

Fat Prophets Global Contrarian Fund (ASX Code FPC)

Estimated Pre-Tax NTA 10th July 2024

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at 10th July 2024.

	Amount (\$)
Pre-Tax NTA (as at 10 th July 2024)	1.2767
Pre-Tax NTA (as at 30 th June 2024)	1.2101
Change in NTA (30 th June 2024 – 10 th July 2024)	5.50%

The Fund has had a good start to July with key portfolio overweights in **commodities, precious metals, uranium, Japanese financials all contributing**. The recent corrective selloff in the uranium sector now looks complete with Kazakhstan's looming decision to raise the mineral extraction tax hike to 9% (from 6%) in 2025. Kazakhstan is the largest uranium-producing country, and an increase in the extraction tax will have **upward implications for uranium contract prices**. The drawdown in the NTA that occurred in June as mostly been recovered as at today's date.

The US CPI print delivered on Thursday came in well below expectations and proved to be a market moving event. Bonds rallied with yields falling sharply across the curve triggering a huge rotation out of mega-cap tech and growth leaders into small/mid caps and the more cyclical end of the market. The case for Fed rate cuts has been galvanised with a good probability easing commences in September. This is consistent with our bullish thesis **on precious metals, commodities and energy** where the Fund has significant exposure with our base case for the US dollar to weaken significantly this year that **will be supportive**.

This week volatility has been on display in the dollar/yen. Whilst the US dollar is yet to technically breakdown against the yen, volatility was telling. Long dollar/Short yen is one of the most crowded trades in financial markets. If the BOJ soon commences to hike rates and this collides with quicker than expected Fed easing, the unwind of the trade **could prove unruly**. Rising Japanese rates will **be positive for Japanese financials over the longer term**.

The Board continues to be focused on reducing the share price discount to estimated pre-tax NTA which has is now large at c26.5%. The ongoing buyback in earnest and is highly accretive to NTA at the current share price, which some value investors might find attractive.

Angus Geddes

Chief Investment Officer

Fat Prophets Global Contrarian Fund Limited