

## Fat Prophets Global Contrarian Fund (ASX Code FPC)

### Estimated Pre-Tax NTA 11 May 2022

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 11 May 2022 is as follows:

	Amount (\$)
<b>Pre-Tax NTA (as at 11 May 2022)</b>	1.1371
<b>Pre-Tax NTA (as at 30 April 2022)</b>	1.2398
<b>Change in NTA (30 April 2022 to 11 May 2022)</b>	<b>-8.28%</b>

For the period from 30 April 2022 to the 11 May 2022, the Fund recorded an 8.28% decrease in estimated pre-tax NTA from \$1.2398 to \$1.1371. Since the last update, there has been a steep selloff in bonds and equities as concerns escalate over the hawkishness of the Fed and how much interest rates will be lifted, global growth sustainability, covid lockdowns in China, and the war in Ukraine.

Volatility remains high with fear and bearishness dominating sentiment, however there are signs that the markets are beginning to “change gears”, and equity markets might soon find a near term bottom. An easing of the restrictions in China could be one key catalyst that breaks the incumbent bearishness. Conditions for a near term rebound are lining up with most sentiment indicators flashing deeply oversold conditions.

While sentiment remains poor, with the US yield curve retains a positive slope. Recessions have seldom started before when the consumer has been this unleveraged. Global economic growth which is slowing is still in expansion mode, consumer and corporate balance sheets remain robust, the fear of recession might be somewhat overstated.

Recession has seldom occurred when the labour market has been this strong. With the broad-based retreat in equity valuations, the downside risk/reward skew particularly in markets we favour such as the UK, Japan, and Australia, is now more favourable. We retain an overweight bias in the portfolio towards these markets, and commodities, energy and precious metals in particular.

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