

Fat Prophets Global Contrarian Fund (ASX Code FPC)

Estimated Pre-Tax NTA 22nd May 2024

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 22nd May 2024.

| | Amount (\$) |
|--|-------------|
| Pre-Tax NTA (as at 22 nd May 2024) | 1.3144 |
| Pre-Tax NTA (as at 30 th April 2024) | 1.2081 |
| Change in NTA (30 th April 2024 – 22 nd May 2024) | +8.80% |

The Fund has had a solid performance, month to date in May, with key portfolio overweights in **commodities, precious metals, uranium, Japanese financials and China internet names all contributing**. Since our last update copper and gold made new historic record highs while other metals such as silver and platinum strong gains.

We attended an investment summit in Japan this week, where the consensus view is that the BOJ will commence raising rates in June and pursue quantitative tightening in September, that could push interest rates gradually higher. Whilst the BOJ is committed to seeing wage growth take hold first, this is now gaining traction and momentum. Rising interest rates and wages are positive for Japan's economy but also **the banks and financial sector where the fund is positioned**.

Aside from expanding net interest margins, we see an opportunity **within the wealth management sector**, where the banks are well placed for years of secular growth. Japanese households have around half of all financial assets held in cash and deposits, which was the outcome of a deflationary cycle that persisted for decades. Japan is now in a new era with the government committed to improving the economy. With confidence returning, Japanese households are expected to invest trillions over the coming five years back into domestic equities and fixed income. We added **Nomura Holdings** to the portfolio which is well positioned as one of Japan leading investment banks that caters to retail and the wealth management industry.

The Board continues to be focused on reducing the share price discount to NTA which is still steep at c21%. While the share price lifted to \$1.04 on Thursday, the discount is still wide, while the ongoing buyback is highly accretive to NTA which some value investors might find attractive.

Angus Geddes
Chief Investment Officer

Fat Prophets Global Contrarian Fund Limited

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