

Fat Prophets Global Contrarian Fund (ASX Code FPC)

Estimated Pre-Tax NTA 4 October 2023

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 4th October 2023 was as follows:

	Amount (\$)
Pre-Tax NTA (as at 4 October 2023)	0.9966
Pre-Tax NTA (as at 30 September 2023)	1.0386
Change in NTA (30 September 2023 to 4 October 2023)	-4.04%

For the period from 30 September 2023 to 4 October 2023 the Fund recorded a 4.04% decrease in estimated pre-tax NTA from \$1.0386 to \$0.9966 after global equity markets corrected sharply this week in the face of rising bond yields and a strong US dollar. The Fund was impacted by a selloff in Japanese equities, energy and precious metals which impacted performance. We note that following a rebound on Thursday, estimated pre-tax NTA is down c2.75% month to date. Since the July highs, the S&P500 has corrected c9% while the MSCI World Index (USD) fell c8%.

We view this week's selloff in key portfolio exposures including gold, Japanese banks and energy as corrective **and added to Japanese oil & gas producer Inpex**. The US dollar has strengthened in the face of widening rate differentials, but we see this phase as being ephemeral. Rising US deficits and outsized government spending along with higher debt servicing are likely to take a toll on the US dollar. **An important inflection might therefore be approaching for the greenback as the Fed nears the top of the rate tightening cycle.**

We remain committed to our core investment themes including **energy, precious metals, and Japanese financials**. We also note that bearish sentiment towards China seems overdone, with a number of growth upgrades coming through this week from a number of investment banks. China/Hong Kong equities could also be approaching an important inflection point with valuations at historically cheap levels.

The share buyback in FPC has resumed which is NTA accretive for shareholders. However, the Board continues to be focused on reducing the discount to NTA which has narrowed but is still significant at c19%.

Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund Limited