



ASX ANNOUNCEMENT

11 June 2021

Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 9th June 2021

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 9 June 2021 is as follows:

	Amount (\$)
Pre-Tax NTA (as at 9 June 2021)	1.5216
Pre-Tax NTA (as at 31 May 2021)	1.5445
Change in NTA (31 May 2021 to 9 June 2021)	-1.48%

For the period from 31 May to 9 June 2021 the Fund recorded a 1.48% decrease in estimated pre-tax NTA from \$1.5445 to \$1.5216.

Portfolio Changes and Market Outlook

Since our last update, inflation has surged in the US to the highest level since 2008, with the latest CPI print coming in at 5% for May 2021. Markets reacted benignly to the inflation figure, with bonds falling and the yield on the 10-year falling to 1.43%, which weighed on the Fund's short bond position. We continue to be of the view that inflation will prove to be less than "transitory", and commodities, raw materials and precious metals will be beneficiaries. The Fund's zero cost option collar hedge also weighed moderately. The option hedge, which protected the portfolio from volatility in May, is due to expire next week.

Takeover target **Mainstream** received a higher bid at \$2.80, and we cannot rule out yet another higher bid yet. The higher bid price reignited interest in Australia's Fintech sector with our other key holding, **Praemium** surging to 97 cents this week.

The Fund established a new position in **Beston Global Food Group**, which is listed on the ASX, domiciled in South Australia, and has successfully commissioned a new lactoferrin plant which should drive revenue, profit and margins up significantly in the year ahead. Beston has underperformed in recent years, but we see significant scope for a turnaround in the year ahead.

Weighing on performance were corrective retracements in **Collins Foods** and **Powerhouse Energy**, two of the Fund's larger positions. Both stocks retreated after recent surges with Collins full year profit result due out later this month. Powerhouse had surged in the previous week on the announcement of a second DMG plant rollout.

The Fund went ex-dividend last Monday, and the shares held up well. The interim dividend will be paid on 16 June and the DRP shares will be issued on the same day. The issue price of the DRP shares is \$1.34.



Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund