

Fat Prophets Global Contrarian Fund (ASX Code FPC)
Estimated Pre-Tax NTA 20 September 2023

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 20th September 2023 was as follows:

	Amount (\$)
Pre-Tax NTA (as at 20 September 2023)	1.0442
Pre-Tax NTA (as at 31 August 2023)	1.0069
Change in NTA (31 August 2023 to 20 September 2023)	+3.70%

For the period from 31 August 2023 to 20 September 2023, the Fund recorded a 3.70% increase in estimated pre-tax NTA from \$1.0069 to \$1.0442. The selloff in US bonds that followed the hawkish FOMC meeting this week has been defining for financial markets. The US yield curve has ratcheted higher with the yield on the 10-year hitting the highest level in over fifteen years. US equity markets finally recognised this with mega-cap tech and expensive growth valuations amongst the hardest impacted from the jump in bond yields. The corrective selloff in equity markets could have further to go. **The Fund's short hedge over the Nasdaq100 has provided some insulation to the broader decline in major benchmarks.**

One beneficiary of the rise in US bond rates has been the Japanese banks. Sector rerating continued this week with speculation growing that the Bank of Japan will soon move to normalise monetary policy and let the yield on the 10y JGB rise. This will be positive for the banking sector and allow net interest margins to also normalise following over a decade of financial repression. **We see further upside in Japan's financials with valuations at 0.7X price to book still compelling.**

The share buy-back in FPC has resumed. The Board notes that the share price discount to NTA has blown out to a significant c24%, which is attractive by any metric.

Angus Geddes
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