

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

Dear Shareholders,

The estimated net tangible asset backing increased in May 2023 with pre-tax and post-tax NTA decreased **3.52% and 2.36% to \$0.9754 and \$1.0375 respectively**. At the end of May, cash held was 40.03% of the portfolio with net exposure being 60%.

	31-May-2023	30-April-2023	Change
Pre-Tax NTA	\$0.9754	\$1.0110	-3.52%
Post-Tax NTA	\$1.0375	\$1.0626	-2.36%

MARKET OUTLOOK AND PORTFOLIO CHANGES

US equity markets have surprised on the upside with the S&P500 breaking out above important resistance and surpassing +20% from the October lows. Many investors are of the view that a new bull market has begun and that the corporate sector will sidestep recession and notch up strong earnings growth in the year ahead. We are not so convinced and see significant risks to earnings in the year ahead.

Additionally, the “risk on rally” that has pushed the SPX to within 10% of the last record high has seen much of the poor positioning and bearish sentiment present in December 2022 dissipate from the market. Meanwhile bond yields are on the march again and nearing the October 2022 highs.

The resolution of the debt ceiling issue removed one risk facing the markets. However, another bigger risk is potentially arising. The US Treasury is preparing to issue over \$1 trillion of new securities to replenish the government coffers over the coming year. We believe there is upside risk to long dated bond yields which is not being adequately reflected in equity markets – particularly long duration growth and tech stocks.

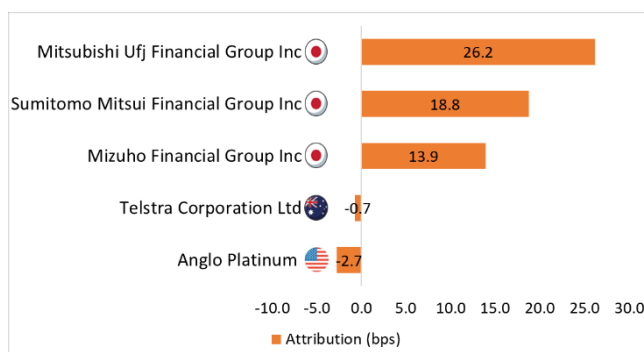
May was a difficult month for the Fund with gold prices retreating after the US dollar rebounded. Interest rate differentials once again favoured the greenback, and this pushed the dollar index off the April lows. The correction in the gold sector was the predominant headwind for the Fund in May. We also removed the hedge position on the S&P500 earlier in May with the view that the index had upside risk. We have since seen the breakout move and substantial short covering. Despite the outbreak of recent bullish optimism, we remain cautious on the market, continuing to hold plenty of cash.

KEY METRICS

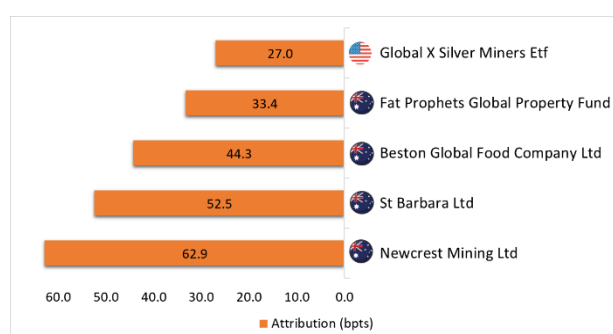
Gross Assets	Cash	Current Net Exposure (2/06/23 estimate)
\$33.02M	40.03%	60%

POSITIVE ATTRIBUTIONS

The Japanese equity market has performed well this year with bank stocks recovering from the selloff earlier in the year. The large cap banks rebounded strongly during May led by **Sumitomo Mitsui, Mitsubishi UFJ and Mizuho Financial Group**.



NEGATIVE ATTRIBUTIONS



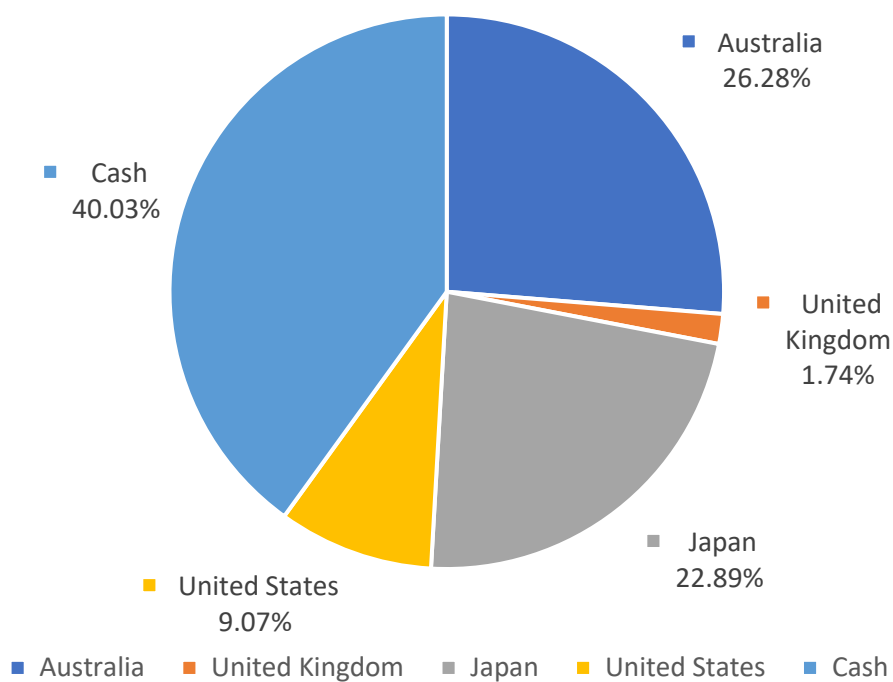
The **Fund's precious metal exposure detracted from performance in May**. REITS also came under pressure in the face of rising bond yields. **As noted above**, the US dollar rebound triggered a correction in gold, but we see this as being transitory given the prevalence of central bank buying this year.

TOP 10 HOLDINGS

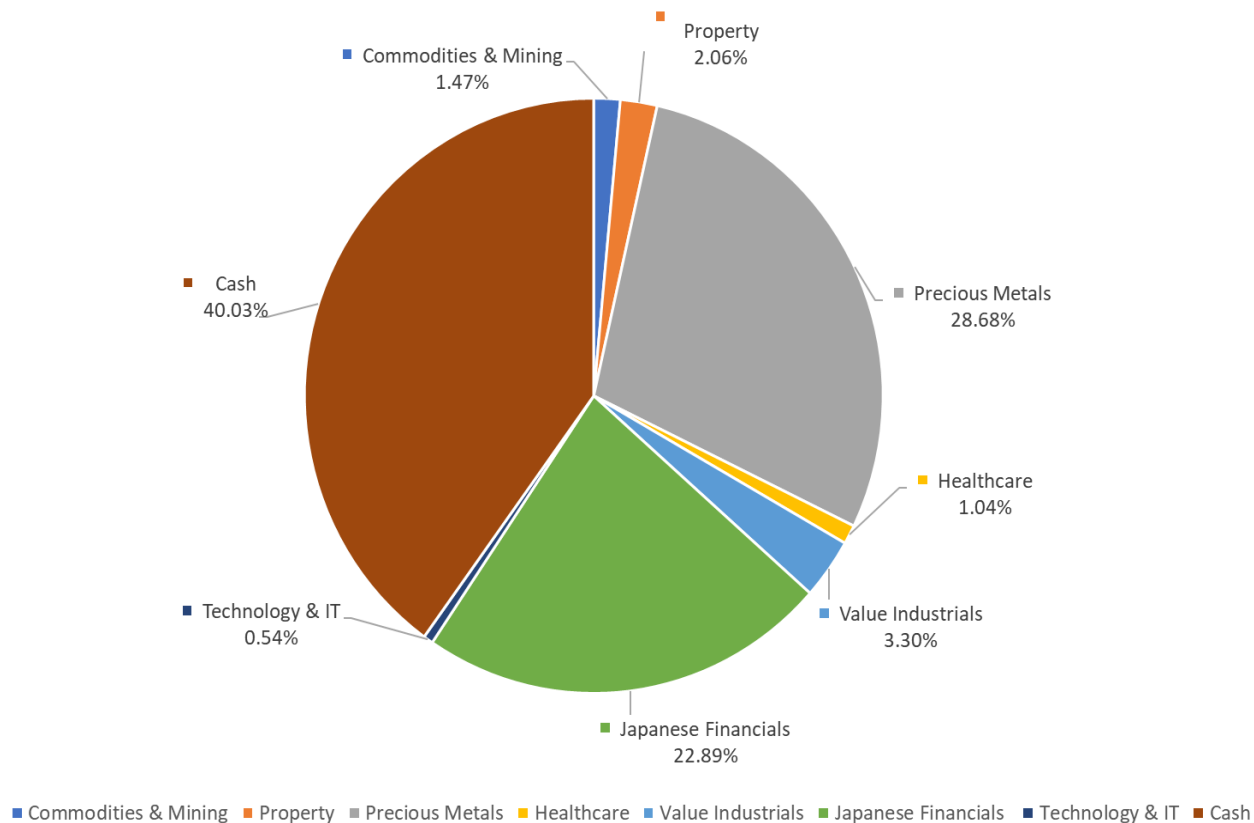
Top 10 Holdings	Country	31 May 2023
Sumitomo Mitsui Financial Group	Japan	8.77%
Evolution Mining Ltd	Australia	5.00%
Newcrest Mining Limited	Australia	4.44%
Northern Star Resources	Australia	4.38%
Resona Holdings Inc	Japan	4.07%
Mizuho Financial Group	Japan	3.44%
Chiba Bank Ltd	Japan	3.36%
Telstra Group Ltd	Australia	3.30%
Mitsubishi UFJ Financial Group	Japan	3.25%
Global X Sil Min ETF	United States	2.27%

TYO: 8316	ASX: EVN	ASX: NCM	ASX: NST	TYO: 8308	TYO: 8411	TYO: 8331	ASX: TLS	TYO: 8306	NYSE: SIL

Geographic Exposure as at 31 May 2023



Sector Dispersion as at 31 May 2023



Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund