ASX Announcement – 14 April 2022

Fat Prophets Global Contrarian Fund (FPC) announces a Disclosure pursuant to ASX Listing Rule 4.12

Dear Shareholders,

The estimated net tangible asset backing of the Fat Prophets Global Contrarian Fund increased in March 2022 with pre-tax and post-tax NTA closing at $1.3159 and $1.2524 for an increase of 6.17% and 4.60% respectively. At the end of March 2022, net leverage for the Fund was 21.29%.

	31-Mar-2022	28-Feb-2022	Change
Pre-Tax NTA	1.3159	1.2394	**6.17%**
Post-Tax NTA	1.2524	1.1973	**4.60%**

MARKET OUTLOOK AND PORTFOLIO PERFROMANCE

The NTA for the Fund increased in March, outperforming global benchmarks. Volatility in global stock markets was ongoing during the month despite a stronger finish. The Fund's major themes performed well with commodities, agricultural softs, energy and precious metals all contributing strongly **as did the short position on long dated US Government bonds.** Commodities and resource equities are benefiting from sanctions imposed by the West on major Russian exports, while interest rates have risen sharply as the Fed moves to tighten monetary policy in response to surging inflation.

Russia is one of the world's largest energy, base & precious metal and grain producers. We believe the commodities super cycle has further to go with China seeking to stimulate growth through direct investment spending on infrastructure, and sanctions that are likely to persist for some time amidst a limited supply response and production constraints.

Interest rate beneficiaries also did well as long duration interest rates rose. **Insurance, utilities and financials** all did well within the portfolio during March. With the US yield curve steepening, fears of recession have been somewhat alleviated in recent weeks, but growth stocks have come under further valuation pressure. The Fund predominantly has exposure to value and commodities and has therefore been more insulated against the volatility.

We remain 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 around 6% EPS growth. This contrasts with the 30% EPS growth in the December 2021 quarter, which effectively lowers the hurdle rate for the corporate sector. Any improvement on consensus forecasts should be supportive for equities, particularly given investor positioning is presently skewed quite defensively.

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 retaining 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.

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 in this environment from inflation hedges in commodities, interest rate beneficiaries and a short US bond position. Overweight FX positions in the Australian and

Canadian dollars also contributed to performance. The Fund continues to adopt a value bias, which performed well over the quarter compared to growth.

In late March we closed out a profitable short US Treasury 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 bond market looks oversold and susceptible to a correction.

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 prospects of strong growth, a clear market opportunity and a clear sustainability advantage as Nufarm aims to achieve s revenue of A$4.5bn 2026. We added to Nufarm earlier this month.

Another recent addition to the portfolio was UK listed **SSP Group.** The company has revenues of £2.8bn and is a global leader in concessions catering and operates over 2,700 branded food & beverage outlets in travel locations - mainly airports and railway stations, across the UK, Continental Europe, North America and Rest of the World (including Asia-Pacific and the Middle East).

These outlets are tailored for customers in high-volume travel environments, which were badly impacted by the pandemic and disruption to domestic and international travel. SSP Group remains materially below the pre-covid highs, but we believe there is considerable scope for a recovery as travel normalises and note that in March 2022, passenger traffic through Heathrow hit the highest level since before the pandemic.

The Fund established **a 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.

Canada, like Australia, has a resource-centric economy with around 60% of exports commodity based. Canada stands to benefit from the commodities super cycle that is now underway, and which is 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.

We added **Intapp** to the portfolio, which is a US listed fintech services software developer specialising in CRM and deal flow applications that are tailor-made for the financial services industry. Intapp has performed poorly since an IPO last year, losing around half in value which we believe is overdone. Globally Intapp's current serviceable addressable market is approximately US$10B, and the company is at the beginning of a growth runway with just 3% penetration into their target market. We believe the cloud transition will help accelerate revenue growth in the coming years. Intapp has a sticky customer base and fast-growing recurring revenues and is consequently undervalued at current levels.

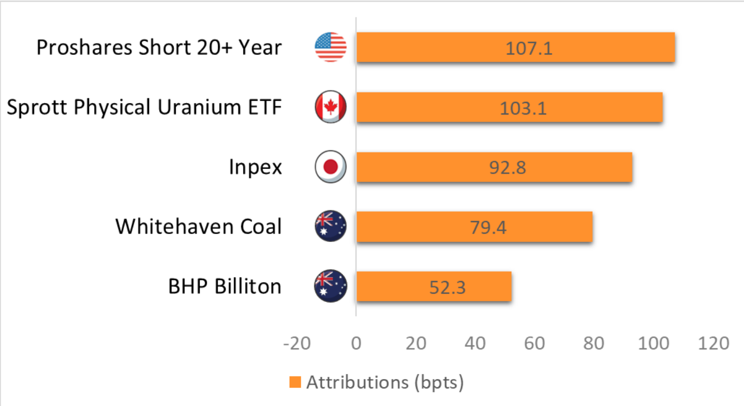
The FPC share price has improved, but still remains at a discount to NTA, albeit this has narrowed in recent weeks. The management company and Board remain committed to growing FPC – as it is to reducing the discount to NTA. There is now a mechanism in place via the Equal Access Buy Back Scheme **(EABB)** to convert shares in FPC at close to NTA and exchange for units in the Fat Prophets Global High Conviction ETF (ASX:FATP), which 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.**

KEY METRICS

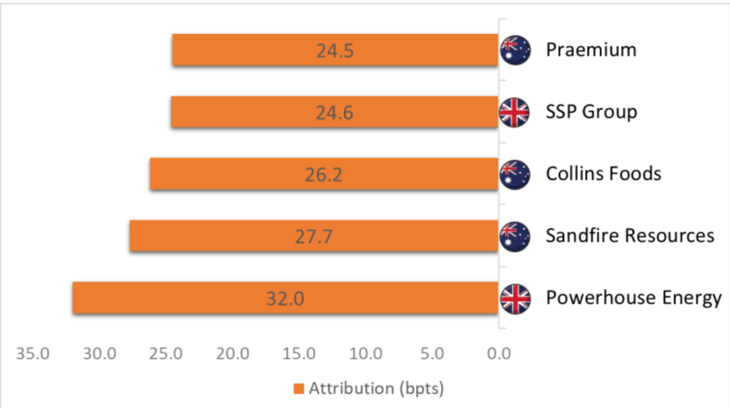
Gross Assets	Gearing	Trailing 12 month Dividend Yield (FF)
$53M	21.29%	6.5%

POSITIVE ATTRIBUTIONS

The largest positive attribution in March was derived from the Fund's short US bond position, which benefited from a sharp rise in yields. The position has since been profitably closed and we await a better re-entry point. Commodity and resource-based exposure also contributed. Oil and gas producer Inpex and Whitehaven Coal had the largest individual equity attributions as thermal coal traded at record levels and oil prices remained elevated.



NEGATIVE ATTRIBUTIONS



Praemium was the largest contributor to negative performance as investors digested the withdrawal of Netwealth's takeover offer. Surging Covid cases negatively impacted SSP Group. The prospects for a recovery are high for the transport hub operator with Heathrow transit volumes nearing 2019 levels. Collins Foods came under pressure from higher bond yields which has afflicted global growth stocks generally.

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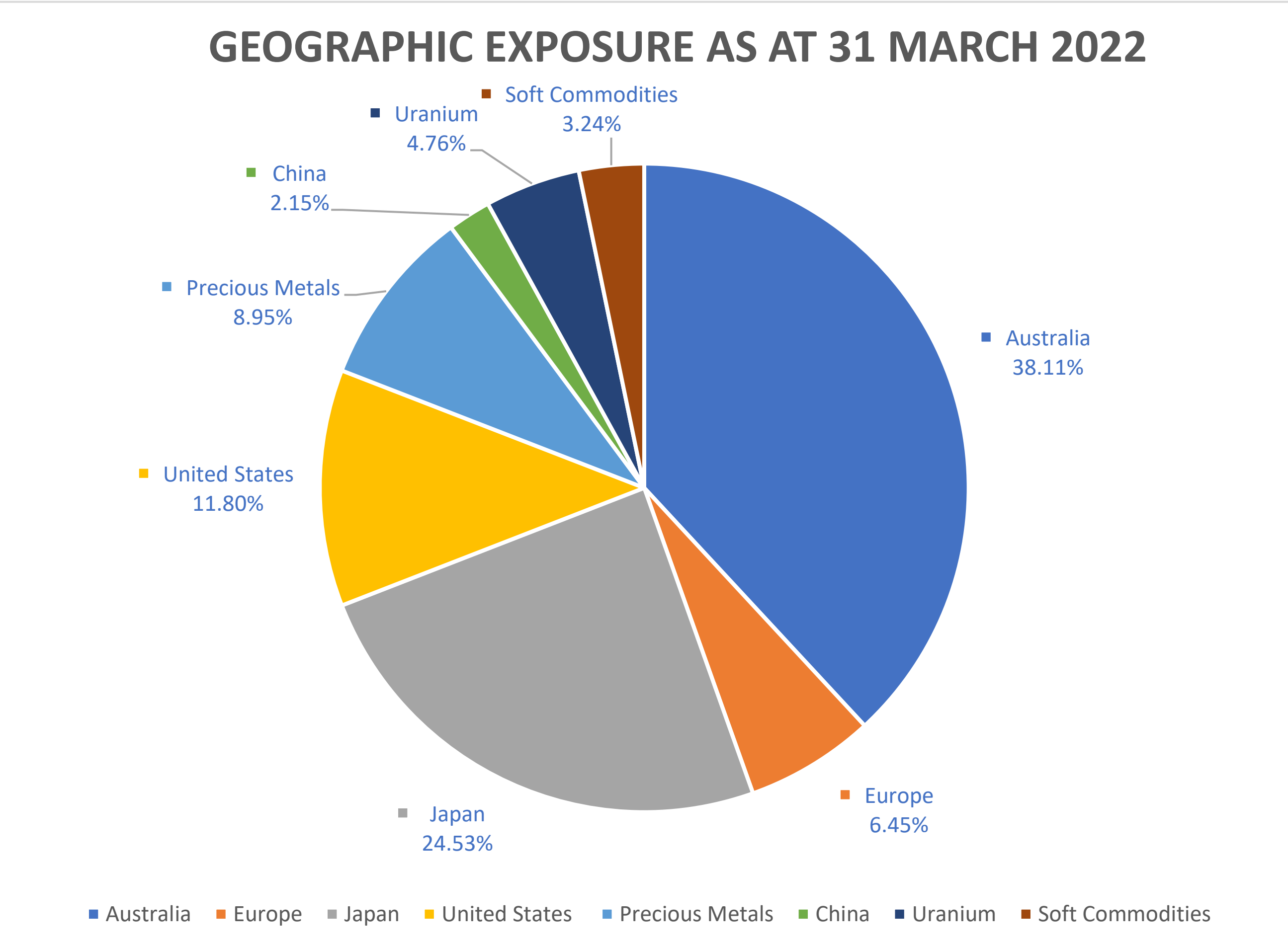
TOP 10 HOLDINGS

Top 10 Holdings	Country	31 March 2022
Collins Food	Australia	6.26%
Sprott Physical Uranium ETF	Canada	4.76%
BHP Billiton	Australia	4.21%
Inpex	Japan	3.86%
Invesco DB Agricultural ETF	United States	3.24%
Telstra	Australia	3.12%
Nintendo	Japan	3.01%
QBE	Australia	2.91%
Whitehaven Coal	Australia	2.77%
Sony	Japan	2.65%

ASX: CKF	**TSE: U.UN**	**ASX: BHP**	**TYO: 1605**	**NYSE: IVZ**	**ASX: TLS**	**TYO: 7974**	**ASX: QBE**	**ASX: WHC**	**TYO: 6758**



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