

Fat Prophets Global Contrarian Fund (ASX Code FPC)

Estimated Pre-Tax NTA 6th November 2024

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at Wednesday 6th November 2024:

	Amount (\$)
Pre-Tax NTA (as at 6 th November 2024)	1.2887
Pre-Tax NTA (as at 30 th October 2024)	1.3078
Change in NTA (30 th October – 6 th November 2024)	-1.46%

The Republican sweep resulted in the biggest one-day rally in history to follow a US election. While stocks and the US dollar soared, bonds came under significant pressure as investors viewed Trump's campaign policies as being inflationary. This did not stop the Fed from cutting rates again immediately after the US election. The question now is whether bonds will continue to weaken **or will the Fed be proved right in surmising lower risks of inflation are now outweighed by a slowing job market.**

We believe that over the medium to longer run, **the bull market in precious metals will likely reassert.** The US fiscal spending and federal deficits can be expected to rise exponentially amidst lower taxes that cannot be good for the dollar over the coming year – despite an incumbent consensus view for the opposite. We **therefore remain committed** to our PGM exposure within the Fund.

Higher bond yields have provided a tailwind for the Fund's Japanese financial holdings. The banks, insurance and financial stocks performed strongly in Japan this week with the TOPIX Bank index approaching this year's record highs. **We see Japanese financials as providing a compelling hedge against bond market weakness, with earnings and revenues positively correlated to higher yields and valuations still not demanding on a P/B basis.**

The Republican sweep could also be **the catalyst that prompts China into upping the ante on fiscal stimulus.** With the prospects of higher tariffs that could impact crucially important exports, **Beijing is now faced with possibly less time to shore up its ailing economy.** Timing is everything, and we would expect an upsized stimulus package to be confirmed soon. Market internals are pointing to the **rally in China/Hong Kong equities having much further to go.** Since our last update, we have moderately increased exposure to core holdings including **Kanzhun** and **Meituan.**

Angus Geddes
Chief Investment Officer
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