

Fat Prophets Global Contrarian Fund (ASX Code FPC)

Estimated Pre-Tax NTA 17th June 2026

The estimated pre-tax NTA per share for the Fat Prophets Global Contrarian Fund as at Wednesday 17th June 2026.

	Amount (\$)
Pre-Tax NTA (as at 17 th June 2026)	\$ 1.7998
Pre-Tax NTA (as at 31 st May 2026)	\$ 1.8485
Change in NTA (31 st May – 17 th June 2026)	-2.64%

Despite the headline retreat in estimated pre-tax NTA, the calculation **now fully factors in the dilution from new shares issued in the recent rights issue at \$1.42**. We appreciate the support from all shareholders who participated and took up their entitlements.

This week, the major Japanese benchmarks made new record highs and we expect the bull market to continue for some time. Amidst Japan's stock market and mirroring the US and China, semiconductor and chip stocks has done very well, as has anything AI related. **The financials have also done very well, and the Fund holds a significant position in Japanese banks.** Profitability with the banking sector has surged after years of financial repression from the BOJ when long and short rates were held near 0% for over a decade. The Japanese yield curve is now normalising and steepening. At the short end, the cash rate is also rising with the BOJ hiking 25bps to 1% this week.

With the steepening in Japan's yield curve, net interest margins for the banks are soaring, underpinning strong revenue and earnings growth. Further rate normalization should **give banks a lengthy runway for growth and further scope to increase interest income, which will underpin stronger returns from buybacks and higher dividends.** We are also of the view that market pricing of the terminal policy rate could move even higher, especially with the recent weakening of the yen. In our view, an evolving rate outlook should provide a supportive backdrop for the earnings profile of the banks. **The TOPIX bank index made a fresh 30yr high this week, clearing a significant historical resistance cluster that dates back to the 1990s. We believe scope is open for further upside.**

Angus Geddes
Chief Investment Officer
Fat Prophets Global Contrarian Fund Limited