

Fat Prophets Global Contrarian Fund (ASX Code FPC)

Estimated Pre-Tax NTA 09th April 2025

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at Wednesday 9th April 2025 was as \$1.2796. The value date for the calculation **preceded the rally in the financial markets** that occurred on Thursday. **Presently, at time of release to the ASX, estimated pre-tax NTA is above this level in the vicinity of \$1.34 or 10.64%.**

	Amount (\$)
Pre-Tax NTA (as at 09 th April 2025)	1.2796
Pre-Tax NTA (as at 26th March 2025)	1.4996
Change in NTA (26th March 2025 – 09 th April 2025)	-14.67%

Financial markets have been extremely volatile over the past several weeks, with dramatic escalation and then partial de-escalation of the tariffs and ensuing tensions around US trade. Gold has performed well during this time, while US bonds and the dollar (normally safe-haven beneficiaries) have come under considerable pressure. Our high conviction view that the US dollar would weaken considerably this year is playing out. **We believe gold and precious metal miners will continue outperforming in the incumbent environment.** The world order on trade has been disrupted, and it is difficult to envision a total return to the old system anytime soon.

Japanese equities, which was levied with additional tariffs of 25%, have also come under pressure. The selloff looks overdone in our opinion. Whilst we believe Japan's government will seek to mitigate the trade deficit with the US through negotiation, uncertainty prevails at this time. We take solace from the fact that TOPIX Index is now priced on a PE of c12X, **which provides a solid value backstop, amidst an economy that is now reflating.** Japanese corporates have some of the most solid balance sheets in the world, with low levels of gearing and plenty of cash. The banks are set to report earnings next month, where analysts are generally upbeat on expected results.

Despite the trade focus now shifting to China, we believe the government has prepared for the looming standoff with the US over tariffs. Beijing is expected to imminently ramp up fiscal and monetary stimulus support measures. The current stand off is representative of **'mutually assured economic destruction'** for both the US and Japan. America will not be able to reconfigure supply lines with China anytime soon. To avoid an inflationary outbreak in America, it is in the economic interests of the Trump Administration and China to **negotiate a better outcome on tariffs.** China's economy in turn is reliant on exports. **There is now a clear and urgent imperative for the government to act quickly to boost domestic consumption.**

We note that China and Japan are two of the largest owners of US debt. Emerging weakness in the US bond market is placing the Trump administration under additional pressure to come to the negotiating table. Similar to Japan, we take some consolation from the portfolios major China tech exposure having

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cheap valuations. **Whilst recent market volatility and general trade uncertainty has been disturbing, we remain optimistic that the worst-case scenario on tariffs will not be imposed by the US government.**

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