ASX ANNOUNCEMENT

Sydney, 15 October 2020: Fat Prophets Global Contrarian Fund (FPC) announces a Disclosure pursuant to ASX Listing Rule 4.12

Dear Shareholders,

The estimated net tangible asset backing of the Fat Prophets Global Contrarian Fund improved in September 2020. **Pre-tax and post-tax NTA closed at $1.2397 and $1.2083 for a decrease of 4.10% and 3.01% respectively during the month of September 2020, which was positive given many market indices were down more than this over the same period. During the month, the Fund added exposure and net leverage increased to 28.47%**

	30-Sept-20	31-Aug-20	Change
Pre-Tax NTA	1.2397	1.2927	**-4.10%**
Post-Tax NTA	1.2083	1.2458	**-3.01%**

Portfolio Performance

The Fund performed relatively well in September, but nevertheless, finished down on the month. Weighing on performance during the month was the precious metal exposure, with spot gold and silver prices correcting in the face of advancing US dollar. The **Global X Silver Miners ETF** was down sharply after a heated rally in July and August. A correction was to be expected in the precious metals, just as it was for commodities. **Harmony Gold** also corrected sharply. After lightening in August, the Fund added back exposure to the sector in September.

QBE Insurance was the second worst performing stock in the portfolio after the CEO Pat Regan was suddenly dismissed from the company after misconduct accusations. Mr Regan had presided over a steadier time for the insurer after years of poor performance, so his dismissal came as a shock to the market. We are confident that the company will find a successor. We remain comfortable holding QBE on the grounds that the insurance industry now has a number of tailwinds and is experiencing premium rate growth - and on valuation grounds where the P/B ratio relative to global peers is low.

In September, the Fund had solid performances from **Samsung Electronics** which delivered a solid profit result, and **Alibaba Group** which attained record highs ahead of the Ant Financial spinoff IPO – shaping up to be one of the biggest in history. Small cap nickel producer **Mincor** had a solid performance for the month on encouraging exploration results and as the company moves closer towards a production restart. With nickel prices in a lengthy bear market for much of the past decade, many producers effectively put their operations on hold, including Mincor. With the recovery in nickel prices, and the restart of their production operations, Mincor stands to be considerably rerated by the market in our view. We added to our holdings in September.

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD. | ACN 615 414 849 | LEVEL 3, 22 MARKET STREET, SYDNEY NSW 2000 AUSTRALIA | 1300 881 177 | ©2020
WWW.FPCONTRARIAN.COM.AU | INVEST@FATPROPHETS.COM.AU

Positive Attributions

Solid profit results and positive updates from **Samsung Electronics', Uber, Alibaba Group, Nintendo and Mincor drove returns** for the Fund in September.

Company	Country	Attribution (bpts)
Samsung Electronics	South Korea	24.9
Alibaba Group Holding	China	22.7
Nintendo	Japan	19.1
Mincor Resources	Australia	18.5
Uber Technologies	United States	16.9

Negative Attributions

Commodity and precious prices were weaker again in September, driven mostly by profit taking and a rebound in the US dollar. Gold has been a significant driver of performance for the Fund this year, but precious metal prices were ripe for a correction. This weighed on the Fund's exposures with **Harmony Gold and Global X Silver Miners ETF amongst the biggest losers.**

Company	Country	Attribution (bpts)
Global X Silver Miners ETF	United States	78.2
QBE Insurance Group	Australia	68.7
Harmony Gold Mining Company	United States	61.1
Sands China	China	35.2
Powerhouse Energy Group PLC	United Kingdom	33.7

Market Outlook and Portfolio Changes

The markets corrected sharply in September and the Fund performed relatively well given nearly all leverage was extinguished in the previous month. We had been of the view for some time that the market would come under pressure as risks increased for the US economy **stemming from the stalemate in Washington over the next fiscal stimulus package.**

As we head towards the election in the US, the passage of a new coronavirus relief package looks to have stalled after US House Speaker Democrat Nancy Pelosi rejected the $1.8 trillion coronavirus relief proposal from the White House, saying it "falls significantly short of what this pandemic and deep recession demand." It's too hot an issue for both sides to agree with the election just a few weeks out.

The Republicans don't want to see a larger stimulus package going disproportionately to Democrat led states and the Democrats are not going to agree a smaller package that favours the right, especially with much weighing politically on the next few weeks.

However, on balance we think stock markets are looking through this to the other side of November and when the political outcome has been decided - and with almost certainty that a fiscal package will be announced then. With the Democrats leading significantly in the polls, the market is also weighing up the likelihood of a "larger shot" to the arm for the economy. There will however be potential inflationary consequences from a second round of stimulus, not least being the US dollar, which could lose further ground. On the other hand, such a scenario would be bullish for commodities, precious metals and stocks generally. **We anticipate precious metals to be a**

principal beneficiary from the money printing activities of the US and other governments in coming years.

Consequently, **we were quite active in the Fund during September and have increased equity exposure.** We added to existing names held in the portfolio, with the exception of some of the technology and US related stocks such as **Activision Blizzard, Spotify, Yum brands, and Disney**. We established new positions in **BHP** and **Hong Kong Exchanges & Clearing.**

With iron ore prices correcting sharply, **we added BHP to the portfolio following a decent decline.** The large, diversified miner is attractively valued in our opinion with iron ore and copper prices likely to remain elevated during the global economic recovery as fiscal stimulus programs are enacted by Governments and collectively targeted at infrastructure building. Commodities generally should do well over the next few years if we are right in our view that inflation is likely to pick up. BHP is well positioned to benefit from these thematics. Near term, BHP is positively susceptible to broker upgrades the longer iron ore and copper prices remain elevated.

We added Japanese food conglomerate **Ajinomoto** (JP:2702), the owner of the Kikkoman sauce brand, to the portfolio. **We think Japan generally makes a compelling investment case, with a rising return on equity potentially set to eclipse many developed world countries after decades of deflation and economic contraction.** 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 stands to benefit from accelerating top line revenue growth and years of corporate restructuring which looks finally to be bearing fruit.

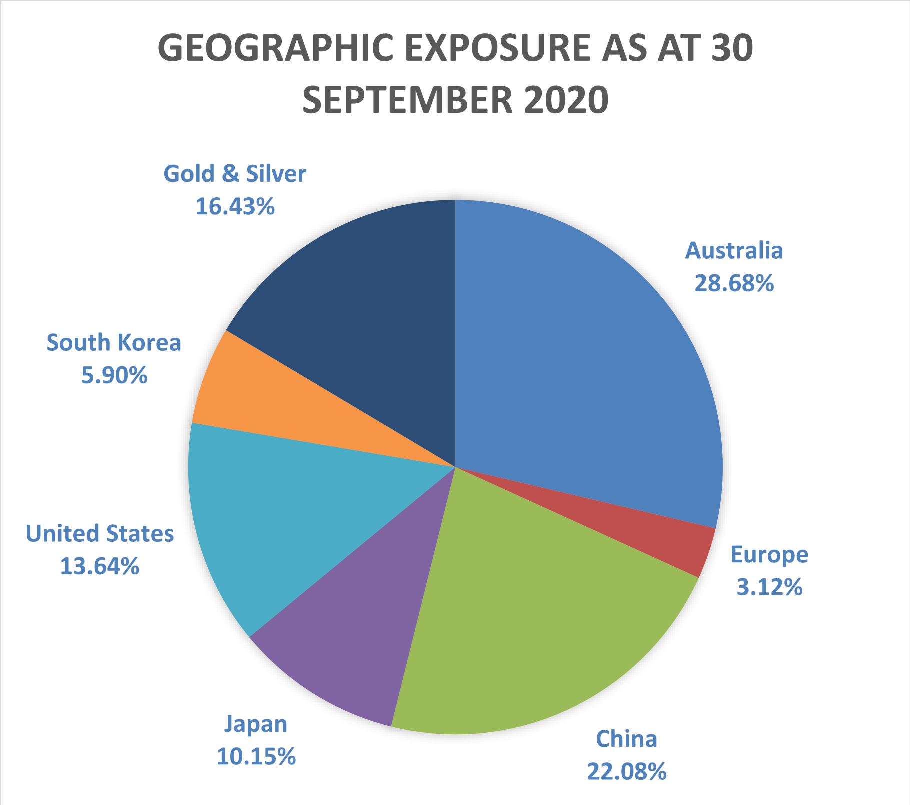
There are going to be probable consequences from a second round of stimulus, not least being the US dollar continuing to lose further ground and potentially higher inflation. We hold a bearish view on long duration US Treasury Bonds and this could begin to play out if further stimulus is injected into the economy.

We added recently to "beachhead" positions in the Proshares UltraShort 20+ US Treasury ETF (US:TBT) and the Ultra ProShort 20+ US Treasury ETF (US:TTT), both of which are proxies for being short long duration US Treasury Bonds. **The positions are of medium size now in the portfolio - and reflect our growing conviction the lows in long duration US bond yields are now likely in. We are yet to be proven correct** in our view that long duration rates will rise if inflationary consequences do come through from the significant fiscal stimulus administered this year, but we are confident that the risk reward is skewed in our favour.

UK listed **Power House Energy (which has risen 7 fold since last year) completed a £5m capital raise, supported by significant backer, Peel (a large UK based environmental infrastructure fund), ahead of the important test results from the prototype plant due out later this month.** This is encouraging given that major shareholders have committed the funds in a recent placement at 2.5p.

Top 10 Holdings

Top 10 Holdings	Country	30 September 2020
Collins Foods	Australia	9.05%
Alibaba Group Holding	China	5.83%
Domino's Pizza	Australia	5.30%
Global X Silver Miners ETF	United States	4.30%
Nintendo	Japan	3.27%
Tencent Holdings	China	3.14%
Powerhouse Energy Group	United Kingdom	3.12%
Yum China Holding	China	3.04%
Samsung Electronics	South Korea	2.96%
LG Household & Health Care	South Korea	2.95%



Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund