

Commentary

Global equities were mixed yet still positive in July (+2.8%) led by the Healthcare and Technology sectors, while Energy and Consumer Discretionary underperformed. US equities (+4.5%) outperformed amidst the continuation of friendly policy from the US Federal Reserve despite the continued hawkish tones from some members. European equities had a positive month (+4.0%) as the continent continued to reopen from the pandemic.

Asian equities were down (-3.3%) led by Chinese equities (-9.2%) as the government escalated their regulatory crackdown, especially on the Education sector. Japan (+0.8%) underperformed but was stable despite further lockdowns while hosting the Olympics.

Elsewhere, Brent Crude (+1.6% in USD) continued its rally but had a volatile month, while Gold outperformed (+2.5% in USD) and the US Dollar (DXY - 0.3%) was weaker driven by the US macroeconomic backdrop.

Key contributors included:

- ICICI Bank, in the Consumer Cyclical cluster, overcoming COVID-19 headwinds to record new price highs after announcing strong quarterly

Net performance (%)

	Fund	Benchmark	Difference
1 month	-8.0	-5.5	-2.4
3 month	-5.7	-1.7	-4.0
Year to date	-0.4	3.3	-3.8
1 year	14.2	16.2	-2.0
3 year p.a.	8.6	9.5	-0.8
5 year p.a.	11.8	12.4	-0.7
Inception p.a.	9.3	8.9	0.5

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

Performance & risk summary¹

Average net exposure	74.5%
Upside capture ratio	79
Downside capture ratio	45
Portfolio standard deviation	9.5%
Benchmark standard deviation	11.2%
Sharpe ratio	1.01

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	-7.8%
Short	0.0%
Currency	-0.1%

⁴ Based on gross returns in AUD

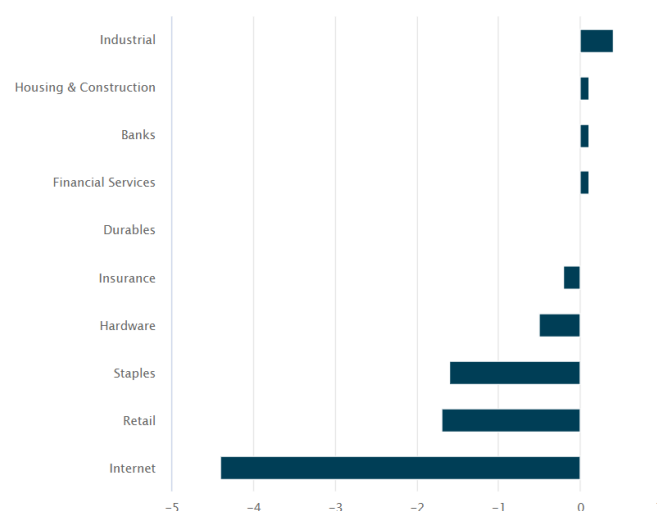
results. Pre provision operating profit grew 23% year on year with net interest income supported by retail loan growth.

- Wuxi Lead in the Industrials cluster which benefitted from ongoing positive news flow pointing to higher electric vehicle (EV) penetration in China and around the world.

Key detractors included:

- Internet cluster, including Chinese internet names including Meituan, Tencent and JD.com as market sentiment waned amidst ongoing regulatory scrutiny of Chinese technology platforms. With growth prospects remaining positive we've taken the opportunity to increase position sizes in these names.
- Consumer Defensive, including Wuliangye and Li Ning after extended periods of outperformance, and Ping An as sales have taken time to normalise with insurance policies sold face to face and restrictions still in the process of easing.
- Trip.com in the Consumer Cyclical cluster as the emergence of cases of the delta variant in China raised concerns of delays to the establishment of travel bubbles.

Top & bottom sector contribution³ (%)



³ Antipodes classification

Fund facts

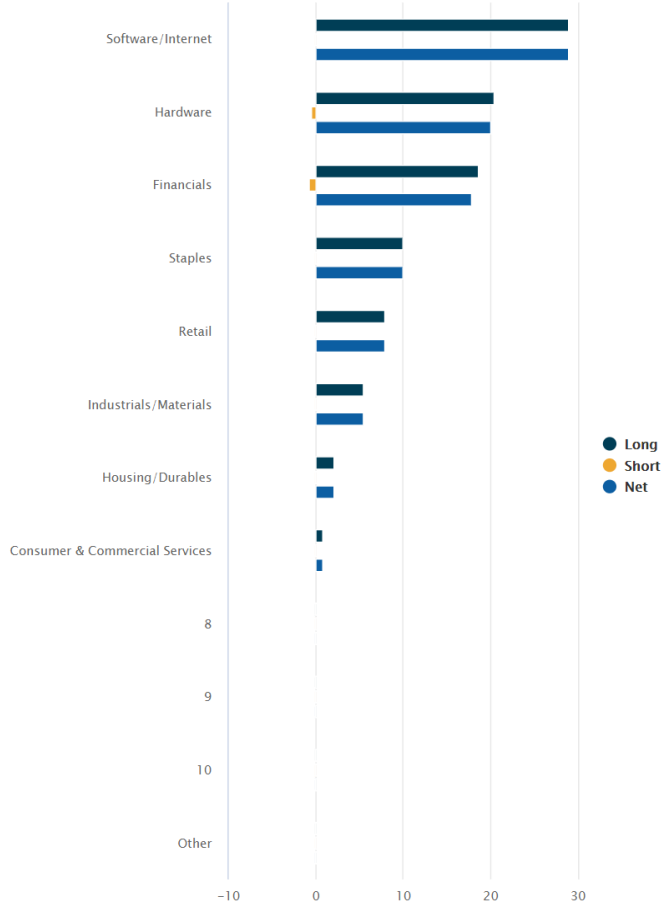
Characteristics	
Investment manager	Antipodes Partners
Inception date	1 July 2015
Benchmark	MSCI All Country Asia ex Japan Net Index in AUD
Management fee	1.20% p.a.
Performance fee	15% of net return in excess of benchmark
Buy/Sell spread	±0.30%
Minimum investment	AUD \$25,000
Distribution	Annual, 30 June
Asset value	
Fund AUM	\$82m
Strategy AUM	\$90m
Unit redemption price	1.2896

Asset allocation⁴

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (%)	94.5	-	-1.2	-
Count	33	-	2	-
Avg. weight (%)	2.9	-	-0.6	-
Top 10 (%)	51.4	-	-	-
Top 30 (%)	93.4	-	-	-

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

Sector exposure^{4,5} (%)

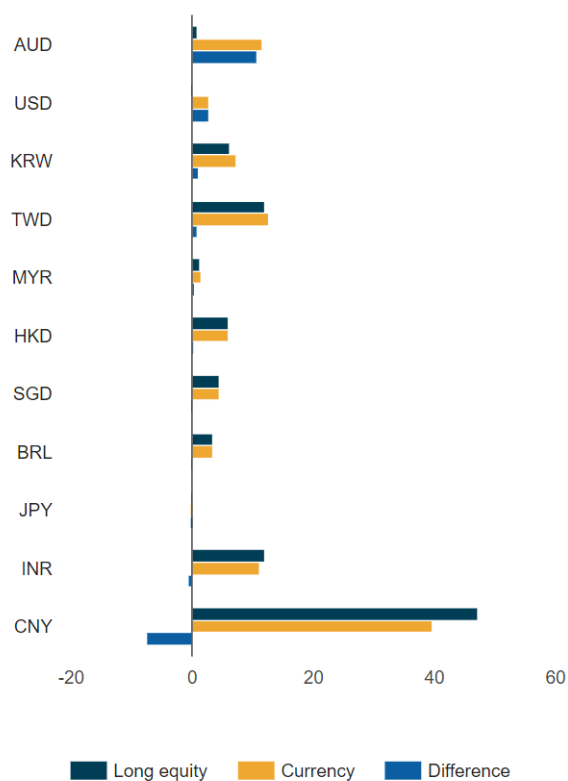


⁵ Antipodes classification

Top 10 equity longs⁴ (%)

Name	Country	Weight
Tencent	China/HK	8.4
Taiwan Semiconductor	Taiwan	8.1
Meituan	China/HK	5.9
ICICI Bank	India	5.3
Sea Ltd.	Singapore	4.5
HDFC Bank	India	4.4
MediaTek	Taiwan	3.8
Samsung Electronics	Korea	3.8
Li Ning	China/HK	3.7
Alibaba	China/HK	3.5

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	70.6	-0.7	69.9
- China/Hong Kong	53.0	-0.7	52.3
- India	11.9	-	11.9
- Rest Developing Asia	5.7	-	5.7
Developed Asia	18.0	-0.5	17.6
- Korea/Taiwan	18.0	-0.5	17.6
Rest of World	3.3	-	3.3
Australia	2.6	-	2.6
Total Equities	94.5	-1.2	93.3
Cash	5.5	-	-
Totals	100.0	-1.2	-

Market cap exposure⁴ (%)

Band	Long	Short	Net
Mega (>\$100b)	52.8	0.0	52.8
Large (>\$25b <\$100b)	26.2	-0.7	25.5
Medium (>\$5b <\$25b)	12.5	-0.5	12.0
Small (<\$5b)	3.0	0.0	3.0

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



Further information

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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

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