



ASX ANNOUNCEMENT

27 March 2020

Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 25th March 2020

The estimated NTA per share for Fat Prophets Global Contrarian Fund as at the 25th March 2020 is as follows;

Month to date NTA

	Amount (\$)
Pre- Tax NTA (as at 25 March 2020)	0.7988
Pre- Tax NTA (as at 29 February 2020)	1.1180
Change in NTA	-28.55 %

For the period from the 29th of February to the 25th of March the fund recorded a decline in Pre-Tax NTA of **-28.55% to \$0.7988**.

Outlook

While March performance has been dreadful, there was a relative improvement on last weeks estimated NTA and month to date return. Fatality and infection rates accelerated in the US and Australia and remain very high in central Europe and this has caused widespread fear and panic. This week markets have been impacted by shutdown measures imposed by governments in an attempt to slow the infection rate. Many stocks in the portfolio such as **Sony, Nintendo, Disney, KFC operator Collins Foods, Activision Blizzard, Yum Brands and Yum China** recovered strongly. These business models will be resilient to the lockdowns and the economic fallout from the Covid-19 crisis.

This week more stimulus measures were launched by governments, which are unprecedented in magnitude, but also relative to GDP. **It is now a race for the Governments to inject the stimulus into the economy quickly, before the economy is damaged permanently.** Markets have responded well to the extra stimulus measures, but financial markets can be expected to remain volatile until fatality and infection rates plateau, and until there is an end in sight for severe lockdown of the global economy.

Portfolio Changes

We took the opportunity to reduce total equity exposure since the last update and sold down the portfolio into the global rally. **There will be opportunities for those prepared to be patient, with the market volatility likely to remain elevated in the near term.** But history shows that markets tend to bottom during times of maximum fear and panic, and as the turning point for Covid-19 draws nearer with each day, the focus of the markets will turn to the economic fallout and effectiveness and efficacy of stimulus measures.

Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund