

Fat Prophets Global Contrarian Fund (ASX Code FPC)

Estimated Pre-Tax NTA 13th November 2024

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at Wednesday 13th November 2024:

	Amount (\$)
Pre-Tax NTA (as at 13th November 2024)	1.2346
Pre-Tax NTA (as at 30th October 2024)	1.3078
Change in NTA (30th October – 13th November 2024)	-5.59%

The Fund experienced a drawdown following the Republican sweep at the election. Aside from a strong performance in Japanese financials which are positively correlated to rising bond yields, portfolio exposure to China/Hong Kong, precious metals and commodities all underperformed since Trump's win.

A stronger US dollar on the back of perceived higher inflation from Trump policies was a headwind for gold and precious metals. Emerging markets corrected into a stronger US dollar, and in China's case, higher pending tariffs after Trump's inauguration have also damaged fragile sentiment as did another poor fiscal support response from Beijing. A downgrade from Paladin due to a mine shutdown didn't help either.

Despite the poor start to the month, we hold conviction that weakness in gold and precious metals will prove ephemeral. De-dollarisation is likely to accelerate with rising US trade protectionism. The trend for central banks to accumulate gold could also gather steam. Equally, the pending tariffs on China might not prove to be as severe as when they were first reinstated under the first Trump administration. Commodities could also therefore soon find a floor.

While there is currently much scepticism around China's economy and China/Hong Kong equities, bull markets typically climb a wall of worry at the onset. We believe that upward momentum will soon return for both precious metals, commodities and Chinese equities.

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