

Commentary

Global equities were positive in August (+3.1%) led by Financials, Information Technology, Utilities and the Communication Services sectors, while Materials, Energy and Consumer Discretionary underperformed. US equities (+3.5%) outperformed amidst economic re-opening and the continuation of accommodative stimulus policy from the US Federal Reserve, despite hawkish tones and the prospect of tapering. The wind down of the American Rescue Plan continues, while US Senate Democrats passed \$550b in new spending with the Infrastructure Bill. European equities had a positive month (+2.1%) with continued reopening.

Asian equities were positive (+3.2%) with Chinese equities stable (+0.8%) as the government continued but de-escalated their regulatory crackdown. Japan (+3.7%) was strong despite further lockdowns due to a spike in COVID-19 cases and some political instability. India had a very strong August (+11.6%).

Elsewhere, Brent Crude (-7.4% in USD) was weak after making recent highs with global economic peak growth fears, while Gold was flat and the US Dollar (DXY +0.5%) was neutral.

Key contributors included:

- Software/Internet cluster, Meituan, Sea Ltd and MercadoLibre. Meituan reported strong results with user growth above expectations and improving margins driven by delivery efficiency. Sea Ltd reported strong

2Q21 figures with continued momentum in gaming and e-commerce and its fintech division (Digital Financial Services) starting to gain traction. MercadoLibre reported impressive 2Q21 results with e-commerce momentum intact despite some Latin American countries reopening, and the fintech business continuing to grow rapidly across all product lines.

- Consumer Cyclical cluster, including Trip.com after recovering from a sharp sell off as it became evident that China was able to quickly contain the recent COVID-19 outbreak of the delta variant, and HDFC Bank and ICICI Bank as beneficiaries of India's continued reopening following the most recent COVID wave in May.
- Li Ning, in the Consumer Defensive cluster, after reporting strong first half results that highlighted 65% year on year sales growth.

Key detractors included:

- Alibaba, in the Software/Internet cluster, after reporting results that were in line with expectations but highlighted weakness in growth of the cloud business.
- Wuliangye and Ping An Insurance, in the Consumer Defensive cluster. Wuliangye underperformed amidst a sell off with other premium consumer goods in China, and Ping An Insurance underperformed after a reduction in its agent force raised concerns that the weakness in new business will continue into the second half of the year.

Net performance (%)

	Fund	Benchmark	Difference
1 month	5.6	2.9	2.7
3 month	-1.0	0.1	-1.1
Year to date	5.2	6.3	-1.1
1 year	18.2	19.0	-0.8
3 year p.a.	10.2	9.9	0.3
5 year p.a.	11.7	12.1	-0.4
Inception p.a.	10.2	9.2	0.9

Past performance is not a reliable indicator of future performance. Returns are quoted in AUD and net of applicable fees, costs and taxes. All p.a. returns are annualised.

Performance & risk summary¹

Average net exposure	74.7%
Upside capture ratio	82
Downside capture ratio	45
Portfolio standard deviation	9.6%
Benchmark standard deviation	11.2%
Sharpe ratio	1.09

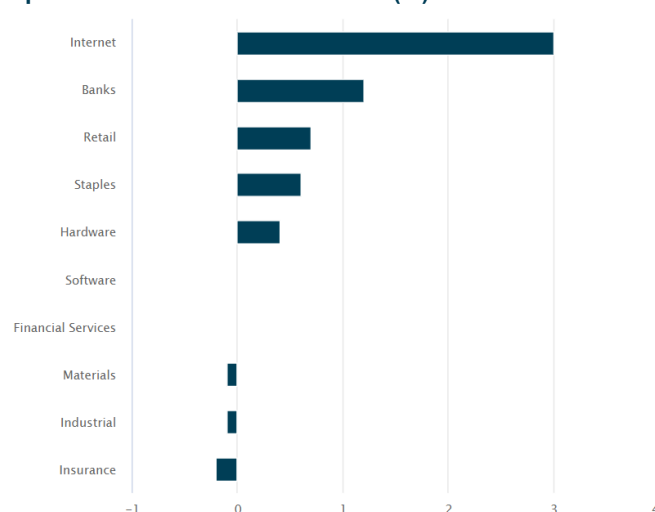
¹All metrics are based on gross of fee returns in AUD terms. The upside/downside capture ratio is the percentage of benchmark performance captured by the fund during months that the benchmark is up/down. Standard deviation is a measure of risk with a smaller figure indicating lower return volatility. The Sharpe ratio measures returns on a risk adjusted basis with a figure > 1 indicating a higher return than the benchmark for the respective levels of return volatility

Performance contribution² (%)

	1 month
Long	5.7%
Short	0.0%
Currency	-0.1%

⁴ Based on gross returns in AUD

Top & bottom sector contribution³ (%)



³ Antipodes classification

Fund facts

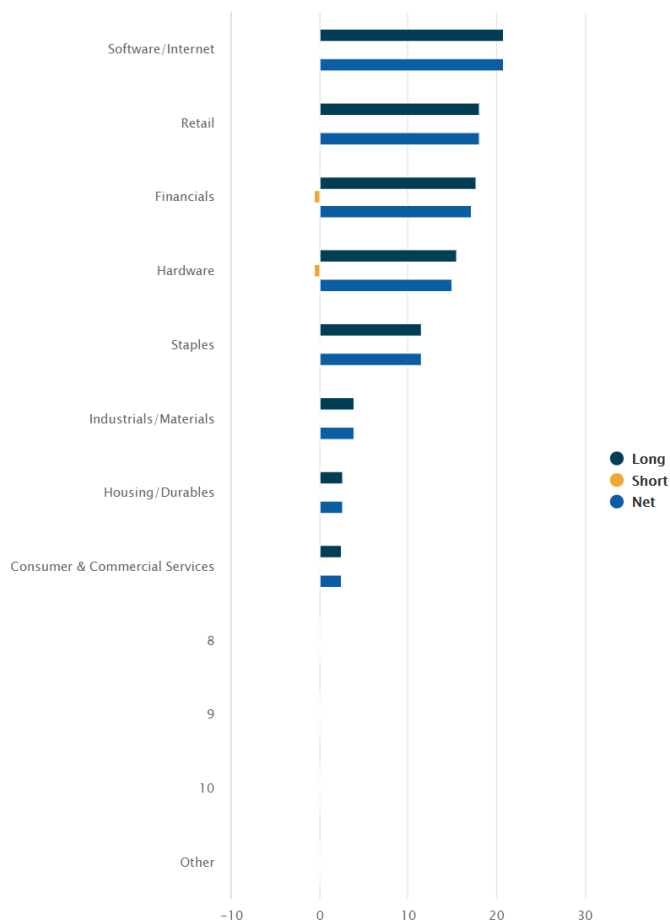
Characteristics	
Investment manager	Antipodes Partners
Inception date	1 July 2015
Benchmark	MSCI All Country Asia ex Japan Net Index in AUD
Management fee	1.20% p.a.
Performance fee	15% of net return in excess of benchmark
Buy/Sell spread	±0.30%
Minimum investment	AUD \$25,000
Distribution	Annual, 30 June
Asset value	
Fund AUM	\$88m
Strategy AUM	\$96m
Unit redemption price	1.3621

Asset allocation⁴

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (%)	93.0	-	-1.2	-
Count	34	-	2	-
Avg. weight (%)	2.7	-	-0.6	-
Top 10 (%)	53.2	-	-	-
Top 30 (%)	91.3	-	-	-

⁴ Call (put) options represented as the current option value (delta adjusted exposure)

Sector exposure^{4,5} (%)

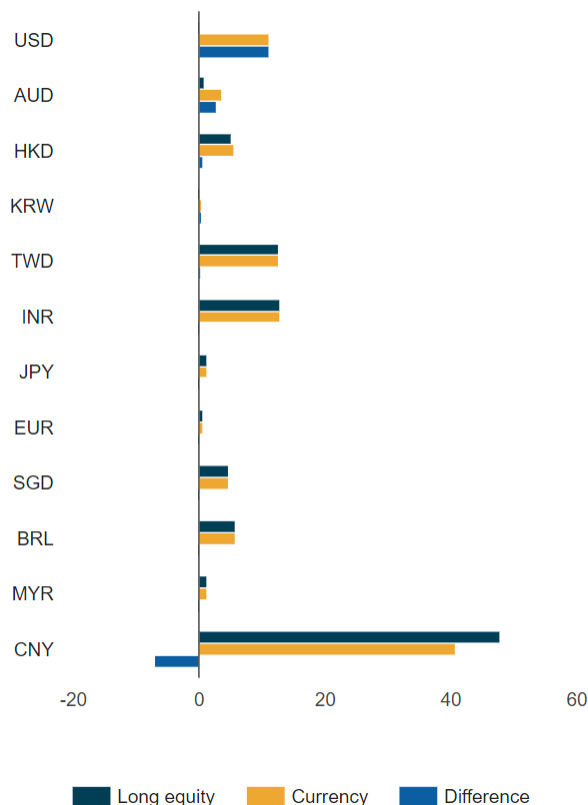


⁵ Antipodes classification

Top 10 equity longs⁴ (%)

Name	Country	Weight
Tencent	China/HK	8.7
Taiwan Semiconductor	Taiwan	8.1
Meituan	China/HK	7.0
ICICI Bank	India	5.3
Sea Ltd.	Singapore	4.7
HDFC Bank	India	4.6
JD.com	China/HK	4.1
MercadoLibre	Brazil	3.7
Trip.com Group	China/HK	3.6
China Mengniu Dairy	China/HK	3.3

Currency exposure^{4,5} (%)



⁶ Where possible, regions, countries and currencies classified on a look through basis

Regional exposure^{4,5,6} (%)

Region	Long	Short	Net
Developing Asia	71.4	-0.6	70.8
- China/Hong Kong	52.7	-0.6	52.1
- India	12.8	-	12.8
- Rest Developing Asia	6.0	-	6.0
Developed Asia	13.9	-0.6	13.3
- Korea/Taiwan	12.7	-0.6	12.1
- Japan	1.2	-	1.2
Rest of World	6.2	-	6.2
- Eurozone	0.5	-	0.5
Australia	1.5	-	1.5
Total Equities	93.0	-1.2	91.8
Cash	7.0	-	-
Totals	100.0	-1.2	-

Market cap exposure⁴ (%)

Band	Long	Short	Net
Mega (>\$100b)	47.6	0.0	47.6
Large (>\$25b <\$100b)	27.7	-0.6	27.1
Medium (>\$5b <\$25b)	14.8	-0.6	14.2
Small (<\$5b)	2.9	0.0	2.9

Investment Manager

- Global and Asian pragmatic value manager, long only and long-short
- Structured to reinforce alignment between investors and the investment team
- We attempt to take advantage of the market's tendency for irrational extrapolation, identify investments that offer a high margin of safety and build portfolios with a capital preservation focus

Fund Ratings



Fund features

- Objective to achieve absolute returns in excess of the benchmark over the investment cycle (typically 3-5 years)
- The fund may invest in companies that are listed:
 - On Asian share markets
 - On global share markets and which derive >65% of their revenues from Asia
 - In Japan (maximum 30% net exposure)
 - In Oceania and non-Asian emerging markets (maximum 15% net exposure)
- In the absence of finding securities that meet minimum risk-return criteria, cash may be held
- Flexibility to hedge for risk management purposes:
- Equity shorts and currency positions used to take advantage of attractive risk-return opportunities, offset specific long portfolio risks and provide some protection from negative tail risk. Derivatives may also be used to amplify high conviction ideas
- Typical net equity exposure of 50% to 100%; maximum gross exposure of 150% of NAV

Further information

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