



ASX ANNOUNCEMENT

14 March 2022

Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 9th March 2022

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 9 March 2022 is as follows:

	Amount (\$)
Pre-Tax NTA (as at 9 March 2022)	1.2420
Pre-Tax NTA (as at 28 February 2022)	1.2394
Change in NTA (28 February 2022 to 9 March 2022)	0.21%

For the period from 28 February 2022 to 9 March 2022, the Fund recorded a 0.21% increase in estimated pre-tax NTA from \$1.2394 to \$1.2420. This was an encouraging performance given the fall in global benchmarks. Portfolio outperformance was driven by overweight exposures to resources, soft commodities, precious metals and energy, along with a short position in US government bonds.

The Fund established **a new long position in the Canadian dollar versus the US dollar**. While the US dollar index has appreciated significantly this year, particularly against the euro, **we believe commodity-based currencies including the CAD and AUD are at an inflection point**. In Canada, the central bank has alluded to a 50 bp hike (and potentially many more to come) as inflationary pressures build. We believe on the other hand the Federal Reserve may be somewhat more constrained.

Canada has a resource-centric economy with around 60% of exports commodity based. This stands Canada to benefit from the commodities super cycle that is now underway and likely to persist for some time. Subsequently, we are of the view the Canadian dollar could appreciate strongly against the US dollar this year. The Fund has an overweight position in Australian dollars being the base currency.

Equal Access Buy Back – Update

The Fund's first tranche of the Equal Access Buy-back (EABB) went smoothly, with applicants' shares in the FPC being swapped for units in the Fat Prophets Global High Conviction ETF (ETF). Most encouraging was that very few shareholders opted to make the switch to the ETF. Whilst some shareholders did elect to switch to units in the ETF and exit at close to NTA in the first few days, it was encouraging to see a significant proportion opted to stay invested in the ETF.

The Board remains conscious of the discount of FPC to pre and post-tax NTA and the ETF (where the units trade at close proximity to NTA) and will continue to highlight the EABB mechanism which



allows FPC shareholders the ability to exit FPC at close to the post-tax NTA of FPC. We are confident that in time, this new mechanism (which is relatively unique to a LIC listed on the ASX) will narrow the discount.

Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund