



ASX ANNOUNCEMENT

11 April 2022

Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 6th April 2022

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 6 April 2022 is as follows:

	Amount (\$)
Pre-Tax NTA (as at 6 April 2022)	1.3118
Pre-Tax NTA (as at 31 March 2022)	1.3159
Change in NTA (31 March 2022 to 6 April 2022)	-0.31%

For the period from 31 March 2022 to 6 April 2022, the Fund recorded a 0.31% decrease in estimated pre-tax NTA from \$1.3159 to \$1.3118 versus larger intra-month declines in the major global indices.

With the US yield curve steepening, fears of recession have been somewhat alleviated in recent weeks. The Fund continues to be fully invested ahead of the upcoming US earnings season that is likely to be an important catalyst for markets. The bar of expectation for the March 2022 quarter remains low with consensus Wall Street estimates pegged at just 6% EPS growth versus 30% for the December 2021 quarter. This provides a lower hurdle rate for the corporate sector, and so any improvement on consensus forecasts could be supportive for equities.

Whilst fears of a looming recession have mounted this year, we believe these are at risk of being overstated. The health of the global consumer has remained intact despite rising inflationary pressures. The ongoing pandemic has pushed savings up to near record levels and both the consumer and the corporate sector retain high levels of cash. US share buybacks hit a record of \$300 billion in the March 2022 quarter. Oil prices have also eased from record levels, which removes some inflationary pressure.

The FPC share price has improved, but still remains at a discount to NTA, albeit this has narrowed in recent weeks. The management company and Board remain committed to growing FPC – as it is to reduce 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 has a very similar investment strategy and 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