



ASX ANNOUNCEMENT

4 January 2022

Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 29th December 2021

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 29 December 2021 was as follows:

	Amount (\$)
Pre-Tax NTA (as at 29 December 2021)	1.2955
Pre-Tax NTA (as at 30 November 2021)	1.2694
Change in NTA (30 November 2021 to 29 December 2021)	3.86%

The Fund's performance during the period from 30 November to 29 December 2021 rebounded with a 3.86% increase in estimated pre-tax NTA from \$1.2694 to \$1.2955.

Portfolio Changes and Market Outlook

Financial markets had a "risk on" month in December, shrugging off a more hawkish Federal Reserve and the rapid spread of omicron. We continue to see market strength in the first quarter on the back of stronger economic growth, an improving China with the central bank now easing, and a normalising global consumer as the spread of the less severe omicron strain peaks in the months ahead. Whilst the Fed has adopted a more hawkish line on inflationary pressures, we expect monetary policy to remain broadly accommodative despite tapering and the likelihood of at least two rate hikes this year.

The portfolio benefited as the reflationary trade reasserted in December. Commodity prices across the spectrum led by oil pushed higher, and value and cyclical stocks outperformed. We expect this to continue in 2022 and the Fund is positioned for higher inflation. China's move to stimulate their economy and ease monetary policy should be supportive of our bullish outlook for commodities and reflationary beneficiaries.

In terms of changes to the portfolio, we added to holdings in **Disney and Inpex** on valuation grounds and also our bullish outlook for oil. Copper and gold miner **Sandfire Resources** was added to the portfolio for the first time. Sandfire's valuation is well supported with the low-cost DeGrussa, a comfortable net debt position post the MATSA acquisition and compelling free cashflow and dividend yield. While DeGrussa has a short mine life, the Black Butte and T3 Project should extend production, while the MATSA acquisition will add to mine life duration.

Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund