



ASX ANNOUNCEMENT

1 April 2022

Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 30th March 2022

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 30 March 2022 is as follows:

	Amount (\$)
Pre-Tax NTA (as at 30 March 2022)	1.3268
Pre-Tax NTA (as at 28 February 2022)	1.2394
Change in NTA (28 February 2022 to 30 March 2022)	7.05 %

For the period from 28 February 2022 to 30 March 2022, the Fund recorded a 7.05% increase in estimated pre-tax NTA from \$1.2394 to \$1.3268, which was well ahead of global benchmarks.

Sentiment improved in global stock markets with the VIX notably easing despite ongoing geopolitical tensions and pressure on the Federal Reserve to lift rates aggressively to combat inflation. The portfolio benefited from inflation hedges, commodities, and rising interest rates. The Fund continues to adopt a value bias, which performed well over the quarter compared to growth. Soft commodities and FX positions including the Canadian dollar also contributed to performance.

Since the last update, the Fund closed out a profitable short US bond position after yields soared to the highest level since before the pandemic. Whilst we continue to see further scope for rises in bond yields, near term the treasury market looks overbought and susceptible to a correction as do commodity markets and oil in particular.

We added fertiliser manufacturer **Nufarm** to the portfolio following an upbeat trading update pointing to a good start to the year with first quarter revenues jumping by 36%. Management provided a five-year plan to achieve revenues of A\$4.5bn target with the key driver of growth being the Nuseed division and production of omega-3 and carinata. Both products bring the prospect of strong growth, a clear market opportunity and a clear sustainability advantage.

Nufarm's revenue aspirations of A\$4.5bn of revenue by 2026, will essentially come from three distinct divisions. Management expect growth to come from the existing crop protection business (which seems achievable given soaring agricultural prices), upside from new products in the pipeline and from growth in the new seed technology platform.

The Management Company and Board remain committed to growing FPC - as it is to reducing the 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 dividend of 3 cents fully franked.**

Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund