

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
Appendix 4E Preliminary Final Report
For the year ended 30 June 2024

Details of Reporting Period

Current: Year ended 30 June 2024

Previous: Year ended 30 June 2023

Results announcement to the market

	\$'000	movement	% movement
Revenue from ordinary activities	7,860	up	974%
Profit from ordinary activities before tax attributable to members	6,316	up	843%
Profit from ordinary activities after tax attributable to members	4,471	up	937%

Dividends

In light of current market conditions the company will not be declaring a final dividend this year. The company is committed to the current dividend policy, and as such the company will return to declaring fully franked dividends as soon as market conditions allow.

Net tangible assets

	30 June 2024	30 June 2023
Net Tangible Assets (per share) backing before tax	1.2101	0.9841
Net Tangible Assets (per share) backing after tax	1.2186	1.0537


Financial Reports

This report is based on the financial reports of the Company. All the documents comprise the information required by listing rule 4.3A.

Annual General Meeting (AGM)

The 2024 AGM of members of Fat Prophets Global Contrarian Fund Ltd will be held at 10.30AM (Sydney time) on 18 October 2024 at Fat Prophets Level 3, 22 Market Street, Sydney NSW 2000

Signed on behalf of Fat Prophets Global Contrarian Fund Ltd


Michael Gallagher
Chairman

Sydney, NSW
28 August 2024

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD

ACN 615 414 849

Financial Report

For the Year Ended 30 June 2024

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FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
FINANCIAL REPORT

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**FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
CORPORATE DIRECTORY**

Directors: Michael Gallagher
Katrina Vanstone
Angus Geddes

Company Secretary: Brett Crowley

Investment Manager: Fat Prophets Funds Management Pty Limited

Auditor: PKF(NS) Audit & Assurance Limited Partnership
Level 8, 1 O'Connell Street
SYDNEY NSW 2000

Country of Incorporation: Australia

Registered Office: Level 3
22 Market Street
SYDNEY NSW 2000

Share Registry: Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
ABBOTSFORD VIC 3067

ASX Code : FPC

ACN: 615 414 849

Website: www.fpcontrarian.com.au

Corporate Governance Statement: <http://fpcontrarian.com.au/wp-content/uploads/2017/08/Corporate-Governance-Statement.pdf>

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024

The directors present their report on Fat Prophets Global Contrarian Fund Limited ("the Company") for the year ended 30 June 2024.

Directors' Experience and Other Directorships

The following persons were directors of the Company during the whole of the financial year and up to the date of this report (unless otherwise stated):

Michael Gallagher (appointed 19 October 2016)

Chairman and Non-executive director
Director - Alternative Investment Management Association
Director - Spinnaker Investment Management

Michael Gallagher is the Non-Executive Chair of the ASX listed Fat Prophets Global Contrarian Fund, having held this position since FPC listed. Michael is also the Director of The Australian branch of the Alternative Investment management association (AIMA) having been appointed in 2014. He is a director of the Alternative Future Foundation, a key industry charity supporting many charitable causes for over 20 years. Michael also Chairs Australian Students Asset management, a university student funds management programme designed to align students and industry. Prior to AIMA, Michael was CEO and Co-Founder of Kima Capital in Australia and Hong Kong. He has also held positions as Australasian Head of Equites for Rand Merchant Bank and was a Divisional Director in Equity Derivatives at Macquarie Bank in Australia, South Africa and the UK. Michael holds a BComm in Econometrics and Finance from UNSW.

Katrina Vanstone (appointed 19 October 2016)

Non-executive director

Katrina has worked in financial markets for over 30 years, both in Australia and offshore, including such leading organisations as HSBC and Deutsche Bank. Katrina has extensive experience in foreign exchange, interest rates and credit markets across asset and liability portfolios. She has held roles in trading, sales and syndication. She has extensive experience in the wholesale debt and derivative markets with strong product knowledge across capital structures and debt raisings, risk management and hedging, and cash and currency management. Katrina has a Bachelor of Economics and an Advanced Diploma in Financial Planning. Katrina is a member of the Financial Planning Association of Australia Ltd and is a Qualified Tax Relevant Provider.

Angus Geddes (appointed 19 October 2016)

Executive director

Angus is the Chief Investment Officer at Fat Prophets, the portfolio manager of the Fat Prophets Global Contrarian Fund, with primary responsibility for the investment decisions of the Company. Angus founded Fat Prophets, an independent advisory and funds management business more than 20 years ago. He oversees the investment management activities of the firm, as well as overseeing the publication of the Fat Prophets daily investment blog. During his career, Angus has worked as a money market dealer in New Zealand, and a financial consultant in the United Kingdom and the United States. Moving to Australia in 1996, Angus worked for five years as a stockbroker at Bankers Trust and JB Were before co-founding Fat Prophets in June 2000.

Attendance at Meetings

Board of Directors Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Michael Gallagher	6	6
Katrina Vanstone	6	6
Angus Geddes	6	4

Audit Committee Meetings

Director	Meetings Held and Entitled to Attend	Meetings Attended
Michael Gallagher	2	2
Katrina Vanstone	2	2
Angus Geddes*	-	-

* Mr. Angus Geddes is not a member of the Audit Committee.

Directors' Interests in Shares and Options

The relevant interests of the directors and their related entities in the securities of the Company as at 30 June 2024 were:

Directors and officers	Number of Shares	Number of Options
Michael Gallagher	53,372	-
Katrina Vanstone	30,434	-
Angus Geddes	305,540	-
Fat Prophets Pty Ltd (controlled by Angus Geddes)	2,271,213	-
Brett Crowley	-	-

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Principal Activities of the Company

The Company's principal activity is to invest predominantly in a concentrated portfolio of listed securities from global equity markets, with the objective of providing long-term capital growth.

Review of Operations

The performance of the Company, as represented by the results of its operations, was as follows:

	Year ended 30 June 2024	Year ended 30 June 2023
	\$'000	\$'000
Profit/(Loss) before income tax	6,316	(850)
Income tax (expense)/benefit	(1,845)	316
Profit/(Loss) for the year attributable to shareholders	<u>4,471</u>	<u>(534)</u>

Please refer to the Statement of Profit or Loss and Other Comprehensive Income for further details.

The invested position of the Company as at 30 June 2024 was 123% (2023: 61%) in equity securities and 23% (2023: 33%) in cash and cash equivalents and interest bearing liabilities. The invested position is recognised on the balance sheet in cash and cash equivalents, financial assets held at fair value through profit or loss, and interest bearing liabilities.

Dividends

No dividends were declared in respect of the year ended 30 June 2024 and 30 June 2023.

Net Assets

As at 30 June 2024 the net assets of the Company were \$35,016 (2023: \$32,138). Please refer to the Statement of Financial Position for further details.

State of Affairs

During the financial year there were no significant changes in the state of affairs of the Company.

Events Subsequent to Balance Date

No matter or circumstance has arisen since the end of the financial year that has significantly affected or may significantly affect the operations of the Company, the result of those operations or the state of affairs of the Company in subsequent financial years.

Indemnification of Officers

The Company has indemnified directors and officers for any actions that may arise as a result of acting in their capacity as directors and officers of the Company in respect of:

- a) Liability to third parties when acting in good faith; and
- b) Costs and expenses of defending legal proceedings and ancillary matters.

The terms of the policy preclude disclosure of the premium.

Environmental Regulations

The Company's operations are not subject to any significant environmental regulations.

Remuneration Report

This remuneration report sets out information about the remuneration of the Company's directors for the year ended 30 June 2024, under the requirements of Section 300A(1) of the *Corporations Act 2001*.

Key management personnel

The directors and other key management personnel of the Company during the whole of the financial year, and up to the date of this report are (unless otherwise indicated):

Michael Gallagher	Chairman
Katrina Vanstone	Director
Angus Geddes	Director and Chief Investment Officer
Simon Wheatley	Investment Portfolio Manager
Robert Dardano	Chief Financial Officer

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2024

Remuneration Report (continued)

Directors' Remuneration

The Company has a Nomination and Corporate Governance Committee which reviews and advises the Board on the composition of the Board and its committees.

Directors' base fees are set out in the Constitution at a maximum of \$125,000 combined per annum.

Directors' remuneration received or receivable for the year ended 30 June 2024 was:

Director	Directors' fees	Superannuation	Total
	\$	\$	\$
Michael Gallagher	44,000	-	44,000
Katrina Vanstone	33,000	-	33,000
Angus Geddes	-	-	-
	77,000	-	77,000

Directors' remuneration received or receivable for the year ended 30 June 2023 was:

Director	Directors' fees	Superannuation	Total
	\$	\$	\$
Michael Gallagher	44,000	-	44,000
Katrina Vanstone	33,000	-	33,000
Angus Geddes	-	-	-
	77,000	-	77,000

Proceedings on behalf of the Company

There are no proceedings that the directors have brought, or intervened in, on behalf of the Company.

Non-Audit Services

Details of amount paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in Note 9(b) to the financial statements. The directors are satisfied that the provision of non-audit services during the year by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

Rounding of amounts

Amounts in the Directors' report have been rounded to the nearest thousand dollars, or in certain cases to the nearest dollar in accordance with *ASIC Corporations (Rounding in Financial / Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Signed at Sydney this 28 August 2024 in accordance with a resolution of the Board of Directors by:



Michael Gallagher
Chairman



PKF(NS) Audit & Assurance Limited Partnership

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Auditors' Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Fat Prophets Global Contrarian Fund Ltd

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

KYM REILLY
PARTNER

28 AUGUST 2024
SYDNEY, NSW

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FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Year ended 30 June 2024 \$'000	Year ended 30 June 2023 \$'000
Investment income			
Interest		753	530
Dividends		710	687
Realised losses on investments held at fair value through profit or loss		(1,690)	(5,574)
Unrealised gains on investments held at fair value through profit or loss		7,075	5,208
Gains/(Losses) on foreign exchange		965	(120)
Other income		47	1
Total revenue		7,860	732
Expenses			
Management fees	9(a)	414	446
Interest expense		613	432
Directors' fees		77	77
ASX fees		32	76
Insurance		88	50
Audit fees	9(b)	36	34
Transaction costs	12	93	235
Legal and tax advice		40	114
Share registry fees		56	44
Other operating expenses		95	74
Total expenses		1,544	1,582
Profit/(Loss) before income tax		6,316	(850)
Income tax (expense)/benefit	7(a)	(1,845)	316
Profit/(Loss) after income tax		4,471	(534)
Other comprehensive income		-	-
Total comprehensive income/(loss) attributable to shareholders		4,471	(534)
Basic earnings/(losses) per share (cents)	10	15.05	(1.54)
Diluted earnings/(losses) per share (cents)	10	15.05	(1.54)

This Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the Financial Statements which follow.

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FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	As at 30 June 2024 \$'000	As at 30 June 2023 \$'000
Assets			
Cash and cash equivalents	4	16,787	24,865
Receivables	5	158	138
Financial assets held at fair value through profit or loss	2(e)	43,010	19,471
Deferred tax assets	7(c)	2,093	2,056
TOTAL ASSETS		62,048	46,530
Liabilities			
Interest bearing liabilities	4	24,852	14,167
Payables	6	232	215
Deferred tax liabilities	7(c)	1,948	10
TOTAL LIABILITIES		27,032	14,392
NET ASSETS		35,016	32,138
SHAREHOLDERS' EQUITY			
Share capital	8	33,618	35,211
Retained profits/(losses)		1,378	(3,093)
Profits reserve		20	20
TOTAL SHAREHOLDERS' EQUITY		35,016	32,138

*This Statement of Financial Position should be read in conjunction with
the notes to the Financial Statements which follow.*

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FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Share Capital \$'000	Retained Profits/ (Losses) \$'000	Profits Reserve \$'000	Total Equity \$'000
Balance at 30 June 2022		44,249	(2,559)	20	41,710
Total comprehensive loss for the year		-	(534)	-	(534)
Subtotal		<u>-</u>	<u>(534)</u>	<u>-</u>	<u>(534)</u>
Transactions with owners in their capacity as owners					
Ordinary shares issued under Share Purchase Plan (SPP)	8	1,029	-	-	1,029
Shares acquired under buy-back	8	(10,067)	-	-	(10,067)
Subtotal		<u>(9,038)</u>	<u>-</u>	<u>-</u>	<u>(9,038)</u>
Transfer to profit reserve		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 30 June 2023		<u>35,211</u>	<u>(3,093)</u>	<u>20</u>	<u>32,138</u>
Total comprehensive income for the year		-	4,471	-	4,471
Subtotal		<u>-</u>	<u>4,471</u>	<u>-</u>	<u>4,471</u>
Transactions with owners in their capacity as owners					
Ordinary shares issued under Share Purchase Plan (SPP)	8	338	-	-	338
Shares acquired under buy-back	8	(1,892)	-	-	(1,892)
Income tax on listing costs	8	(39)	-	-	(39)
Subtotal		<u>(1,593)</u>	<u>-</u>	<u>-</u>	<u>(1,593)</u>
Transfer to profit reserve		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 30 June 2024		<u>33,618</u>	<u>1,378</u>	<u>20</u>	<u>35,016</u>

*This Statement of Changes in Equity should be read in conjunction with
the notes to the Financial Statements which follow.*

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FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	Year ended 30 June 2024 \$'000	Year ended 30 June 2023 \$'000
Cash flows from operating activities			
Purchase of investments		(28,684)	(43,342)
Proceeds from sale of investments		10,530	59,227
Dividends received		676	694
Interest received		753	620
Other income received		47	1
Realised FX (losses)/gains		(349)	105
Management fees paid		(370)	(510)
Interest paid		(613)	(440)
Income tax received		17	437
Other operating expenses		(530)	(665)
Net cash (outflow)/inflow from operating activities	11	(18,523)	16,127
Cash flows from financing activities			
Payment for shares buy-back including transaction costs		(1,892)	(10,067)
Proceeds from share issue		338	1,029
Net cash outflow from financing activities		(1,554)	(9,038)
Effects of exchange rate changes on cash and cash equivalents		1,314	(225)
Net (decrease)/increase in cash and cash equivalents		(18,763)	6,864
Cash and cash equivalents at the beginning of the financial year		10,698	3,834
Cash and cash equivalents at the end of the financial year	4	(8,065)	10,698

This Statement of Cash Flows should be read in conjunction with the notes to the Financial Statements which follow.

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FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. General information and summary of material accounting policies

Fat Prophets Global Contrarian Fund Limited ("the Company") is a listed investment company incorporated in Australia. The Company was incorporated on 19 October 2016. The registered office and principal place of business of the Company is Level 3, 22 Market Street, Sydney NSW 2000.

These general purpose financial statements are for the year ended 30 June 2024, and were authorised for issue by the directors on 28 August 2024.

The Company will be managed in accordance with the Constitution and investment objectives as detailed in the Replacement Prospectus dated 16 January 2017. The Manager is Fat Prophets Funds Management Pty Ltd, ACN 615 545 537, an Authorised Representative of Fat Prophets Pty Ltd (AFSL 229183).

A summary of the material accounting policies adopted by the Company in the preparation of the financial statements is set out as below:

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*. For the purposes of preparing financial statements, the Company is a for-profit entity.

The financial report has been prepared on a going concern basis in accordance with the historical cost convention except where otherwise stated.

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities.

The Company manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

(b) Financial instruments

(i) Classification

The Company's investments are classified at fair value through profit or loss. They comprise:

- Financial instruments designated at fair value through profit or loss upon initial recognition

These include financial assets and liabilities that are not held for trading purposes and which may be sold. These are investments in listed equity securities. The fair value through profit or loss classification is available for the majority of financial assets held by the Company and the financial liabilities arising from the units must be fair valued.

Financial assets and liabilities designated at fair value through profit or loss at inception are those managed and their performance evaluated on a fair value basis in accordance with the Company's documented investment strategy as outlined in the Prospectus. The Company's policy is for the Investment Manager to evaluate information about these financial instruments on a fair value basis together with other related financial information.

(ii) Recognition and derecognition

The Company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in the fair value of the financial assets and financial liabilities from this date. Other financial assets and liabilities are recognised on the date they originated.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Company has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised when the obligation under the liabilities are discharged.

(iii) Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Company measures a financial asset at its fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets or liabilities at fair value through profit or loss' category are presented in the statement of profit or loss and other comprehensive income in the period in which they arise.

(c) Investments

Fair value in an active market

The Company values listed investments at last quoted sale price. However, at balance date it assesses the difference between that price and the last bid/(ask) price for each long/(short) quoted investment, to determine whether another price within the bid/(ask) price spread is more representative of fair value.

Fair value in an inactive or unquoted market

The fair value of investments that are not traded in an active market are determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. General information and summary of material accounting policies (continued)

(d) Revenue/income recognition

Interest income and expenses, including interest income and expenses from non-derivative financial assets, are recognised through profit or loss as they accrue, as per the effective interest rate method of the instrument calculated at the acquisition date. Interest income includes the amortisation of any discount or premium, transaction costs or other differences between the initial carrying amount of an interest-bearing instrument and its amount at maturity on an effective interest rate basis. Interest income is recognised on a gross basis, including any withholding tax, if applicable.

Dividend income relating to exchange traded equity is to be recognised through profit or loss on the ex-dividend date with any related foreign withholding tax recognised as an expense.

Trust distributions (including distributions from cash management trusts) are recognised on a present entitlement basis through profit or loss on the day distributions are announced.

(e) Expenses

All expenses, including performance fees and investment management fees, are recognised through profit or loss on an accruals basis.

(f) Dividend policy

The Company may pay dividends to Shareholders from earnings generated from its operating activities to the extent permitted by law and in accordance with prudent business practices. Such dividends will be franked to the extent that available imputation credits permit.

(g) Income tax

Under current legislation, the Company is subject to income tax at 30% on taxable income. A capital gains tax concession may be available to investors where certain requirements are met.

The Company may incur withholding tax imposed by certain countries on investment income. Such income is recorded net of withholding tax in profit or loss.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on the corporate tax rate. The relevant tax rate is applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

(h) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown as a liability in the Statement of Financial Position.

(i) Derivative financial instruments

The Company may invest in financial derivatives. Derivative financial instruments are accounted for on the same basis as the underlying investment exposure. Gains and losses relating to financial derivatives are included in profit or loss as part of gains/(losses) on investments.

(j) Share capital

Ordinary shares are classified as equity. Costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

(k) Earnings per share

Undiluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding for the period from the date of listing to balance date.

Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares and potential ordinary shares (options) outstanding during the year.

(l) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of some assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are considered to be relevant, and reasonable under the circumstance. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The methods used in the valuation of investments are set out in Note 1(c) to these financial statements.

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
ACN 615 414 849
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

1. General information and summary of material accounting policies (continued)

(m) New and amended standards adopted by the Company

The Company has applied the following standards and amendments for the first time for its annual reporting period commencing 1 July 2023:

• AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]*. This standard has had no material impact on the Company.

There were no other new standards, interpretations or amendments to existing accounting standards that are mandatory for the reporting period ending 30 June 2024 that are material to the financial statements.

(n) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2024, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

2. Financial risk management

(a) Objectives, strategies, policies and processes

The Company's Investment Strategy is to construct a leveraged portfolio made up of a concentrated number of positions across a range of asset classes using the most appropriate investment instrument. The Company should not be seen as a predictable, low risk investment. The Company's investments will be concentrated across a small number of positions, the value of which will fluctuate on a daily basis and the Company is therefore considered to have a higher risk profile than cash assets.

The Company's activities are exposed to different types of financial risks. These risks include market risk (including currency risk, and price risk) and credit risk. The Company may employ derivative financial instruments to hedge these risk exposures in order to minimise the effects of these risks. The use of derivatives is an essential part of proper portfolio management and is not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset of the Company against a fluctuation in market values or foreign exchange rates or to reduce volatility;
- as a substitute for physical securities;
- adjusting asset exposures within the parameters set in the investment strategy;
- adjusting the duration or the weighted average maturity of fixed interest portfolios.

The use of short selling and derivatives may indirectly leverage the Portfolio on a gross basis.

(b) Market risk

Market risk is the risk that the fair value of financial instruments will fluctuate. These fluctuations can be caused by market volatility, interest rates, economic cycles, political events and levels of economic growth, both global and domestic. The Company is materially exposed to two different types of market risks, namely foreign currency risk and price risk. Market risk exposures are assessed and minimised through employing established investment strategies.

The Company has a focused portfolio and, due to the concentrated nature of the Company's investments, considerable short term volatility may be experienced. The Company may also short specific securities that, in the opinion of the Investment Manager, are overvalued. All of the portfolio positions are subject to research and peer group review and if appropriate opportunities cannot be found the Company will hold cash until new opportunities arise.

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial commitment, recognised asset or liability will fluctuate due to changes in foreign currency rates.

The Company holds assets denominated in currencies other than the Australian dollar (the functional currency) and is therefore exposed to foreign currency risk when the value of assets denominated in other currencies fluctuates due to movements in exchange rates.

The Company may enter into foreign exchange forward contracts both to hedge the foreign exchange risk implicit in the value of portfolio securities denominated in foreign currency and to secure a particular exchange rate for a planned purchase or sale of securities. The terms and conditions of these contracts rarely exceed one period and the level of hedging will depend on the Investment Manager's expectation of future currency exchange rate movements.

As the nature of these contracts is to hedge the international investment activities of the Company, they are accounted for by marking to market at balance date in a manner consistent with the valuation of the underlying securities. The currency position of the Company is monitored on an ongoing basis by the Investment Manager.

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FOR THE YEAR ENDED 30 JUNE 2024

2. Financial risk management (continued)

(b) Market risk (continued)

(i) Foreign currency risk (continued)

The Company's portfolio in different currencies at balance date is summarised below:

	Australian Dollars A\$'000	US Dollars A\$'000	Euros A\$'000	Japanese Yen A\$'000	Hong Kong Dollars A\$'000	Other Currencies A\$'000	Total A\$'000
2024							
Assets							
Cash and cash equivalents	16,787	-	-	-	-	-	16,787
Financial assets at fair value through profit or loss:							
Listed securities	12,948	9,853	-	14,584	4,526	1,099	43,010
Receivables	145	1	-	-	12	-	158
Deferred tax assets	2,093	-	-	-	-	-	2,093
Total assets	31,973	9,854	-	14,584	4,538	1,099	62,048
Liabilities							
Interest bearing liabilities	-	8,151	-	10,048	5,384	1,269	24,852
Payables	232	-	-	-	-	-	232
Deferred tax liabilities	1,948	-	-	-	-	-	1,948
Total liabilities	2,180	8,151	-	10,048	5,384	1,269	27,032
Net assets	29,793	1,703	-	4,536	(846)	(170)	35,016
2023							
Assets							
Cash and cash equivalents	24,611	254	-	-	-	-	24,865
Financial assets at fair value through profit or loss:							
Listed securities	8,548	2,761	-	7,669	-	493	19,471
Receivables	137	1	-	-	-	-	138
Deferred tax assets	2,056	-	-	-	-	-	2,056
Total assets	35,352	3,016	-	7,669	-	493	46,530
Liabilities							
Interest bearing liabilities	-	6,415	89	5,200	-	2,463	14,167
Payables	215	-	-	-	-	-	215
Deferred tax liabilities	10	-	-	-	-	-	10
Total liabilities	225	6,415	89	5,200	-	2,463	14,392
Net assets	35,127	(3,399)	(89)	2,469	-	(1,970)	32,138

Foreign currency sensitivity

A sensitivity of 10 per cent has been selected to account for the current level of exchange rate volatility observed in the market. As at reporting date, the Australian dollar to United States dollar (AUD/USD) exchange rate was 0.66785 (2023: 0.66565), Australian dollar to Hong Kong dollar (AUD/HKD) exchange rate was 5.214172 (2023: 5.216433) and Australian dollar to Japanese Yen (AUD/JPY) exchange rate was 107.43035 (2023: 96.20972). As the Hong Kong dollar and Japanese yen are pegged to the US dollar, any movement in the US dollar is likely to result in a movement of a similar proportion in the Hong Kong dollar and Japanese yen. As at reporting date, had the Australian dollar weakened/(strengthened) by 10% against the US dollar with all other variables held constant, assuming that the Hong Kong dollar and Japanese yen follows the US dollar, the net assets attributable to shareholders would have been \$475,001 higher/(\$580,557) lower (2023: \$271,781 higher/(\$332,177) lower).

(ii) Price risk

Price risk is the risk that the fair value of financial instruments will fluctuate, whether those changes are specifically related to an individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company is primarily exposed to price risk for its investments in listed securities. The price risk of securities is dependent upon the financial circumstances of the companies in which the securities are purchased, including their profits, earnings and cash flows. The return on a security's investment may also be affected by the quality of company management, the general health of the sector in which it operates and government policy.

In cases where financial instruments are denominated in currencies other than the Australian dollar, future prices will also fluctuate because of changes in foreign exchange rates. Refer to Note 2(b)(i) for the management of foreign currency risk. Some securities present a risk of loss of capital and, except where equities are sold short, the maximum exposure resulting from financial instruments is determined by the fair value of those instruments. Potential losses from equities sold short can be unlimited.

The Investment Manager's security selection process is fundamental to the management of price risk. When considering taking a position, whether long or short, the price at which it is established is a critical element within the overall process and includes the use of technical, peer group and market analysis together with adequate diversification to reduce the impact of a negative return on any one position.

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2. Financial risk management (continued)

(b) Market risk (continued)

(ii) Price risk (continued)

The Company's overall market positions are monitored on an ongoing basis by the Investment Manager.

The Company's net equity exposure as at 30 June 2024 is set out below:

	As at 30 June 2024	As at 30 June 2023
Industry groups		
Consumer services	8%	3%
Materials	25%	40%
Energy	9%	0%
Media	6%	0%
Diversified Financials	39%	47%
Real Estate	2%	4%
Capital Goods	2%	0%
Communications	0%	6%
Insurance	3%	0%
Retailing	3%	0%
Telecommunications Services	2%	0%
Technology, Hardware & Equipment	1%	0%
Total	100%	100%

Price sensitivity

The directors of the Company believe that it is difficult to accurately estimate future returns. Equity market returns can be volatile and returns from period to period often have a wide variance. As such, the Company uses a long term performance average, rather than a short term performance number, when estimating sensitivity to price risk. The longer return average takes into consideration the full market cycle, whereas an estimate based solely on last period's performance is likely to be misleading when the market cycle shifts.

As at reporting date, if the listed security prices in the portfolio had increased/(decreased) by 1% with all other variables being constant, this would have increased/(decreased) the net assets attributable to shareholders by approximately +/- \$430,100 (2023: \$194,710). The impact of price movements in currency contracts is unlikely to have a significant impact on the Company.

(c) Credit risk

Credit risk is the risk that a counterparty will fail to perform contractual obligations (i.e. default in either whole or part) under a contract causing the Company to make a financial loss.

Market prices generally incorporate credit assessments into valuations and risk of loss is implicitly provided for in the carrying value of assets and liabilities as they are marked to market at balance date.

The Investment Manager minimises the Company's concentrations of credit risk by adopting a number of procedures, including the following:

- Undertaking transactions with a large number of counterparties on recognised and reputable exchanges;
- Ensuring that these counterparties together with the respective credit limits are approved.

The contractual credit risk of assets is represented by the net payments or receipts that remain outstanding, and the cost of replacing the derivative position in the event of a counterparty default. The Company does not hold any collateral as security or any other credit enhancements. There are no financial assets that are past due or impaired as at balance date.

The Company has appointed BNP Paribas as Prime Broker to the Company. BNP Paribas is subject to regulatory oversight and capital requirements imposed by the Australian Securities and Investments Commission. As at the date of this report, BNP Paribas has a credit rating of A (S&P) for long term and a rating of A-1 for short term debt.

The terms of the Prime Broker Agreement provide that the Fat Prophets Global Contrarian Fund utilise custodial assets for its own lending and financing purposes (including to borrow, lend, charge, re-hypothecate, and dispose of) up to, but not exceeding, 180% of the value of the Company's outstanding liabilities with BNP Paribas. These assets are owned by BNP Paribas in its Prime Broker capacity. Under the terms of the Prime Broker Agreement, BNP Paribas is obliged to return to the Company the equivalent custodial assets irrespective of what transpires between it and any third party with whom the Fat Prophets Global Contrarian Fund has transacted.

Cash holdings with BNP Paribas are not subject to this arrangement and are always considered to be held by BNP Paribas in its Prime Broker capacity.

As at balance date, the maximum value of the Company's gross assets available to the Fat Prophets Global Contrarian Fund for its lending and financing activities is \$59.80 million (30 June 2023: \$44.34 million). Under the Prime Broker arrangements in place, the amount does not require disclosure by the Fat Prophets Global Contrarian Fund. The maximum net exposure to the Prime Broking activities of BNP Paribas, after offsetting the Company's outstanding liabilities with \$24.85 million (30 June 2023: \$14.17 million) approximates \$34.95 million (30 June 2023: \$30.17 million) as at balance date. The credit position of the Company is monitored on an ongoing basis by the Investment Manager.

FAT PROPHETS GLOBAL CONTRARIAN FUND LTD

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

2. Financial risk management (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. This risk is controlled through the Company's investment in financial instruments, which under market conditions are readily convertible to cash. In addition, the Company maintains sufficient cash and cash equivalents to meet normal operating requirements. Accordingly, the entity is not considered to be exposed to material liquidity risks in relation to its financial instruments.

Maturity analysis for financial liabilities

Financial liabilities of the Company comprise trade and other payables which have no contractual maturities but are typically settled within 30 days.

(e) Fair value measurements

The Company measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis.

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

(i) *Fair value in an active market (Level 1)*

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(ii) *Recognised fair value measurements*

The table below presents the Company's financial assets and liabilities measured and recognised at fair value as at 30 June 2024:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
At 30 June 2024				
Financial assets at fair value through profit or loss:				
Listed securities	43,010	-	-	43,010
	43,010	-	-	43,010
At 30 June 2023				
Financial assets at fair value through profit or loss:				
Listed securities	19,471	-	-	19,471
	19,471	-	-	19,471

(iii) *Transfer between levels*

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

(iv) *Fair value of financial instruments not carried at fair value*

The carrying value of trade receivables and trade payables approximate their fair value because of the short-term nature of the instruments and low credit risk.

3. Segment information

Identification of reportable operating segments

The Company is organised into one main operating segment with the key function of the investment of funds internationally. AASB 8: Operating Segments requires disclosure of revenue by investment type and geographical location, which is outlined below:

	Year ended 30 June 2024 \$'000	Year ended 30 June 2023 \$'000
(a) Investment Income by investment type		
Equity securities - dividends	710	687
Total	710	687
(b) Investment Income by geographical area		
Oceania	242	328
Europe - Other	3	7
Hong Kong	69	-
Asia ex Hong Kong	267	297
North America	129	55
Total	710	687

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

4. Cash and cash equivalents and interest bearing liabilities

	As at 30 June 2024 \$'000	As at 30 June 2023 \$'000
<i>Cash and cash equivalents</i>		
Cash at bank (custodian) - AUD	16,787	24,611
Cash at bank (custodian) - other currencies	-	254
	<u>16,787</u>	<u>24,865</u>
<i>Interest bearing liabilities</i>		
Overdraft at custodian	(24,852)	(14,167)
	<u>(8,065)</u>	<u>10,698</u>

Overdraft at Custodian is a cash facility offered by the Custodian.

5. Receivables

	As at 30 June 2024 \$'000	As at 30 June 2023 \$'000
Dividends receivable	68	34
GST receivable	90	104
	<u>158</u>	<u>138</u>

6. Payables

	As at 30 June 2024 \$'000	As at 30 June 2023 \$'000
Management fees payable	77	33
Recoverable fees payable	155	182
	<u>232</u>	<u>215</u>

7. Income tax

(a) Income tax expense

The aggregate amount of income tax attributable to the financial year differs from the amount of income tax that would be payable by the Company if its taxable income for the year were equal to the amount of the profit before income tax. The difference between these amounts is explained as follows:

	2024 \$'000	2023 \$'000
Profit/(loss) for the year before income tax expense/(benefit)	6,316	(850)
Prima facie income tax expense calculated at 25% (2023: 30%)	1,579	(255)
Tax impact of imputation credits and foreign tax credits	29	49
Imputation and foreign tax credits applied	-	-
Imputation credits converted to tax losses	(48)	(98)
Over provision in respect of prior years	-	(12)
Effect of tax rate change from 30% to 25%	341	-
Effect of tax rate change - Listing cost - tax effect (Equity)	(39)	-
Other	(17)	-
Income tax expense/(benefit)	<u>1,845</u>	<u>(316)</u>
Income tax benefit comprised of:		
Deferred tax asset/(liability)	1,845	(316)

(b) Tax effects of items credited to equity

Amounts credited to equity in relation to the income tax effect of amounts recognised in equity:

	2024 \$'000	2023 \$'000
Initial public offering listing fee	195	234
	<u>195</u>	<u>234</u>

(c) Deferred tax

	2024 \$'000	2023 \$'000
Deferred tax asset/(liability) on unrealised investment gain	(1,603)	179
Deferred Unrealised FX Cash (loss)/Gain on P&L	(328)	67
Deferred tax asset on tax losses	2,091	1,810
Deferred tax liability on dividends and prepayments	(17)	(10)
Deferred tax asset on accruals	2	-
Total net deferred tax asset	<u>145</u>	<u>2,046</u>

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8. Share capital

Shares

There is a single class of ordinary shares on issue. For all shares issued in accordance with the Prospectus dated 16 January 2017 an option was also issued. The amount paid by each shareholder was allocated between the share and the option based on relative market prices on the first day of trading. Costs of fundraising were allocated between shares and options on the same basis.

Each Share confers on its holder equal voting rights and to share equally in dividends and any surplus on winding up.

Subject to the *Corporations Act 2001* and the Listing Rules, Shares are fully transferable.

The rights attaching to Shares may be varied with the approval of Shareholders in general meeting by special resolution.

There were no options issued in FY2023-2024.

Movements in share capital during the period are set out below:

	As at 30 June 2024		As at 30 June 2023	
	Shares	\$'000	Shares	\$'000
Ordinary shares - fully paid, net of IPO costs, net of tax	28,751,664	33,618	30,500,138	35,211

Movement in ordinary share capital

	Year ended 30 June 2024		Year ended 30 June 2023	
	Shares	\$'000	Shares	\$'000
Opening balance	30,500,138	35,211	39,682,914	44,249
Ordinary shares issued under Share Purchase Plan (SPP)	423,125	338	1,210,638	1,029
Shares acquired under buy-back	(2,171,599)	(1,892)	(10,393,414)	(10,067)
Income tax on listing costs	-	(39)	-	-
Total	28,751,664	33,618	30,500,138	35,211

Costs of shares issued in relation to the IPO, net of tax, transferred to equity

At 30 June 2024, the Company incurred the following fees in relation to the IPO that were transferred to equity:

	As at 30 June 2024 \$'000	As at 30 June 2023 \$'000
Listing Cost	780	780
Sub-total	780	780
Less current and future period tax deductions	(195)	(234)
Total costs of shares	585	546

Substantial share holders

The top twenty shareholders as at 30 June 2024 were:

Shareholder	As at 30 June 2024 Unitholding	As at 30 June 2023 Unitholding
1 HSBC Custody Nominees (Australia) Limited-A/C 2	2,576,653	2,844,593
2 Y B & S Investments Pty Ltd <Atf Prose Unit A/c>	492,907	492,907
3 Mr Colin Weekes	370,000	408,574
4 AWSG Investments Pty Ltd <Amsg Investments S/Fund A/C>	305,440	-
5 Rational Research Pty Ltd < Rational Research S/F A/c>	300,000	300,000
6 Inmont Pty Ltd <Nicholas Galante A/c>	223,622	223,622
7 RASF Nominees Pty Ltd <Mclean Superannuation A/c>	219,745	194,745
8 M&S Kaushal Pty Ltd <Kaushal Fam SF A/c>	202,000	165,775
9 Ironwood Investments Pty Limited <Phillips Super Fund A/c>	200,000	200,000
10 Fostoria - Fannon (Aust) Pty Ltd	194,000	-
11 Mr Nicholas James Galante + Mrs Kerry Maria Galante	180,000	180,000
12 Drilltech Services Pty Ltd	178,863	178,863
13 H&S Stenning Pty Ltd <Stenning Family SF A/c>	175,314	175,314
14 Mr Gregory James Blight & Mr Stephen Maxwell Blight <Gregory Blight S/F A/c>	163,622	163,622
15 Alison Jane McDonnell + Todd Andrew McDonnell	163,622	163,622
16 Rinella Super Pty Ltd <Rinella Family S/F A/c>	158,622	158,622
17 Mr William Raymond Younger <W/R Yonger Super Fund A/c>	156,808	156,808
18 Mr Anthony Herbert Liddiard + Dr Andrea Melaney Liddiard <Liddiard Family A/c>	156,769	156,769
19 HSBC Custody Nominees (Australia) Limited	155,544	144,022
20 Mr Michael Edgerton + Mrs Marianne edgerton <The Bodene Super Fund A/c>	150,000	150,000

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9. Expenses

(a) Fees paid to the Investment Manager

The Company has appointed Fat Prophets Funds Management Pty Limited as the Investment Manager. A summary of the fees (GST exclusive) charged by the Investment Manager is set out below.

(i) Management fee

The Investment Manager is entitled to be paid a management fee equal to 1.25% p.a. of the Portfolio Net Asset Value. The management fee is calculated and accrued on the last day of each month and paid within 20 days of the end of the month.

(ii) Performance fee

At the end of each quarter, the Investment Manager is entitled to receive a performance fee of 20% (plus GST) of the difference between the Net Portfolio Value at the end of the relevant period and highest Net Portfolio Value of any preceding period.

The formula for the Performance Fee is outlined below:

$$PF = 0.20 \times (CNPV - PNPV + D - NC)$$

Where:

PF = the amount of the Performance Fee;

CNPV is the Net Portfolio Value on the last business day of the relevant quarter;

PNPV is the higher of:

(i) the Net Portfolio Value on the last business day of the immediately preceding quarter; and

(ii) the previous highest Net Portfolio Value calculated under this formula;

D is the aggregate of all dividends or other distributions in respect of all Shares paid or payable to Shareholders, or the value of entitlements other than cash dividends or distributions where those other entitlements are given or due to Shareholders, on a pre-tax basis, where the Shares were quoted 'ex' dividend, distribution or other entitlement on the ASX in respect of such dividend, distribution or other entitlement at any time during the quarter;

NC is the aggregate dollar value of any new capital subscribed for Shares during the quarter (including dividend reinvestments and exercise of options), calculated at the subscription price for that new capital less the costs incurred in raising that new capital less the aggregate dollar value of any buy-back of Shares or capital reduction or capital return during the quarter.

If PF is a negative number, no Performance Fee is payable in respect of that quarter.

The Performance Fee shall be paid to the Manager within twenty (20) days of the end of each quarter.

(b) Auditor's remuneration

During the year the following fees were paid or payable for services provided by PKF, the auditor of the Company:

	Year ended 30 June 2024	Year ended 30 June 2023
	\$	\$
Audit and review of the financial statements	29,500	28,000
Tax compliance services	6,000	6,000
	35,500	34,000

10. Earnings/(losses) per share

	Year ended 30 June 2024	Year ended 30 June 2023
Weighted average number of ordinary shares used in the calculation of basic earnings per share	29,702,886	34,563,041
Basic earnings/(losses) per share (cents)	15.05	(1.54)
Weighted average number of shares used in the calculation of diluted earnings per share	29,702,886	34,563,041
Diluted earnings/(losses) per share (cents)	15.05	(1.54)

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11. Reconciliation of Net Profit/(Loss) after income tax to Cash Flow from Operating Activities:

	Year ended 30 June 2024 \$'000	Year ended 30 June 2023 \$'000
Net profit/(loss) after income tax	4,471	(534)
Purchase of investments	(28,684)	(43,342)
Proceeds from sale of investments	10,530	59,227
Net realised losses on investments	1,690	5,574
Net unrealised gains on investments	(7,075)	(5,208)
Net (gains)/losses on foreign exchange	(1,314)	225
Changes in assets and liabilities:		
(Increase)/Decrease in receivables	(20)	72
Decrease in current tax assets	-	424
Increase in deferred tax assets	(37)	(174)
Increase/(Decrease) in deferred tax liabilities	1,938	(129)
Increase/(Decrease) in payables	17	(8)
Increase/(Decrease) in tax effect equity	(39)	-
Net cash (outflow)/inflow from operating activities	<u>(18,523)</u>	<u>16,127</u>

12. Investment transactions

The total number of securities transactions entered into during the reporting year, together with total brokerage paid during the reporting year was:

Number of transactions - 181 (2023: 215)

Total brokerage paid - \$93,465 (\$67,599 on purchases and \$25,866 on sales) (2023: \$235,037 (\$101,445 on purchases and \$133,592 on sales)).

Brokerage is a function of trading turnover, turnover was lower in 2024 v 2023.

13. Investment Portfolio

Investments by geographical region and currency:

	As at 30 June 2024 Fair Value A\$'000	As at 30 June 2023 Fair Value A\$'000
Australia	12,948	8,548
Europe - Other	1,099	493
Hong Kong	4,526	-
Japan	14,584	7,669
North America	9,853	2,761
Total	<u>43,010</u>	<u>19,471</u>

The top 10 holdings of the Fund as at 30 June 2024 are as follows:

Security	Domicile	As at 30 June 2024	
		A\$'000	% of portfolio
Sumitomo Mitsui Financial Group	Japan	4,143	9.63%
Paladin Energy	Australia	2,381	5.53%
Global X Uranium ETF	United States	1,812	4.21%
Coeur D'alene Mines Corporation	United States	1,683	3.91%
Evolution Mining Ltd	Australia	1,680	3.91%
Mitsubishi UFJ Financial Group	Japan	1,674	3.89%
Mizuho Financial Group	Japan	1,563	3.63%
Whitehaven Coal Limited	Australia	1,530	3.56%
Sbi Sumishin Net Bank Ltd	Japan	1,490	3.46%
Northern Star Resources Limited	Australia	1,456	3.39%

14. Related party transactions

All transactions with related parties are conducted on normal commercial terms and conditions, and are as follows:

- The compensation arrangements with the Directors and Executive Directors (refer to Directors' Remuneration below);
- The interests in the Company held directly or indirectly by the Directors and Executive Directors (refer to remuneration report included in the directors' report); and
- The Management Agreement between the Company and the Investment Manager (refer to Note 9 for details of fees paid to the Investment Manager).
Angus Geddes is Director of the Investment Manager.

Directors Remuneration

Directors' remuneration received or receivable for the year ended 30 June 2024 was:

Director	Directors' fees \$	Superannuation \$	Total \$
Michael Gallagher	44,000	-	44,000
Katrina Vanstone	33,000	-	33,000
Angus Geddes	-	-	-
	<u>77,000</u>	<u>-</u>	<u>77,000</u>

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14. Related party transactions (continued)

Directors Remuneration (continued)

Directors' remuneration received or receivable for the year ended 30 June 2023 was:

Director	Directors' fees	Superannuation	Total
	\$	\$	\$
Michael Gallagher	44,000	-	44,000
Katrina Vanstone	33,000	-	33,000
Angus Geddes	-	-	-
	77,000	-	77,000

15. Contingencies

As at 30 June 2024 (2023: None), the Directors were not aware of any liabilities or gain or loss contingencies considered material, individually or in aggregate, that were required to be accrued or disclosed.

16. Commitments

As at 30 June 2024 (2023: None), the Directors were not aware of any commitments considered material, individually or in aggregate, that were required to be accrued or disclosed .

17. Events subsequent to reporting date

No significant events have occurred since the reporting period which would impact on the financial position of the Company disclosed in the statement of financial position as at 30 June 2024 or on the results and cash flows of the Company for the year ended on that date.

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FAT PROPHETS GLOBAL CONTRARIAN FUND LTD
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DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2024

- 1 In the directors' opinion:
- (a) the financial statements and notes set out on pages 6 to 20 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Australian Accounting Standards, International Financial Reporting Standards (IFRS) as disclosed in Note 1 (a), the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 2 The notes to the financial statements include a statement of compliance with Australian Financial Reporting Standards;
- 3 The directors have been given by the Executive Director and Chief Financial Officer the declarations for the year ended 30 June 2024 required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



Michael Gallagher
Chairman

Sydney, NSW
28 August 2024



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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FAT PROPHETS GLOBAL CONTRARIAN FUND LTD

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Fat Prophets Global Contrarian Fund Ltd (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising material accounting policies and other explanatory information, and the Directors' Declaration of the Company.

In our opinion, the financial report of Fat Prophets Global Contrarian Fund Ltd is in accordance with the Corporations Act 2001, including:

- i) Giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.



Key Audit Matters (cont'd)

1. Valuation and existence of investments

Why significant

As at 30 June 2024, the carrying value of financial assets was \$43.01m which represented 123% of the Company's Net Assets, as disclosed in Note 2(e) and Note 13 of the financial report.

The financial assets consist of Australian and International equities held at fair value through profit and loss. Accordingly, the fluctuations in investment valuation are recognised in the statement of profit or loss and other comprehensive income.

Given the nature and principal activity of the Company being to invest in listed securities, combined with the quantum of investments held, we have identified that the valuation and existence of these investments to be a key audit matter.

2. Accuracy and completeness of management fees

Why significant

The management fee calculations are based on the portfolio Net Asset Value and made with related parties therefore heightening the inherent risk associated with these balances, as disclosed in Note 9(a) of the financial report.

For the year ended 30 June 2024, the Company has recognised management fees of \$414K.

Given the nature of the various inputs and complexity of the management fee calculations, we have determined that the accuracy and completeness of this balance to be a key audit matter.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Performing a reconciliation of the investments balance from the 30 June 2023 balance, taking into consideration purchases, sales and other relevant transactions and agreed the sum to the 30 June 2024 balance.
- Agreeing investment quantity holdings at 30 June 2024 to independent third party sources.
- Agreeing all the listed equities investment prices to independent market pricing sources as at 30 June 2024.
- Obtaining a report on whether the controls over investment purchases and sales transactions were suitably designed and operated effectively for the year and assessed the report.

How our audit addressed the key audit matter

Our work included, but was not limited to, the following procedures:

- Recalculating management fees recognised in accordance with the terms outlined in the prospectus.
- Testing key inputs used in the calculation of the management fees and performed an independent assessment.
- Assessing the adequacy of the disclosure of the management fees in the financial report.



Other Information

Other information is financial and non-financial information in the annual report of the Company which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for Other Information in the annual report.

The Other Information we obtained prior to the date of this Auditor's Report was the Director's report. The remaining Other Information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information in the Financial Report and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Directors' Responsibilities for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the Directors also state, in accordance with Australian Accounting Standard AASB 101 Presentation of Financial Statements, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Auditor's Responsibilities for the Audit of the Financial Report (cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Fat Prophets Global Contrarian Fund Ltd for the year ended 30 June 2024, complies with section 300A of the Corporations Act 2001.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'PKF'.

PKF

A handwritten signature in black ink, appearing to be 'Kym Reilly'.

KYM REILLY
PARTNER

28 AUGUST 2024
SYDNEY, NSW