

Fat Prophets Global Contrarian Fund (ASX Code FPC)
Estimated Pre-Tax NTA 26 July 2023

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 26th July 2023 was as follows:

	Amount (\$)
Pre-Tax NTA (as at 26 July 2023)	1.0117
Pre-Tax NTA (as at 30 June 2023)	0.9841
Change in NTA (30 June 2023 to 26 July 2023)	2.80%

For the period from 30 June 2023 to 26 July 2023 the Fund recorded a 2.8% increase in estimated pre-tax NTA from \$0.9841 to \$1.0117. Whilst we have maintained a cautious stance for much of this year, tangible signs are emerging that the US could avoid recession or a hard landing. We therefore believe a moderation of our cautious approach is justified and recently deployed cash and increased our equity exposure but continue to avoid the fashionable tech/growth AI sectors that have led stock markets' this year.

Cyclicals and notably, **energy stocks have underperformed benchmarks** this year. With signs emerging of an important inflection in energy markets, we added exposure to the energy sector and have added Japanese gas and oil major Inpex to the portfolio, as well as Woodside, Santos and Whitehaven Coal.

We also see opportunity within the clean energy space and specifically the uranium sector. The world needs to diversify power generation as it moves away from fossil fuels. To satisfy baseload demand, more nuclear power generation is likely to be needed. The uranium market has been tight for some time with further upside in uranium prices looming.

Consequently, we have established positions in US listed **URA - which is the Global X Uranium ETF** comprising the world's largest producers and **Paladin Energy** which is aiming to resume uranium production early next year after suspending operations since 2018. We sold out of **gold producer Newcrest** following shareholder approval of a takeover by Newmont.

In other developments, the Bank of Japan looks to be nearing further relaxation of yield curve control and further normalising monetary policy. This would have bullish implications for the yen, but bearish consequences for the Japanese long dated bond market. Rising bond yields are however a powerful tailwind for the **Japanese banking sector**, where we continue to hold an overweight position in the portfolio.

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