



## ASX ANNOUNCEMENT

16 July 2021

### Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 14<sup>th</sup> July 2021

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 14 July 2021 is as follows:

	Amount (\$)
Pre-Tax NTA (as at 14 July 2021)	1.4134
Pre-Tax NTA (as at 30 June 2021)	1.4450
Change in NTA (30 June 2021 to 14 July 2021)	-2.19%

For the period from 30 June to 14 July 2021 the Fund recorded a 2.19% decrease in estimated pre-tax NTA from \$1.4450 to \$1.4134.

### Portfolio Changes and Market Outlook

The two weeks of July has been a challenge for the Fund's reflationary trade as bond yields have fallen, however this could be close to inflecting with the headline rise in the CPI and PPI, the highest in a decade amidst an ever tightening labour market. This reinforces our view that inflationary pressures are going to continue to exert in the US and global economies over the coming second half of the year.

While the stock indices have managed to grind higher thanks to positive earnings revisions, many sectors and stocks have corrected by more than 20%. A rolling correction appears well underway for some sectors, despite the index remaining within an uptrend. This is a typical of a mid-cycle trend within an economic recovery. Looking ahead, whilst growth should remain strong in the US and globally over the coming twelve months, stock markets could become more vulnerable to a correction. There are few obvious catalysts on the horizon, but the Federal Reserve and other central banks may continue to pivot amidst higher inflation and strong jobs data.

We continue to remain long equities, commodities and precious metals while short long duration US bonds.

Angus Geddes  
Chief Investment Officer  
**Fat Prophets Global Contrarian Fund**