



ASX ANNOUNCEMENT

26 February 2021

Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 24th February 2021

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 24 February was as follows:

Month to date NTA

| | Amount (\$) |
|--|-------------|
| Pre-Tax NTA (as at 24 February 2021) | 1.5240 |
| Pre-Tax NTA (as at 31 January 2021) | 1.4442 |
| Change in NTA (31 January to 24 February 2021) | 5.53% |

For the period from 31 January to 24 February 2021, the Fund recorded an increase in estimated pre-tax NTA from \$1.4442 to \$1.5240, **a growth of 5.53%**.

Portfolio Changes and market outlook

Market volatility has escalated sharply this week with rising US bond yields being the catalyst for a sharp correction in global equities. The Fund has effectively been positioned for the global bond market rout since last year with short positions on long US bond duration in the portfolio. However, some of the strong gains that accrued in February have since been conceded with the overall decline in the market.

This week's selloff has been particularly concentrated in high price growth stocks most susceptible to higher interest rates. We see the incumbent correction as a much needed pause in what was becoming an overheated market. Nevertheless, our belief is that the corrective selloff is unlikely to be extended or particularly deep, and the weeks ahead are likely to present opportunity.

Since the last update to the ASX, the Fund has switched out of **Oceana Gold** into **Whitehaven Coal**. Our view is that coal prices have inflected and are likely to move higher as the global economy reopens and as Australia's tense relations to China thaws. Whitehaven Coal is very cheap on current metrics and will likely rerate if coal prices continue to recover.

Coal prices are likely to inflect higher along with much maligned Whitehaven Coal.



Angus Geddes
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Fat Prophets Global Contrarian Fund