ASX ANNOUNCEMENT

Sydney, 12 November 2021: Fat Prophets Global Contrarian Fund (FPC) announces a Disclosure pursuant to ASX Listing Rule 4.12

Dear Shareholders,

The estimated net tangible asset backing of the Fat Prophets Global Contrarian Fund decreased in October 2021. **Pre-tax and post-tax NTA closed at $1.3198 and $1.2696 for a decrease of 3.12% and 2.29% respectively during the month of October 2021 which was largely attributable to the cost of portfolio hedging.** At the end of October, net leverage was 1.76% and the Fund had hedging in place (via S&P500 put options and Nasdaq futures) for around 25% of the portfolio.

	31-Oct-2021	30-Sept-2021	Change
Pre-Tax NTA	1.3198	1.3623	**-3.12%**
Post-Tax NTA	1.2696	1.2994	**-2.29%**

Portfolio Performance

The Fund has added back equity exposure and closed out all hedging of the portfolio during October. We adopted a cautious and defensive stance in September and October, and at the nadir of the correction the S&P500 was down 6.5%. However, following another benign FOMC meeting, a risk on rally ensued quickly pushing the indices back to record highs. We reacted relatively quickly to remove the hedging and deploy cash primarily into value and reflationary themes. As at 12th November 2021, the Fund was in positive territory for the month, having recouped much of the cash paid out for the final dividend.

Whilst we see a favourable upside risk/reward skew for equity markets for the rest of the year, we continue to remain wary of expensive growth and IT stocks. Valuations for growth are well above the S&P500, which in itself is at the top of end of the historic range. We are adhering to our bias for value and cyclicals, which have underperformed for much of the year.

Inflation has remained elevated. This week's CPI print once again demonstrated that inflationary pressures are anything but transitory. Whilst the Fed has begun to pivot and away from their rhetoric that inflation is transitory, they remain noncommittal to just when interest rates will be lifted. Markets have already commenced doing this for them, with the long end of the yield curve lifting significantly this month. We believe long term rates have further to go, given real rates are effectively in negative territory with annualised inflation running at over 6%.

We have added to holdings in **QBE Insurance, BHP and Japanese financials, each should benefit from inflation and higher rates. We added** Australia's largest Telco, **Telstra,** to the portfolio. Telstra has materially underperformed the ASX200 for the past decade, but we believe the stock is at an inflection point. Management has revealed new financial targets, along with operational plans and strategic priorities for the next 4 years out to FY25 that should positively impact the business. Telstra is in our view, poised for renewed growth, higher profitability and dividends.

With oil prices surging back two-year highs, we added two US listed oil services companies, **Schlumberger and Halliburton**. Within the oil industry, underinvestment and the pandemic induced downturn has had a negative impact on energy services companies. However, with a demand led recovery, oil above $80, demand for oil services is set to accelerate in our view. Both Halliburton and

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD. | ACN 615 414 849 | LEVEL 3, 22 MARKET STREET, SYDNEY NSW 2000 AUSTRALIA | 1300 881 177 | ©2021
WWW.FPCONTRARIAN.COM.AU | INVEST@FATPROPHETS.COM.AU

Schlumberger provide “picks and shovels” to the energy sector, with earnings results in the past two quarters being strong. The oil services sector has underperformed in the past decade, but we believe an inflection point is also close at hand for the industry. Both companies are technology leaders in the energy services sector.

The Fund has added back exposure to **Nintendo, Daikin, Sony and Beston Global Food Group, along with the Japanese banks including Sumitomo Mitsui Financial Group, Mitsubishi UFJ and Chiba Bank.** The Fund established new positions in **Domino’s Pizza Group in the UK that has materially underperformed peers in Australia and the US. We also bought Japanese regional bank Resona Holdings, Alps Alpine, Rio Tinto and the US listed Invesco Agricultural ETF**, which holds a basket of agricultural commodities that includes, coffee, wheat, soybeans and sugar.

Many agricultural commodities have corrected sharply this year, but we are of the view that soft commodities will benefit from inflation and are in a bull market. The Fund’s agricultural commodity exposure effectively provides asymmetrical risk away from equities, which mitigate portfolio risk and complements existing physical exposure to platinum and uranium.

In recent weeks, we added to our precious metals’ exposures buying additional physical platinum (via ETFs), and to our gold and silver exposures. Gold and the precious metals have seemingly, decoupled from recent strength in the US dollar. With crypto prices in the stratosphere, precious metals are perhaps a reasonable alternative as an inflationary hedge.

With iron ore prices correcting sharply, we added Rio Tinto to the portfolio after the recent big falls. Rio will still generate huge free cashflow and pay large dividends even with iron ore prices now around $100 a tonne. Iron ore looks to be bottoming out and we expect a recovery in this market.

In terms of attribution, standout contributors included Praemium which is under takeover. We agree with the Praemium Board, that the current indicative takeover price of c$1.50 is insufficient and materially undervalues the company. Collins Foods performed well as did a recovery in Power House Energy, on no major news. Sony and Warner Music both delivered sound profit results.

Positive Attributions

Company	Country	Attribution (bpts)
Collins Foods	Australia	38.6
Praemium	Australia	35.6
Warner Music	United States	30.2
Sony Corp	Japan	16.9
Powerhouse Energy	United Kingdom	16.7

In terms of detractions from performance, the cost of the hedging in place for the portfolio was close to 2%. The hedge protected the portfolio when the major indices were down between 6.5% and 7% in October, but cost the fund as markets rebounded. We currently have no hedging deployed at present.

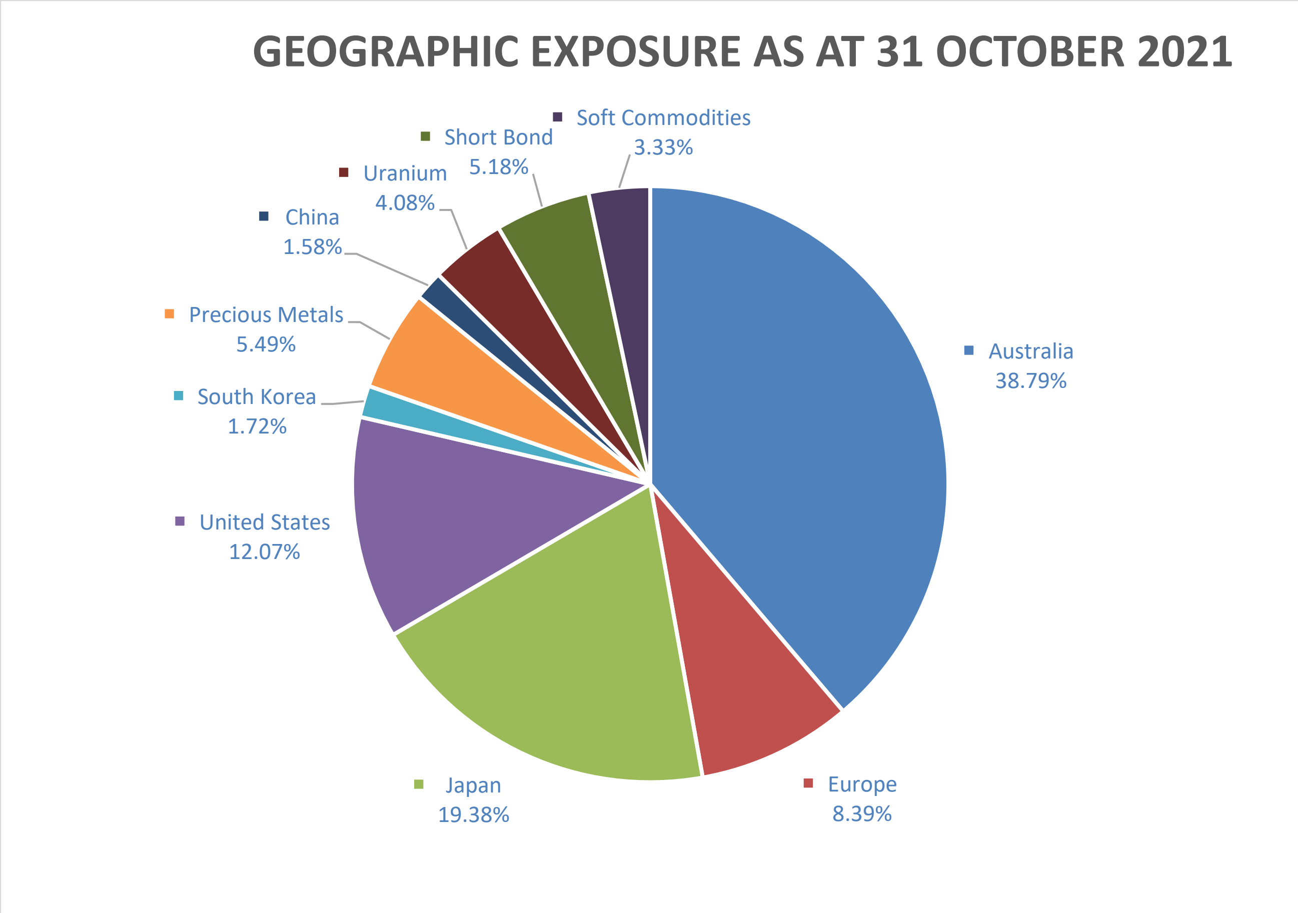
Whitehaven Coal corrected sharply, but the shares are still well up on cost and we believe the positive coal cycle has further run and added. After lightening Whitehaven into strength, we added back some exposure this week. Dominos Pizza Enterprises corrected sharply after some broker downgrades and flagging slower sales in Japan due to Covid.

Negative Attributions

Company	Country	Attribution (bpts)
S&P500 Hedge	United States	139.7
Domino's Pizza	Australia	84.7
NASDAQ Hedge	United States	55.1
Whitehaven Coal	Australia	42.1
Rio Tinto	United Kingdom	34.1

Top 10 Holdings

Top 10 Holdings	Country	31 Oct 2021
Collins Foods	Australia	8.82%
Domino's Pizza	Australia	4.67%
Sprott Physical Uranium	Canada	4.08%
Praemium	Australia	3.60%
Telstra	Australia	3.51%
QBE	Australia	3.48%
Powerhouse Energy Group	United Kingdom	3.43%
BHP Billiton	Australia	3.43%
Sony Corp	Japan	3.39%
Invesco DB Agriculture	United States	3.33%



Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund