



## ASX ANNOUNCEMENT

### Strategy to seek to address discount to NTA

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**18 November 2020**

Fat Prophets Global Contrarian Fund ("FPC") has recently been trading at an 11% discount to net asset value ("NAV") which was \$1.31 on a pre-tax basis on 11 November 2020 (see ASX announcement dated 13 November 2020). This is a smaller discount than that experienced by many other listed investment companies and the Board is committed to closing the discount for the benefit of Shareholders.

FPC is pleased to announce that its manager, Fat Prophets Pty Limited, has developed a strategy that seeks to address this discount to NTA.

Specifically:

1. Fat Prophets has engaged legal firm Baker McKenzie to advise on the establishment of an actively managed exchange traded managed fund (ETMF) to be managed by Fat Prophets with a strategy which mirrors that of FPC.
2. The ETMF will apply to be traded under the ASX AQUA rules, subject to ASX approval.
3. The directors of FPC expect the ETMF to trade at a price reflecting its NAV per unit.
4. It is proposed FPC shareholders may convert shares in FPC to units in the new ETMF by way of a share buy-back by FPC, subject to a cap to ensure FPC's level of operations is sufficient to warrant the continued listing.

This means Shareholders in FPC will be able to effectively choose to sell shares in FPC and acquire units in a newly established ETMF once the ETMF is established at a price that is expected to be close to NAV and to then transact in the ETMF at NAV subject to a bid/offer spread. FPC shareholders are not obligated to convert to the new structure.

It is expected that the above strategy will be implemented as soon as is reasonably practicable during the current financial year.

Allowing Shareholders to realise share price performance which closely aligns with NAV performance is a key objective of the Board.

This announcement was authorised to be released to the ASX by the FPC Board.

Michael Gallagher  
Chairman