

## Fat Prophets Global High Conviction Hedge Fund (FATP) announces a Disclosure

Dear Unitholders,

The estimated net tangible asset backing per unit of the Fat Prophets Global High Conviction Hedge Fund in December 2023 was **\$1.1929**, representing a decrease of **0.41%** since November 2023. At the end of December, net cash for the Fund was 0.33%.

	31 December 2023	30 November 2023	Return (Monthly)
<b>NTA per unit*</b>	1.1929	1.1978	0.41%

*\*Past performance is not an indication of future performances*

### MARKET OUTLOOK AND PORTFOLIO PERFORMANCE

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.

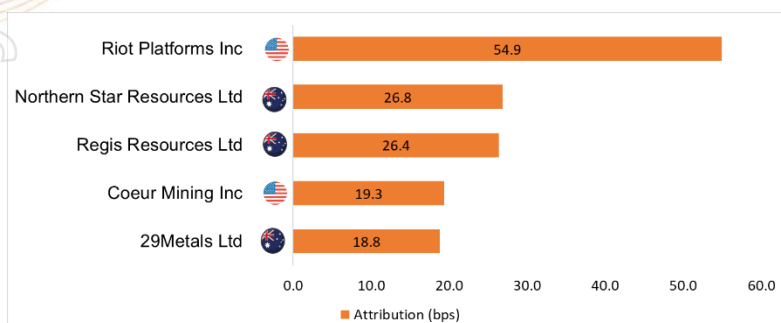
**Zillow**, the largest online real estate advertising portal in the US, was added to the portfolio following a tough few year. In the past year, the US housing market saw a huge drop in volumes as homeowners with mortgage rates locked in a low level sat on the sidelines. This dynamic could be set to 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.



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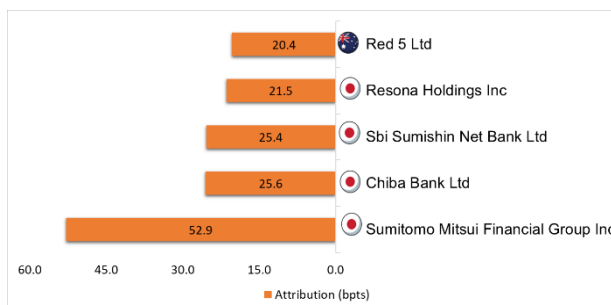
## POSITIVE ATTRIBUTIONS



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.

## 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	9.86%
<b>Global X Uranium ETF</b>	United States	7.46%
<b>Evolution Mining Ltd</b>	Australia	6.12%
<b>Paladin Energy</b>	Australia	5.51%
<b>Whitehaven Coal Limited</b>	Australia	4.76%
<b>Mitsubishi UFJ Financial Group</b>	Japan	4.31%
<b>Northern Star Resources</b>	Australia	4.08%
<b>Genius Sports Limited</b>	United States	3.45%
<b>Zillow Group Inc Class A</b>	United States	3.43%
<b>Mizuho Financial Group</b>	Japan	3.34%



**TYO:** 8316    **NYSE:** URA    **ASX:** EVN    **ASX:** PDN    **ASX:** WHC    **TYO:** 8306    **ASX:** NST    **NYSEQ:** GENI    **NASDAQ:** Z    **TYO:** 8411

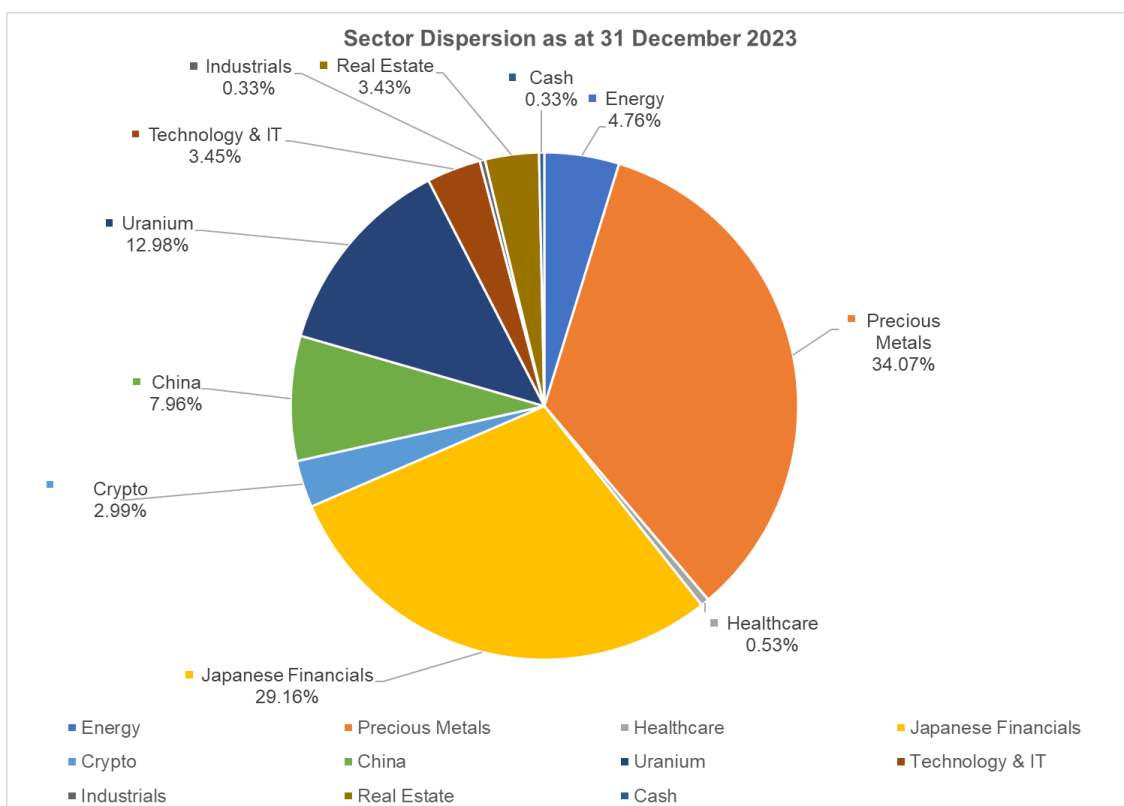
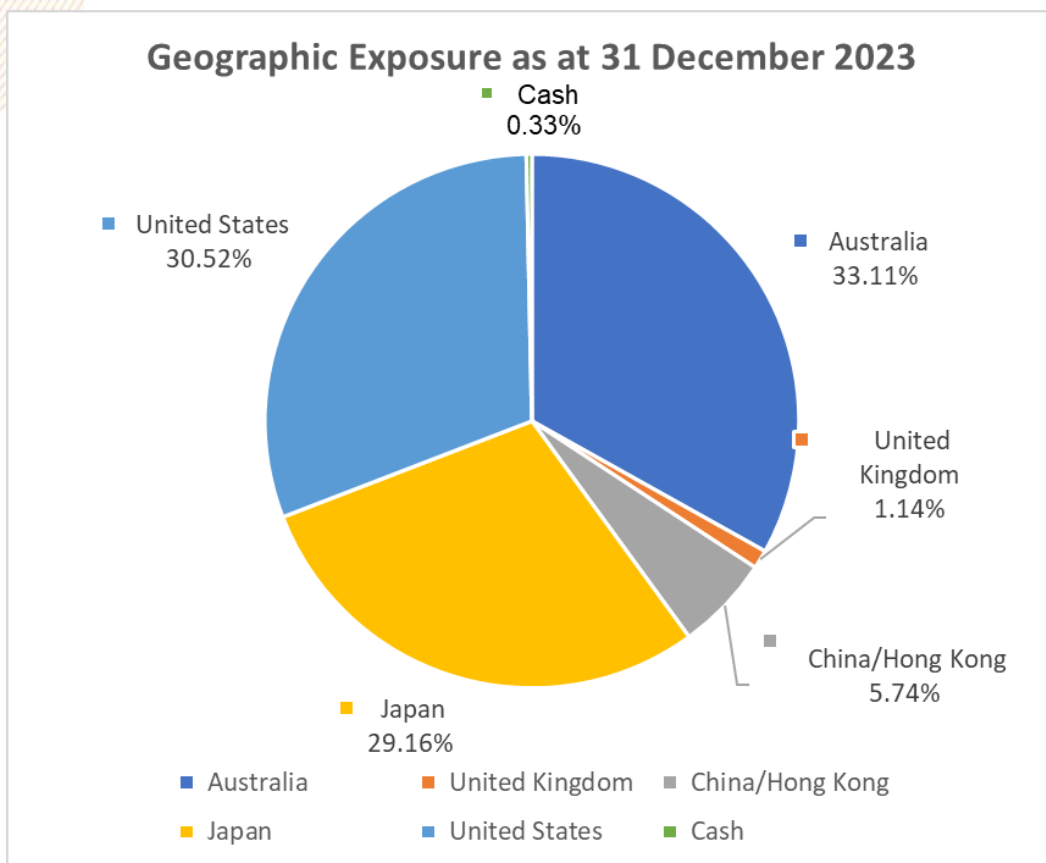


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Angus Geddes  
Chief Investment Officer  
**Fat Prophets Global High Conviction Hedge Fund**

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Fat Prophets Global High Conviction Hedge Fund ("the Fund"). Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). The Investment Manager for the Fund is Fat Prophets Funds Management Pty Limited ("Fat Prophets") ABN 92 615 545 536, AFSL 229 183. This fact sheet has been prepared by Fat Prophets to provide you with general information only. In preparing this fact sheet, we did not take into account the investment objectives, financial situation or particular needs of any particular person. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Fat Prophets, Equity Trustees nor any of its related parties, their employees or directors, provide and warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement [here](#) before making a decision about whether to invest in this product.

The Fund's Target Market Determination is available here <https://www.eqt.com.au/insto/>. A Target Market Determination is a document which is required to be made available from 5 October 2021. It describes who this financial product is likely to be appropriate for (i.e. the target market), and any conditions around how the product can be distributed to investors. It also describes the events or circumstances where the Target Market Determination for this financial product may need to be reviewed.



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