

Fat Prophets Global Contrarian Fund (ASX Code FPC)

Estimated Pre-Tax NTA 1st June 2022

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at the 1st of June is as follows:

	Amount (\$)
Pre-Tax NTA (as at 1 June 2022)	1.2108
Pre-Tax NTA (as at 31 May 2022)	1.2038
Change in NTA (31 May 2022 to 1 June 2022)	0.58%

For the period from the 31st of May 2022 to the 1st of June 2022 the Fund recorded a 0.58% increase in estimated pre-tax NTA from \$1.2038 to \$1.2108. Sentiment within financial markets improved since our last update with inflation showing signs of moderating, and as equities recovered from deeply oversold levels.

We sold our holding in **Western Areas** which is under takeover and with a view that there is little likelihood of an improved offer. We reinvested the proceeds into the Australian energy sector, which we view as offering good value. We bought **Santos** and added to an existing holding in **Woodside Energy** (received via the demerger from BHP). The Fund now has an overweight position within the global energy sector, which includes US oil services giants **Halliburton and Schlumberger**.

The global energy sector is attractive not just on valuation grounds. The industry has underinvested in capacity for many years now, and this has exacerbated supply conditions just as global demand is set to recover strongly. In the US the energy sector accounts for around 4% of the S&P500, which is well below the historical average. We see continued scope for outperformance within the sector.

Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund