

## Fat Prophets Global Contrarian Fund (FPC) announces a Disclosure pursuant to ASX Listing Rule 4.12

Dear Shareholders,

The estimated net tangible asset backing decreased in December 2023 with pre-tax and post-tax NTA by **-0.1% and -0.20% to \$1.0521 and \$1.1039 respectively**. At the end of December, cash held was 0.17% of the portfolio with net exposure being 100%.

	31 December 2023	30 November 2023	Change
Pre-Tax NTA	\$1.0521	\$1.0532	-0.1%
Post-Tax NTA	\$1.1039	\$1.1061	-0.20%

### MARKET OUTLOOK AND PORTFOLIO CHANGES

After a strong run in November and December, equity benchmarks have paused following a higher than expected CPI print in the US, which we expect to delay any Fed easing to at least midyear. Prior to the CPI print, there was a growing consensus that the Fed could commence cutting in March, but we now see this as being off the table. Equity markets could therefore correct, and we see the overbought US growth and mega-cap tech stocks as being the most prone. We don't see the magnificent 7 outperforming the benchmarks this year, but rather other more depressed sectors playing catch up.

Any correction will likely be mitigated by the fact that the US economy is still in rude health despite growth set to slow down. Cash and liquidity levels on the side lines are still abundant. International equity markets, where we have most of the Fund's exposure, are also historically cheap particularly in China and Hong Kong. The fund has fully deployed all cash but continues to have zero leverage.

The decline in the US dollar has been extensive over the past four weeks. A rebound in the greenback would not surprise in coming weeks, particularly if there is more pushback on the rate cut narrative. Any strength in the dollar is however likely to be fleeting in our view with global interest rate differentials between the US and the RoW set to narrow significantly this year. We also rising US government indebtedness and excessive fiscal spending as another impediment. Whilst commodities and precious metals have backed away from recent highs, we retain our bullish outlook.

Copper, gold and silver miners are likely to perform well this year in our view, given rising spot prices and cheap valuations. We recently added Australian copper producer **29 Metals** to our portfolio. 29 Metals is planning a restart of their key Capricorn Copper project which will be fundamentally supportive for a recovery. 29M has had a very tough few years with the stock recently falling to historic lows. Meanwhile balanced sheet concerns have been addressed with a recent A\$151m placement which was executed at much higher prices. We are bullish on copper prices this year and see significant scope for a recovery beyond \$4/pound.

**Zillow**, the largest online real estate advertising portal in the US, was added to the portfolio following a tough few years. In the past year, the US housing market saw a huge drop in volumes as homeowners with mortgage rates locked in at low levels sat on the sidelines. This dynamic could be set to reverse with mortgage rates set to decline this year, which encourage a pickup in volumes and advertising activity that will benefit Zillow. The company is also set for potentially a decent earnings inflection following a lengthy period of restructuring.

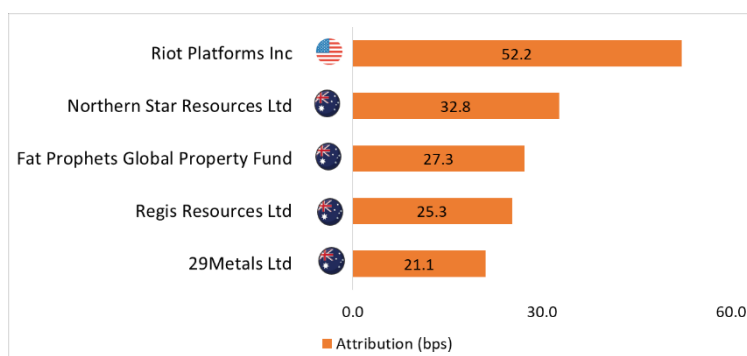
Finally, we thank those shareholders who supported our recent SPP.

## KEY METRICS

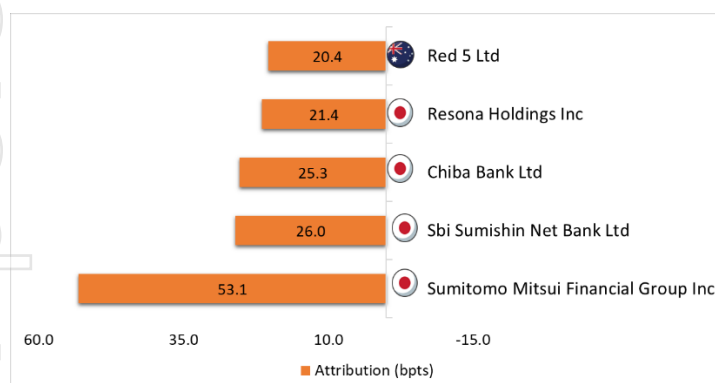
EOM Gross Assets	EOM Cash	Current Net Exposure (11/01/2024 estimate)
\$31.78M	0.17%	100%

## POSITIVE ATTRIBUTIONS

Bitcoin miner **Riot Platforms** surged on rising BTC prices. **Northern Star** and **Regis Resources** rose on the back of higher gold prices. Regis closed out their gold hedge book which had been weighing on the stock. Copper producer **29 Metals** benefited from higher spot prices. REITs did well as bond yields fell, and the **Fat Prophets Global Property** fund rebounded from oversold levels.



## NEGATIVE ATTRIBUTIONS



Japanese banks came under pressure during December after a strong run. Lower JGB bond yields and a likely delay to the BOJ normalising monetary policy were the most prominent catalysts. The fund's largest position Sumitomo Mitsui Financial Group declined in line with the sector. **SBI Sumishin Net Bank, Resona Holdings and Chiba Bank**. **Red 5** corrected after a strong run, despite higher gold prices.

## TOP 10 HOLDINGS

Top 10 Holdings	Country	31 December 2023
<b>Sumitomo Mitsui Financial Group</b>	Japan	9.37%

<b>Evolution Mining Ltd</b>	Australia	6.00%
<b>Paladin Energy</b>	Australia	5.93%
<b>Global X Uranium ETF</b>	United States	5.36%
<b>Northern Star Resources</b>	Australia	4.83%
<b>Whitehaven Coal Limited</b>	Australia	4.70%
<b>Mitsubishi UFJ Financial Group</b>	Japan	4.14%
<b>Mizuho Financial Group</b>	Japan	3.96%
<b>Zillow Group Inc - C</b>	United States	3.48%
<b>Genius Sports Limited</b>	United States	3.47%



GLOBAL X



MIZUHO



**TYO:**  
**8316**

**ASX:**  
**EVN**

**ASX:**  
**PDN**

**NYSE:**  
**URA**

**ASX:**  
**NST**

**ASX:**  
**WHC**

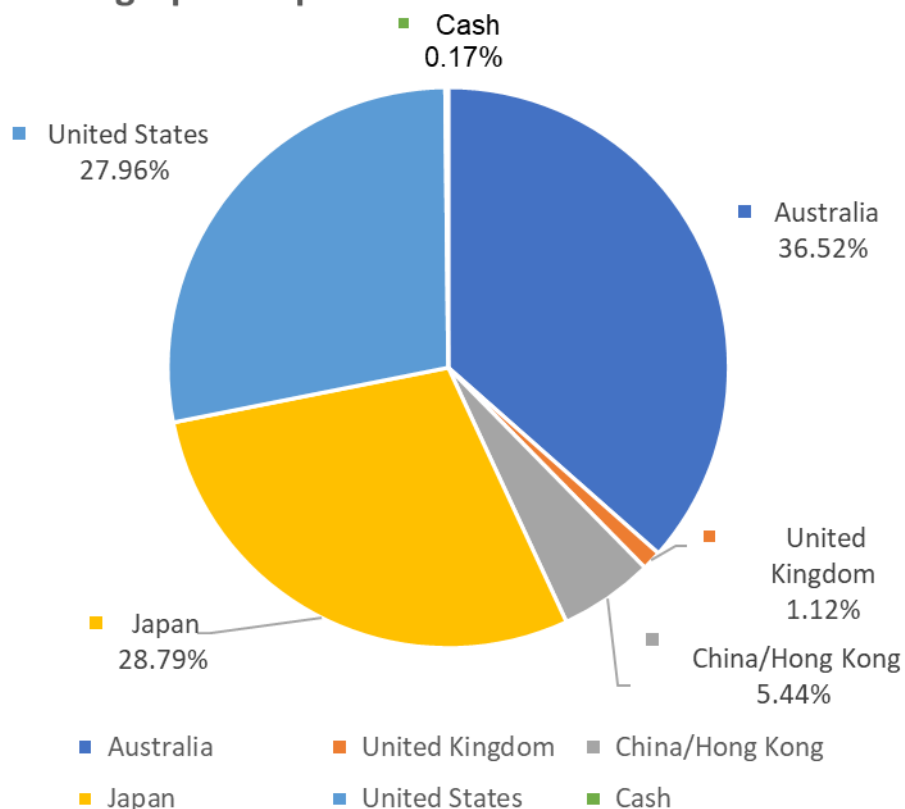
**TYO:**  
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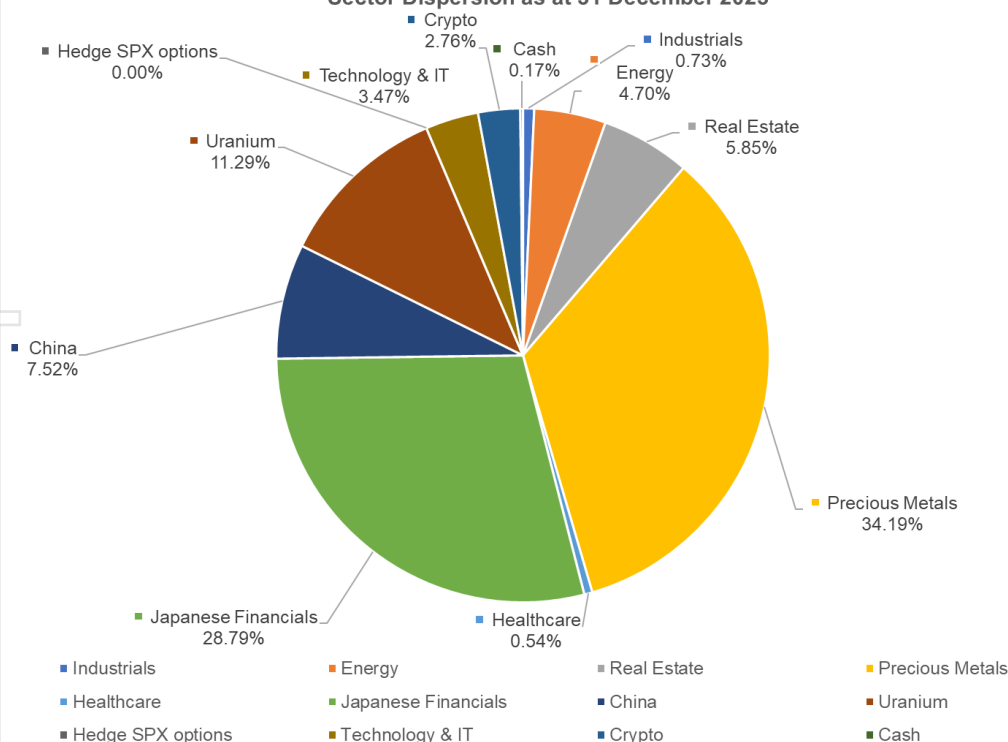
**NASDAQ:**  
**Z**

**NYSE:**  
**GENI**

## Geographic Exposure as at 31 December 2023



## Sector Dispersion as at 31 December 2023



ASX Announcement – 12 January 2024



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