



## ASX ANNOUNCEMENT

16 April 2021

### Fat Prophets Global Contrarian Fund (ASX Code FPC) Estimated Pre-Tax NTA 14<sup>th</sup> April 2021

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 14 April 2021 is as follows:

#### Month to date NTA

	Amount (\$)
Pre-Tax NTA (as at 14 April 2021)	1.5114
Pre-Tax NTA (as at 31 March 2021)	1.4831
Change in NTA (31 March 2021 to 14 April 2021)	1.91%

For the period from 31 March to 14 April 2021, the Fund recorded a 1.91% increase in estimated pre-tax NTA from \$1.4831 to \$1.5114. **The Shareholder Purchase Plan was well received and supported by shareholders.**

#### Portfolio Changes and Market Outlook

The decision to close out the Fund's short bond position via listed US ETFs is looking good retrospectively with US bond yields tumbling after the Fed this week provided assurances that inflation is under control. **Our longer-term outlook has not changed, and there will potentially be an opportunity to re-establish another short position.** Since closing the position, the yield on the ten-year bond has fallen to 1.58%.

The biggest contribution to the portfolio's positive performance since the beginning of April stemmed from the **Fund's position in Mainstream**. Mainstream was under a takeover offer of \$1.20 when a second party emerged with a knockout bid of \$2. The Fund has had a core position for some time, so this outcome was highly satisfactory. **Collins Foods, Domino's Pizza and Praemium also contributed significantly.** Praemium has been rerated on rapidly improving fundamentals, but also the read across from the Mainstream takeover bid, which highlights the underlying value in Fintech platforms. Alibaba also added value after a fine was settled with the Chinese Government, which effectively puts a line under the dispute and allows the company to move on.

Detracting from performance was **PowerHouse Energy**, which continues to consolidate following a significant rerating last year. **Tencent Music** also weighed on performance, but the margin lending enforced sell-down of Archegos Capital's stake is likely close to completion after which we envision a strong recovery in the stock. Tencent Music reported great results and is growing rapidly as China's largest music streamer.

Angus Geddes  
Chief Investment Officer  
**Fat Prophets Global Contrarian Fund**