

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

Dear Shareholders,

The estimated net tangible asset backing marginally decreased during February with pre-tax and post-tax NTA falling 0.73% to **\$1.3285** and 0.49% to **\$1.3083** respectively, which a good performance given the decline in the US and many international benchmarks. The Fund has gotten off to a solid start in March. At the end of February, the Fund had drawn borrowings of 26.73% reflecting portfolio leverage which lifted net exposure to 126.73%.

	28 th February 2025	31 st January 2025	Change
Pre-Tax NTA	\$1.3285	\$1.3383	-0.73%
Post-Tax NTA	\$1.3083	\$1.3148	-0.49%

MARKET OUTLOOK AND PORTFOLIO CHANGES

The Fund's estimated monthly NTA was modestly lower in February despite a sharp drawdown in the US benchmarks. Much of the portfolio's stable performance during February has been due to the focus on three core themes. **Japanese financials** – which are benefiting from rising interest rates and a strong economy/stock market. **China/Hong Kong equities**, that have been recipients of investor rotation and capital inflows from the overvalued US market. **Gold and precious metals** that are thriving in an uncertain trade policy environment that could reignite inflation and induce further dollar weakness.

Gold has outperformed as an asset class and is close to a psychological record high at \$3000. While Central bank buying has been the main force in recent years, **investor demand at the institutional and retail level could soon also become a driving influence.** Gold, PGMs and the precious metal mining sector have little representation in most investment portfolios and remain under-owned as an asset class. We see scope for further upside given the uncertain global trade environment.

It has taken only a few weeks for Wall Street benchmarks to recede from record highs into correction territory. Tariff uncertainty has captured most of the blame for the selling pressure, which is exacerbating economic growth concerns. However, **we would also add that the US is over-owned amongst global investors (as an asset class). The US is over-represented in terms of global market cap with US market share hitting 62% earlier this year versus GDP which is 28% of the global GDP.**

There is a disconnect. Whilst the Trump tariffs are undoubtedly flawed – and an Achilles heel for the US economy - we don't see this as being the central factor driving the correction. Crowded positioning, overbought conditions, and still “nosebleed” valuations are likely the real reason behind the selloff. **The correction in US equities and rerating of much cheaper international equities could have further to run.**

During the month, we disposed of a holding in Japanese trading house Mitsui to fund an increase in exposure to China/Hong Kong equities. We added **JD.com** one of the major ecommerce platforms in China and also **BYD**, the largest manufacturer of electric vehicles. We also established positions in **Budweiser APAC**, the dominant principal distributor of premium beers into mainland China. We added **Kingdee Software** – a software industry leader in China (established in 1993), which specialises in enterprise management software in the Asia-Pacific region. Kingdee will be a beneficiary of China's recent advances in AI.

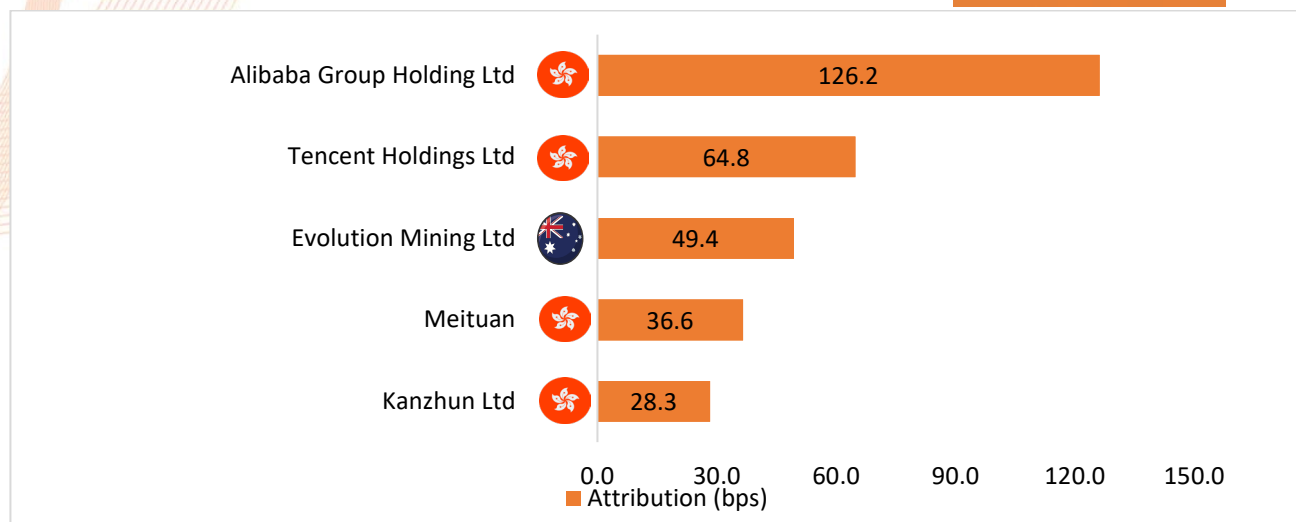
Our other significant tech exposures in China, including **Alibaba, Tencent Holdings, Baidu, Meituan and Kanzhun** could also benefit significantly. We are confident that the pivot in China's government towards embracing the economy and the private sector will support a turnaround this year. We remain resolute in our view that China/Hong Kong equities are in a new bull market with scope for decent recovery potential over coming years.

KEY METRICS

EOM Gross Assets	EOM Cash	Current Net Exposure (28/02/2025 estimate)
\$37.21m	-26.73%	126.73

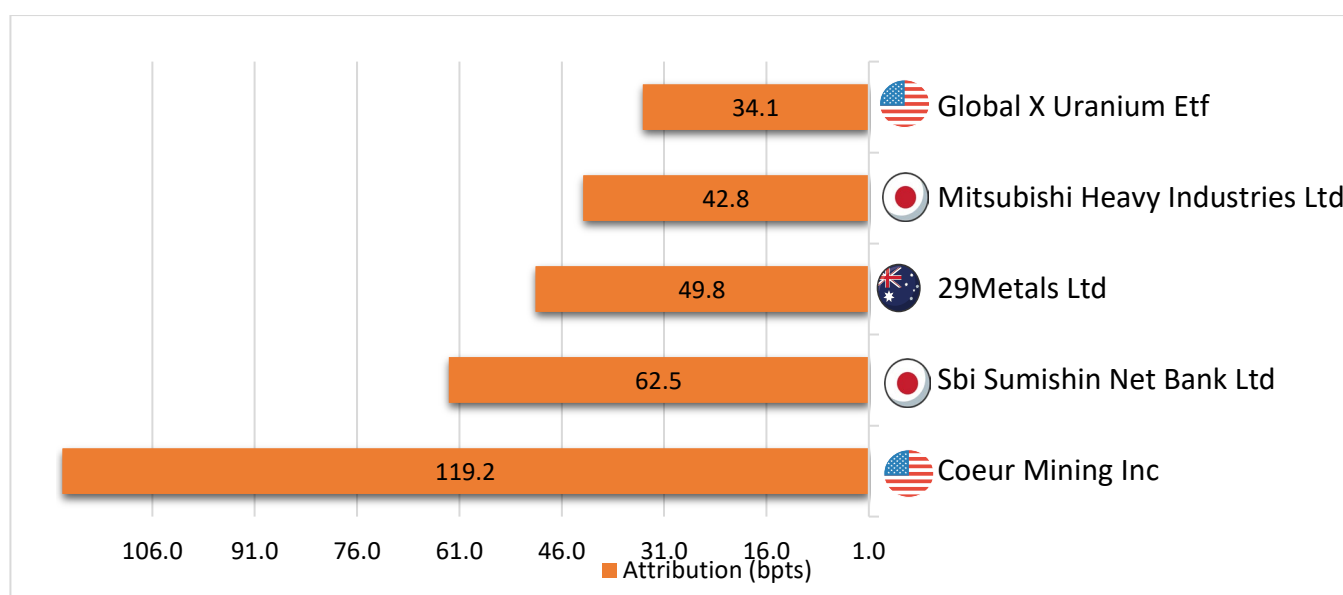
POSITIVE ATTRIBUTIONS

China technology companies performed well during February with **Alibaba** contributing the most to attribution. Alibaba is leading the charge into AI and has released advanced LLM models. Other China exposures **Meituan, Tencent Holdings and Kanzhun** also benefited from the inroads made into AI within China. Precious metals also provided a boost with Australian gold producer **Evolution Mining** delivering a solid profit result with A\$ gold prices, hitting record highs above A\$4700oz.



NEGATIVE ATTRIBUTIONS

In terms of negative attributions, market volatility weighed on silver, copper and uranium exposures including 29 Metals and the Global X Uranium ETF. **Coeur Mining** disappointed with quarterly earnings and some operational issues but we view these as being short term. **SBI Sumishen** succumbed to profit taking after a big advance and as takeover rumours subsided.

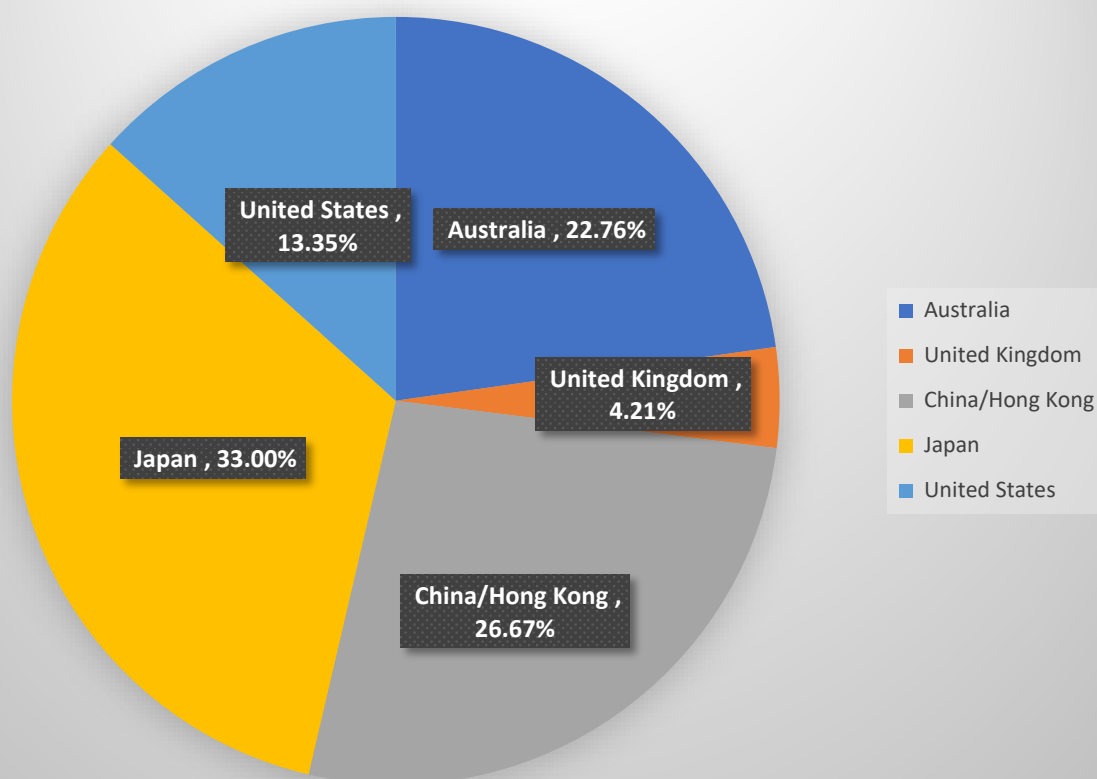


TOP 10 HOLDINGS

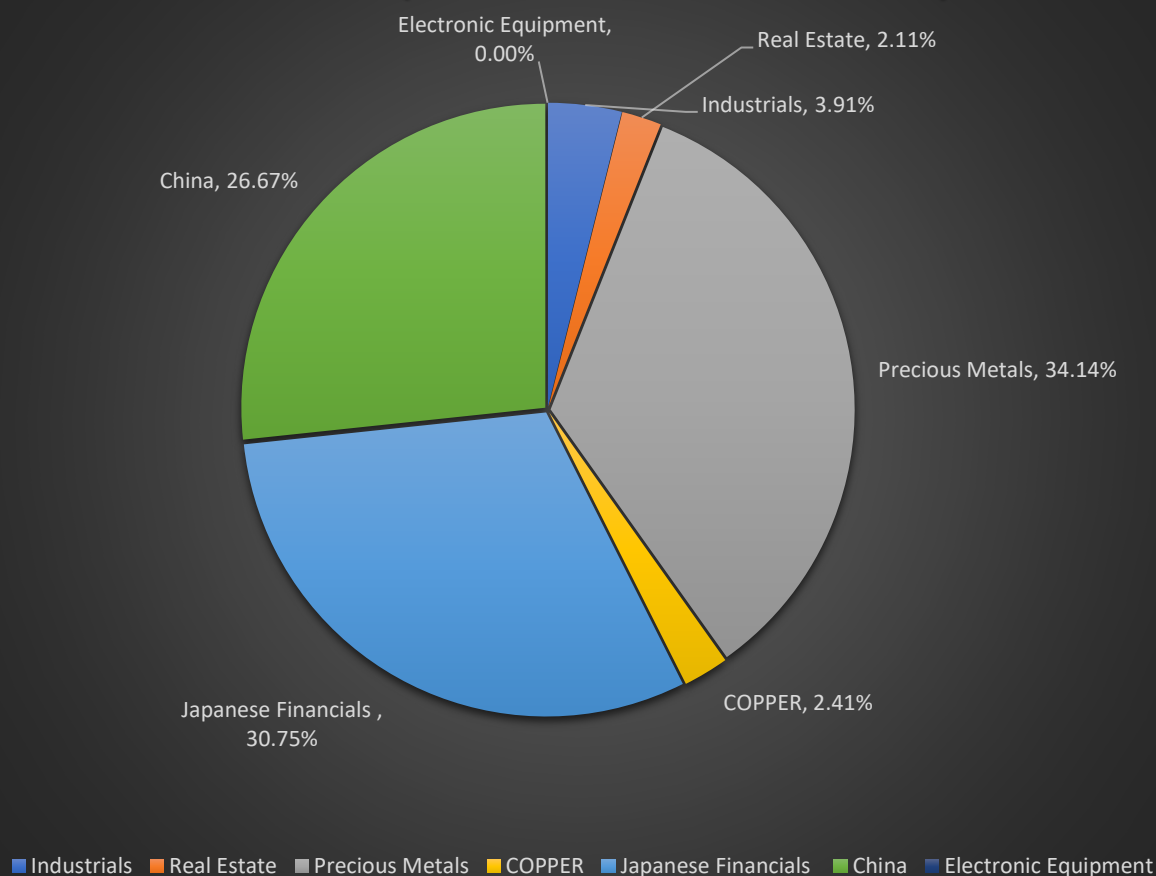
Top 10 Holdings	Country	30 September 2024
Sumitomo Mitsui Financial Group	Japan	11.06%
Evolution Mining	Australia	7.88%
Mizuho Financial Group	Japan	5.41%
Mitsubishi UFJ Financial Group	Japan	5.12%
Meituan	Hong Kong	4.51%
Coeur Mining	United States	4.46%
Alibaba Group Holding	Hong Kong	4.27%
SBI Sumishin	Japan	4.21%
Tencent Holdings	Hong Kong	4.18%
Northern Star Resources	Australia	4.14%

									
TYO 8316	ASX EVN	TYO 8411	TYO 8306	HKG 3690.HK	NYSE CDE	HKG 9988.HK	TYO 7163	HKG 700.HK	ASX NST

Geographic Exposure as at 28th February 2025



Sector Dispersion as at 28th February 2025



Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund