



## ASX ANNOUNCEMENT

7 May 2021

### Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 5<sup>th</sup> May 2021

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 5 May 2021 is as follows:

#### Month to date NTA

	Amount (\$)
Pre-Tax NTA (as at 5 May 2021)	1.4764
Pre-Tax NTA (as at 30 April 2021)	1.4922
Change in NTA (30 April 2021 to 5 May 2021)	-1.06%

For the period from 30 April to 5 May 2021, the Fund recorded a 1.06% decrease in estimated pre-tax NTA from \$1.4922 to \$1.4764.

#### Portfolio Changes and Market Outlook

**The Fund has significantly reduced its portfolio beta in May through the establishment of a near zero cost option collar on the S&P500, which we have added to since our last ASX update.** This option strategy which partially protects the whole portfolio against a fall in the market and up to a 15% drop in the S&P500 by mid-June. At the same time, the Fund has paid for the option protection by selling around one third upside greater than 3%. With the US market outperforming in April and adding to those gains this week, we now see the US market as being vulnerable to a near term correction. **Leverage and portfolio risk have been reduced significantly through a mix of outright profit taking on stocks in the portfolio as well as option hedging.**

The portfolio benefited this week from the Mainstream takeover, where the bid price was increased yet again to \$2.56. We sold half the position late last month, but retained exposure in case of yet another higher bid emerging.

The main contribution to the portfolio's positive performance since the beginning of April has been precious metals exposure via the **Global X Silver Miners ETF and the Aberdeen Physical Platinum ETF, QBE Insurance on broker upgrades, and Kraft Heinz** which reported a solid profit result. **Collins Foods, Uber and PowerHouse Energy detracted from performance, along with Adore Beauty** – which has been mostly exited. Leverage within the portfolio has fallen significantly.

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Fat Prophets Global Contrarian Fund