries after decades of deflation and economic restricting.** Japanese corporations are now "fit and battle hardened" compared to the basket case they became after the great asset bubble burst in the 1990s.

Ajinomoto



We think the case for investing in Ajinomoto ties directly to a turnaround story, and the fact that management have refocused and “slim lined” it’s business portfolio – “less is more”! Margins should improve following significant restructuring measures and asset sales. Ajinomoto is a pioneer in the food industry and management is targeting and focused on sustainable profit growth. Whilst the company has been impacted over the short-term from COVID-19, we believe the company is positioned for an upcycle in profit growth.

Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund