



## ASX ANNOUNCEMENT

23 July 2021

### **Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 21<sup>st</sup> July 2021**

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 21 July 2021 is as follows:

	Amount (\$)
<b>Pre-Tax NTA (as at 21 July 2021)</b>	1.3839
<b>Pre-Tax NTA (as at 30 June 2021)</b>	1.4450
<b>Change in NTA (30 June 2021 to 21 July 2021)</b>	<b>-4.23%</b>

For the period from 30 June to 21 July 2021, the Fund recorded a 4.23% decrease in estimated pre-tax NTA from \$1.4450 to \$1.3839.

### **Portfolio Changes and Market Outlook**

The Fund lost some ground in July, which was mainly due to weakness in holdings such as Collins Foods, Beston Global Foods, and the short US bond position. The Fund booked gains and sold out of The TJX Companies, the US and discount global apparel retailer. Having navigated the stock market recovery since last year relatively well, with leveraged long equity positioning, we took the opportunity this month to further lower total risk exposure and portfolio beta. This week the Fund reinstated the first leg of a zero-cost collar hedge via S&P500 puts. The S&P500 continues to grind higher into reporting season but we see near term downside risks growing.

Inflation remains a controversial topic and we continue to see rising cost and price pressures exerting within the global economy. Valuations remain near historically high levels and we are cautious looking ahead into the September quarter. The risks of a correction are growing, but looking further out, the outlook for stock markets over the coming year are broadly favourable. Should a decent correction arise, the Fund aims to be in position to take advantage of any weakness, hence our more cautious stance today.

Despite falls in some of our larger holdings this week, we remain broadly comfortable with the composition of the portfolio. However further insulation of the fund (via our hedge) will potentially provide opportunities later in the year if a general stock market drawdown were to occur.

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