

## Fat Prophets Global Contrarian Fund (ASX Code FPC)

### Estimated Pre-Tax NTA 15 March 2023

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 15<sup>th</sup> March 2023 was as follows:

	Amount (\$)
<b>Pre-Tax NTA (as at 15 March 2023)</b>	1.0235
<b>Pre-Tax NTA (as at 28 February 2023)</b>	1.0624
<b>Change in NTA (28 February 2023 to 15 March 2023)</b>	-3.66%

**For the period from 28 February 2023 to 15 March 2023 the Fund recorded a 3.66% decrease in estimated pre-tax NTA from \$1.0624 to \$1.0235.** The collapse of two US regional banks sparked concerns over European bank Credit Suisse Group which instigated extreme volatility in equities and the global banking sector, along with bond markets. Japanese banks were not immune either and the sharp selloff impacted the Fund. Japanese banks have fallen much further than European and US counterparts, even though the sector has not been impacted. Profit taking following a strong run up in the sector probably also played a role. We view the selloff as now being overdone given the Japanese banking system is quite resilient.

The recent decline in Japanese banks can be partly attributed to receding expectations for policy changes by the BoJ and a possible pause by the Fed. However, the path to normalisation of Japan's yield curve (with further relaxation of yield curve control) should see the yield on long duration Japanese bonds rise. The sector today looks cheap with price to book at around c 0.55X and a dividend yield of c4.8%. We consequently do not anticipate that bank troubles in the US will have any direct impact on the earnings of Japanese banks.

Angus Geddes

Chief Investment Officer  
**Fat Prophets Global Contrarian Fund Limited**