

Key Takeaways

- Emerging market equities outperformed broader global equities over the month, led largely by Chinese equities.
- The month saw a meaningful shift in policy in China with a pivot away from COVID-zero and increasing support for the property sector.
- The Antipodes Emerging Markets (Managed Fund) meaningfully outperformed the benchmark over the month.

Commentary*

Global equities were higher in November (+2.9%) with materials, industrials and financials outperforming whilst energy, healthcare, information technology and consumer discretionary underperformed.

US equities underperformed broader global markets (+0.6%) despite the Fed hiking in line with consensus, as expectation for future hikes softened following slightly weaker CPI and slowing economic data. European equities outperformed (+6.3%) despite the ECB and Bank of England hiking in line with expectations, with concerns relating to natural gas stores subsiding and further details on fiscal support addressing energy shortages released.

Asian equities were strong over the month (+10.2%), particularly Chinese equities (+15.8%) following the announcement of policy changes relaxing COVID-zero restrictions, with further easing expected. Positive sentiment in China was furthered by the Peoples Bank of China easing monetary policy and the announcement of further support for the property sector. Japanese equities were higher (+4.7%) as the Bank of Japan continued loose monetary policy while defending the Yen, this is despite signs of inflation marginally increasing.

Elsewhere, Brent Crude (-9.9% in USD) was weak, Gold (+8.3%) was strong, whilst the US Dollar (-5.0%) was weak.

Key contributors included:

- Consumer Cyclical Asia/EM cluster, notably Chinese property services company Country Garden Services Holdings which pushed meaningfully higher over the month as the government expanded the gov't-backed bond financing

programme and removed the restriction to property developers accessing funds from presales. Insurers Ping An Insurance and AIA Group within the cluster also benefitted from positive sentiment towards China.

- Internet Software – Asia/EM cluster, notably e-commerce platforms JD.com and Alibaba as the Chinese government outlined a pivot in its COVID-zero stance, with a relaxation of restrictions likely to boost consumer confidence and signalling the potential for a wider reopening. JD.com also reported earnings which met analyst expectations, with net quarterly revenue rising 11% year-on-year.
- Hardware cluster, notably TSMC and Mediatek as investors become more constructive around a recovery in the semiconductor cycle.

Key detractors included:

- Industrials cluster, notably Indonesian conglomerate Astra International which was impacted by weaker commodity prices over the month, broadly dampening sentiment towards Indonesia.
- PagSeguro Digital within the Consumer Cyclical - Asia/EM cluster, whereby the Brazilian fintech issued weaker than expected fourth quarter guidance, with concerns increasing that the impact of higher rates will hold back earnings into 2023.

* Illustrative only and not a recommendation to buy or sell any particular security

Net performance (%)

	Fund	Benchmark	Difference
1 month	14.7	9.6	5.1
Inception	7.4	6.8	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. All p.a. returns are annualised.

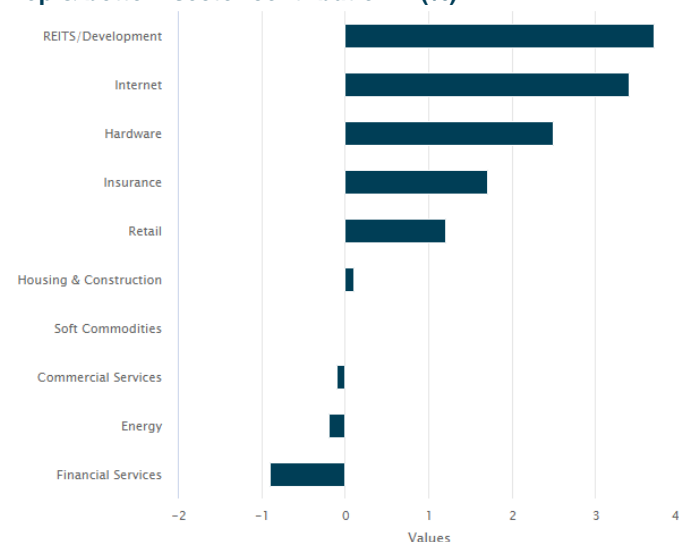
Please note the strategy of the Fund changed effective 1 October 2022. The Antipodes Emerging Markets (Managed Fund) was previously known as the Antipodes Asia Fund which targeted companies listed on Asian exchanges and derive revenue from Asia. As of 1 October 2022, the Fund invests in companies that are exposed to emerging markets or listed on emerging market stock exchanges.

Performance contribution² (%)

	1 month
Long	14.8%
Currency	0.0%

² Based on gross returns in AUD

Top & bottom sector contribution^{2,3} (%)



³ Antipodes classification

Fund facts

Characteristics	
Investment manager	Antipodes Partners
Inception date	1 October 2022
Benchmark	MSCI Emerging Markets Index
Management fee	1.20% p.a.
Performance fee	15% of net return in excess of benchmark
Risk/Return profile	High
Buy/Sell spread	±0.30%
Minimum investment	AUD \$25,000
Distribution	Annual, 30 June

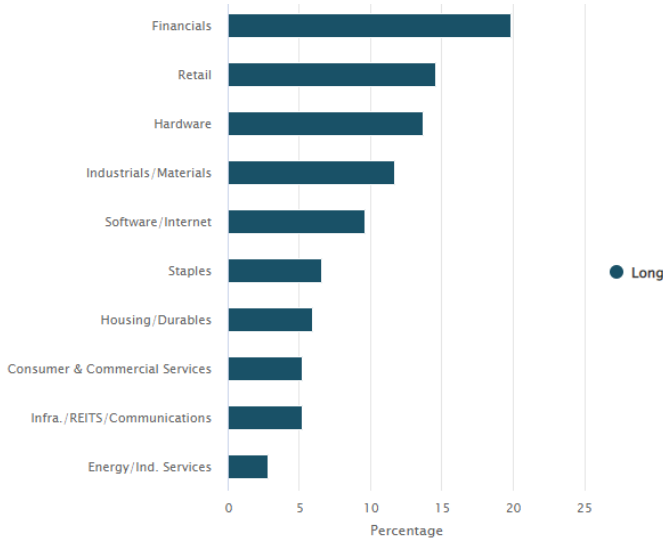
Asset value	
Fund AUM	\$22m
Strategy AUM	\$26m
Unit redemption price	0.9366

Asset allocation⁴

Equities - Long	
Weight (%)	95.2
Count	37
Avg. weight (%)	2.6
Top 10 (%)	42.7
Top 30 (%)	89.4

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

Sector exposure^{4,5} (%)

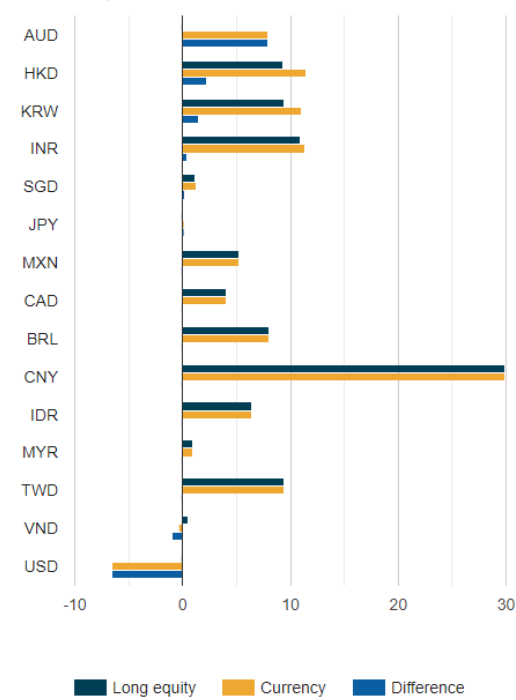


⁵ Antipodes classification

Top 10 equity longs⁴ (%)

Name	Country	Weight
Taiwan Semiconductor	Taiwan	6.1
Country Garden Services Holdings Co.	China/HK	5.2
JD.com	China/HK	4.5
Samsung Electronics	Korea	4.4
Fomento Economico Mexicano	Mexico	4.2
Teck Resources Limited	Canada	4.0
Reliance Industries	India	3.6
Ping An Insurance	China/HK	3.6
PT Bank Mandiri (Persero)	Indonesia	3.5
ICICI Bank	India	3.5

Currency exposure^{4,6} (%)



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

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

Region	Long	Benchmark
Developing Asia	59.1	51.6
- China/Hong Kong	39.2	30.3
- India	10.9	14.9
- Indonesia	6.4	2.0
- Singapore	1.2	-
- Malaysia	0.9	1.5
- Rest EM Asia	0.5	2.9
Developed Asia	18.8	26.3
- Korea	9.4	11.9
- Taiwan	9.4	14.4
LATAM/EEMEA	13.2	21.5
- Brazil	8.0	5.4
- Mexico	5.2	2.5
- Rest LATAM/EEMEA	-	13.6
Rest of World	4.0	0.6
Total Equities	95.2	100.0
Cash	4.8	-
Totals	100.0	100.0

Market cap exposure⁴ (%)

Band	Long
Mega (>\$100b)	25.4
Large (>\$25b <\$100b)	25.8
Medium (>\$5b <\$25b)	34.7
Small (<\$5b)	9.3

Investment Manager

- Global and Emerging Markets 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 invests in companies that are exposed to emerging markets or listed on emerging market stock exchanges.
- In the absence of finding individual securities that meet minimum risk-return criteria, cash may be held to maximum 25%
- Flexibility to hedge for risk management purposes:
 - Currency exposure of the underlying stock position (net short currency position not permitted)
 - Equity market exposure via exchange traded derivatives (limited to 10% of NAV)
 - Leverage not permitted
- This product is likely to be appropriate for a consumer seeking capital growth to be used as a small allocation within a portfolio where the consumer has a minimum investment timeframe of 5 years, and a high risk/return profile.

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Link to [Product Disclosure Statement](#)

Link to [Target Market Determination](#)

For historic TMD's please contact Pinnacle client service Phone 1300 010 311 or Email service@pinnacleinvestment.com

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