



## ASX ANNOUNCEMENT

25 March 2022

### Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 23<sup>rd</sup> March 2022

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 23 March 2022 is as follows:

	Amount (\$)
Pre-Tax NTA (as at 23 March 2022)	1.3143
Pre-Tax NTA (as at 28 February 2022)	1.2394
Change in NTA (28 February 2022 to 23 March 2022)	6.04%

For the period from 28 February 2022 to 23 March 2022, the Fund recorded a solid 6.04% increase in estimated pre-tax NTA from \$1.2394 to \$1.3143, significantly outperforming global benchmarks. The lift in NTA was derived across the board from the Fund's portfolio. The value of the portfolio is now back up to a similar level just prior to the capital outflow from the Equal Access Buy Back (EABB) which is encouraging.

In terms of market outlook, we remain of the view that global stock markets are pricing in an excessive amount of pessimism. Volatility has declined in recent weeks which has lifted sentiment. Fears of a recession also seem overdone with recent US PMIs coming this week much stronger than expected which should underpin the economic expansion.

The portfolio continues to be focused on commodities, resources and energy, with a prominent value and cyclical bias. We hold inflation and interest rate beneficiaries including **Japanese banks stocks and insurer Dai Ichi Insurance that have outperformed in recent weeks**. The Fund holds short positions in long duration US treasury bonds which gained amidst the recent rout in the fixed interest market and sharp lift in yields. We also hold long FX positions in the Australian and Canadian dollars against the US dollar.

We selectively added equity exposure to the portfolio since our last update, with recent inclusions of Australian agricultural and fertiliser producer **Nufarm** and US cloud software company **Intapp** at what we believe are compelling valuations when considering future growth prospects. Both stocks are well down from their highs.

The Management Company and Board remains committed to growing FPC - as it is to significantly reducing the discount to NTA. On this front it is somewhat perplexing that shareholders continue to sell shares in FPC at a discount to NTA. There is now a mechanism in place via the Equal Access Buy Back Scheme (**EABB**) to convert shares in FPC at close to NTA and exchange for units in the Fat Prophets Global High Conviction ETF (ASX: FATP), which is a very similar investment strategy and has ongoing real time liquidity. The EABB



occurs four times a year, with the next one scheduled for May 2022 just prior to the ex-date of the interim fully franked dividend of 3c per share.

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