

Fat Prophets Global Contrarian Fund (ASX Code FPC)

Estimated Pre-Tax NTA 11 October 2023

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 11th October 2023 was as follows:

	Amount (\$)
Pre-Tax NTA (as at 11 October 2023)	1.0327
Pre-Tax NTA (as at 30 September 2023)	1.0386
Change in NTA (30 September 2023 to 11 October 2023)	-0.57%

For the period from 30 September 2023 to 11 October 2023 the Fund recorded a 0.57% decrease in estimated pre-tax NTA from \$1.0386 to \$1.0327. The Fund lifted performance since last week's update due to gains in precious metals, energy and Japanese bank stocks. The US yield curve has continued to be volatile with the long end in the midst of trying to establish a new trading range. Stocks have been volatile this week with bond yields fluctuating.

We added **Japanese insurer Dai-ichi Life Insurance** to the portfolio given our constructive view on Japan's stock market. Additionally, we now anticipate earlier removal of the Bank of Japan's yield curve control measures which will likely see longer dated JGB yields rise which will benefit Dai-ichi Life Insurance. With the Japanese yen under pressure and inflation on the rise, Japan could quicken down the path to monetary policy normalisation.

Dai-ichi Life has high interest rate sensitivity and will benefit from rising yields due to income derived from the Japanese bond market. Additionally, Dai-ichi is likely to implement new share buybacks in the year ahead and raise shareholder returns and improve capital efficiency. The decline in the shares YTD in 2023 opens a buying opportunity for the insurer which we see as being priced on an attractive price to book multiple.

We held our AGM this week, and the presentation can be downloaded from the ASX Announcements webpage. The Board continues to be focused on reducing the discount to NTA which has narrowed but is still significant at c22%. The buyback program continues to operate which is NTA accretive for existing shareholders.

Angus Geddes
 Chief Investment Officer
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