

Fat Prophets Global Contrarian Fund (FPC) announces a Disclosure pursuant to ASX Listing Rule 4.12

Dear Shareholders,

The estimated net tangible asset backing increased in February with pre-tax and post-tax NTA lifting **0.39% and 0.27% to \$1.0624 and \$1.0977 respectively**. At the end of February, the Fund held cash at 34.12%.

	28-February -2023	31-January -2023	Change
Pre-Tax NTA	\$1.0624	\$1.0583	+0.39%
Post-Tax NTA	\$1.0977	\$1.0947	+0.27%

MARKET OUTLOOK AND PORTFOLIO PERFORMANCE

February was an incrementally positive month for the Fund relative to major benchmarks with the S&P500 falling c2.6% in February. We remain fervently cognisant of downside risk to markets, especially in the wake of the recent SVB bank failure. We also look to the earnings outlook for CY23 to deteriorate further in the months ahead as a hawkish Fed is forced to maintain a hard line on inflation, although recent stress within the financial system may soon bring about a pause. With the recent selloff in the S&P500 eroding all YTD gains, we believe a high point may have been seen in equity markets in the first half of this year. We continue to maintain hedging in the portfolio and high cash balances.

During the month the portfolio benefited from rising interest rates, a long position in the US dollar, and a further rally in Japanese banks. The stronger dollar weighed on precious metal prices which impacted our exposure to gold, silver and platinum producers. The decline in the S&P500 added positive attribution via the Fund's short hedge.

The collapse in Silicon Valley Bank whilst unlikely to bring on a repeat of what occurred during the GFC, does highlight inherent stresses within the financial system brought on the by the fastest pace of rate hikes since the 1980s. Whilst we expect the Fed to maintain a hawkish stance towards inflation, the 50 bp hike that was touted as probable a few days ago is most likely off the table now. The Fed will have to consider balancing the containment of inflation to systemic risks in the financial system, least something else should break.

Japanese banks have not proven immune to the recent selloff in global financials. However, we currently anticipate no major secondary effects from the SVB collapse and remain overweight Japanese financials. Valuations are still cheap amongst the Japanese banks within the global sector, and we of the view that the sector was heavily oversold this week in a case of "shoot first and ask the question later".

Precious metals have performed recently, and notably A\$ gold prices are at record historic highs. Central banks around the world have been active buyers of gold in the past year. We continue to see spot dollar gold prices making new record highs. With this week's large fall in bond yields pushing real rates into negative territory, and inflation likely to remain elevated for some time, gold could soon be returning to favour as a natural hedge.

Despite recent declines in equities, we view valuations as still somewhat overextended and unconvincing. Pricing for US stocks are not reflective of downside risks to forward earnings with consensus forecasts remaining still too high. One reason for that warrants our caution is the global economy is likely to slow. Another factor is that consumer savings are being run down at a fast rate and we see this having a significant impact on aggregate demand. This factor alone could precipitate significant downward revisions in guidance over coming months.

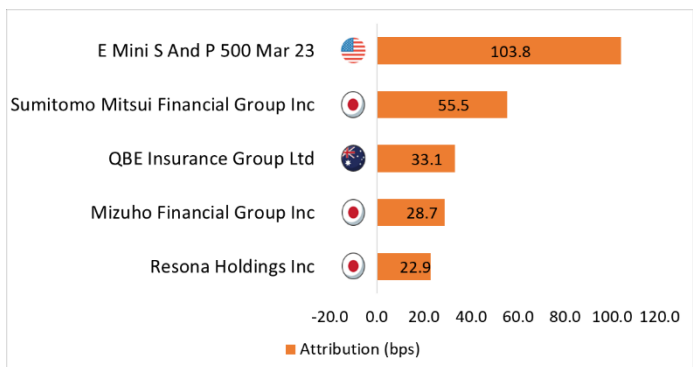
KEY METRICS

Gross Assets	Cash	Current Net Exposure (3/03/23 estimate)
\$36.35M	34.12%	30%

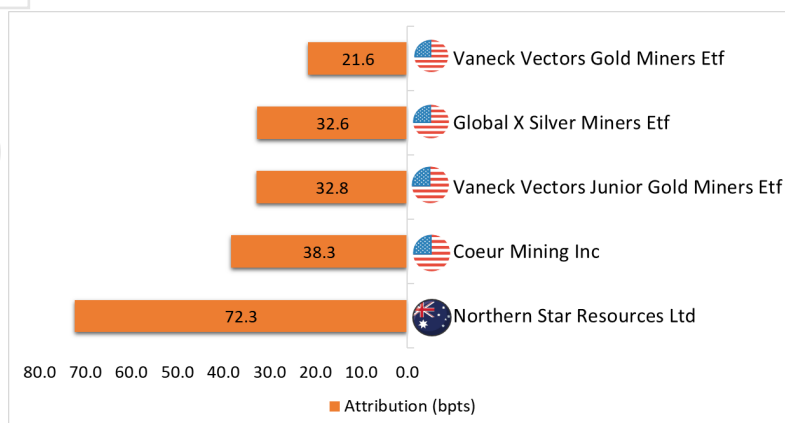
Dividend yield is calculated based on closing share price as of 29/07/2022

POSITIVE ATTRIBUTIONS

Japanese banks continued to drive positive attribution with solid performances from **Sumitomo Mitusi, Resona and Mizuho**. Rising bond yields provided positive lift for the sector as did for insurers, and notable **QBE Insurance**. All companies reported solid profit results. The short S&P500 futures hedge added to performance as equity markets lost ground during February.



NEGATIVE ATTRIBUTIONS



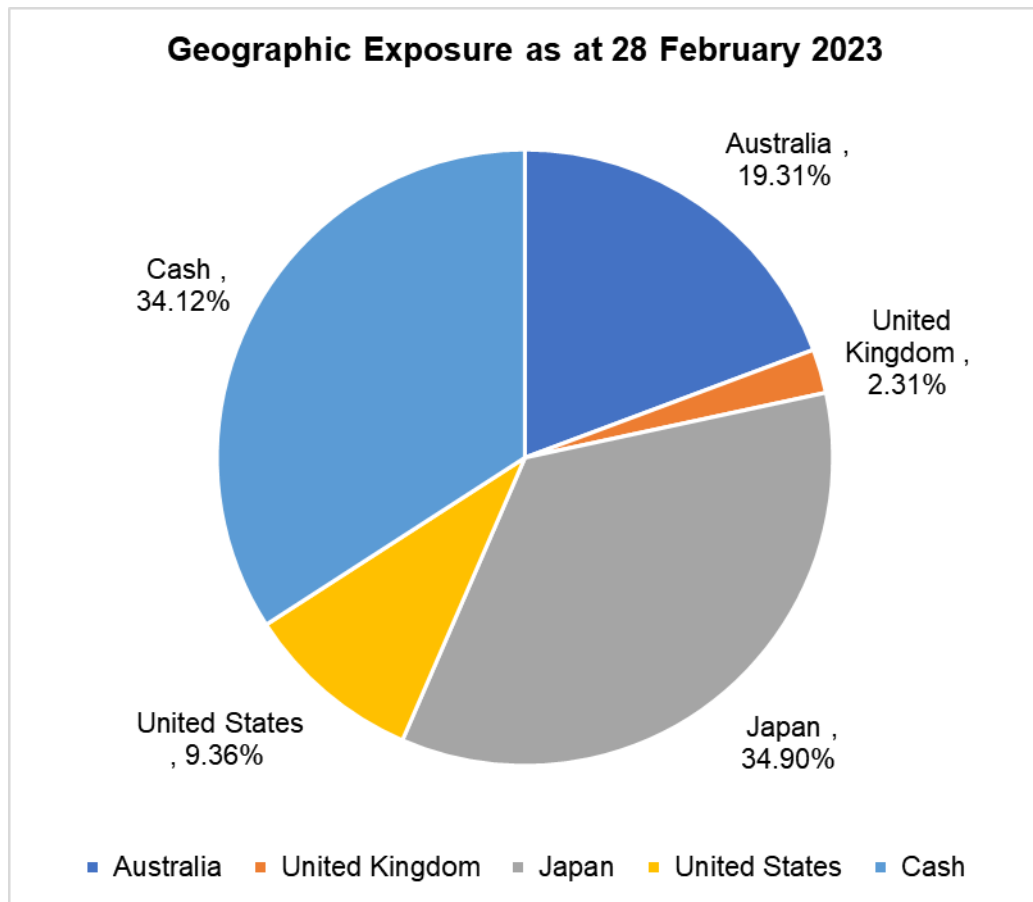
Precious metal producers underperformed as a stronger US dollar weighed on spot prices. **The Fund's gold and silver ETFs** consequently all weighed on February returns, as did **Northern Star and silver producer Coeur Mining**.

For personal use only

TOP 10 HOLDINGS

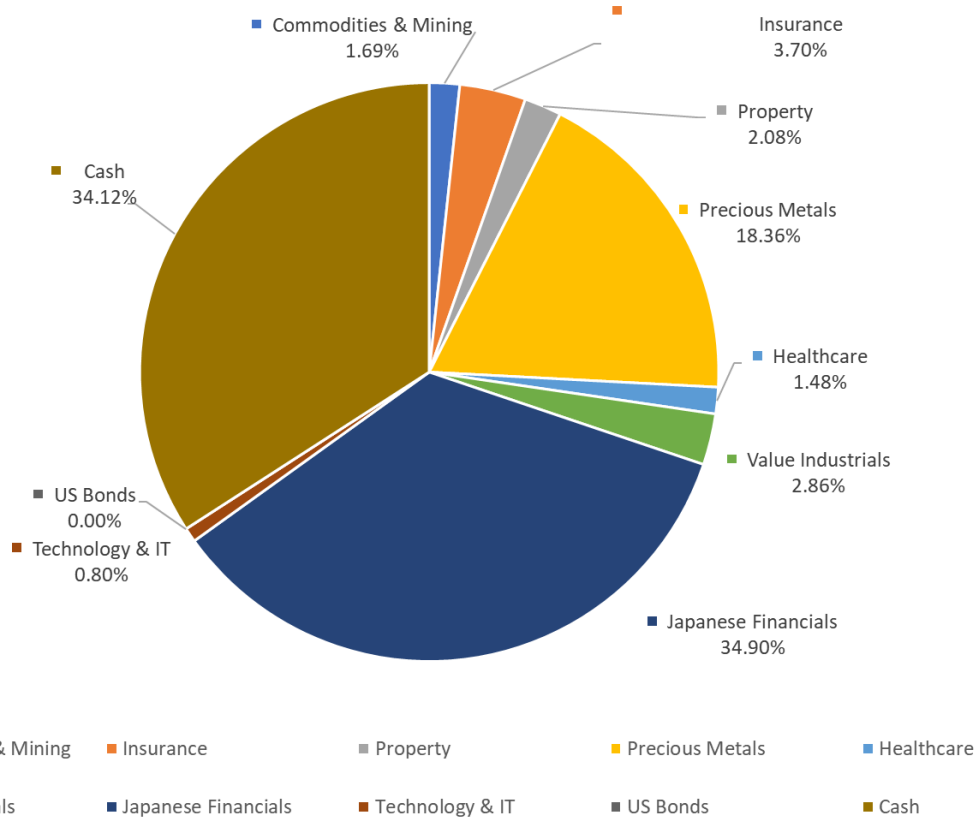
Top 10 Holdings	Country	28 February 2023
Sumitomo Mitsui Financial Group	Japan	10.30%
Mizuho Financial Group	Japan	6.36%
Resona Holdings Inc	Japan	5.39%
Chiba Bank Ltd	Japan	4.29%
QBE Insurance Group Limited	Australia	3.70%
Northern Star Resources	Australia	3.42%
Mitsubishi UFJ Financial Group	Japan	3.01%
Newcrest Mining Limited	Australia	2.97%
Telstra Group Ltd	Australia	2.86%
Concordia Financial Group Ltd	Japan	2.80%

 SMFG	 MIZUHO	 RESONA	 三井住友	 QBE	 NORTHERN STAR	 MUFG	 NEWCREST MINING LIMITED		
TYO: 8316	TYO: 8411	TYO: 8308	TYO: 8331	ASX: QBE	ASX: NST	TYO: 8306	ASX: NCM	ASX: TLS	TYO: 7186



For personal use only

Sector Dispersion as at 28 February 2023



Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund

For personal use only