Key Takeaways

- **Global equities were higher in January 2023, with emerging markets outperforming broader global indices over the month.**
- **The month also saw continued outperformance in China, with easing policy and mobility over the month continuing to accelerate.**
- **The Antipodes Emerging Markets (Managed Fund) outperformed the benchmark over the month.**

Commentary*

Global equities were up in January 2023 (+3.1%) with consumer discretionary, communication services and information technology sectors outperforming whilst healthcare, utilities and consumer staples underperformed.

US equities were higher (+2.5%) as economic data suggested a slowing economy, cooling inflation and a resilient labour market. Markets reacted positively to the increased chance of an economic soft landing, despite US government debt ceiling issues and political debate.

European equities outperformed (+4.6%) helped by China's reopening, cooling inflation and GDP data indicating the Eurozone avoided a technical recession in Q4 2022. Further, markets responded positively to Eurozone manufacturing PMI data and fading energy crisis concerns.

Asian equities finished higher over the month (+3.5%). Chinese equities advanced (+6.9%) as China's reopening continued following the government's pivot from its Covid zero policy. Japanese equities were up (+2.2%) supported by strong industrial production and retail sales data, despite rising inflation data.

Elsewhere, Brent Crude (-1.7% in USD) was lower, Gold (+5.7%) was stronger, whilst the US Dollar (-1.4%) weakened.

Key contributors included:

- Internet/Software – Asia/EM Clusters, notably Dada Nexus and Mercadolibre. Dada Nexus pushed higher over the month as the Chinese retail delivery and logistics platform delivered third quarter results, highlighted by net revenue increasing 41% year-on-year in addition to positive guidance for coming quarters. Latin-American e-commerce retailer MercadoLibre surged upon news of one of its key competitors filing for bankruptcy, with the company poised to increase market share significantly.
- Consumer Cyclical – Asia/EM cluster, notably Ping An Insurance which was a beneficiary of strong capital flows into China over the month in addition to accelerated reopening assisting face-to-face business development.
- Hardware cluster, notably TSMC which reported strong fourth-quarter earnings, exceeding analyst estimates with the semiconductor manufacturer benefitting from Taiwanese legislation around the accounting treatment of R&D costs. The CEO also highlighted in commentary an expectation of a bottoming of the semiconductor cycle in the first half of 2023, before a recovery in the second half of the year.

Key detractors included:

- Infrastructure Property – Asia/EM, notably Indus Towers after the telecom tower service provider booked a provision due to uncertainty that Voda Idea would be able to meet their payment obligations in FY24. Indus Towers subsequently rebounded as the Indian Government announced it would take a 33% stake in Voda Idea, as well as provide a capital injection as a provision for outstanding liabilities.
- Reliance Industries within the Oil/Natural gas cluster with the company's management warning oil demand could slow in the future, citing the impact of global economic headwinds, rising interest rates and contracting purchasing manager's indices.

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

Net performance (%)

	Fund	Benchmark	Difference
1 month	8.2	3.8	4.3
3 month	20.7	10.9	9.8
Year to date	8.2	3.8	4.3
Inception	12.9	8.0	4.9

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.

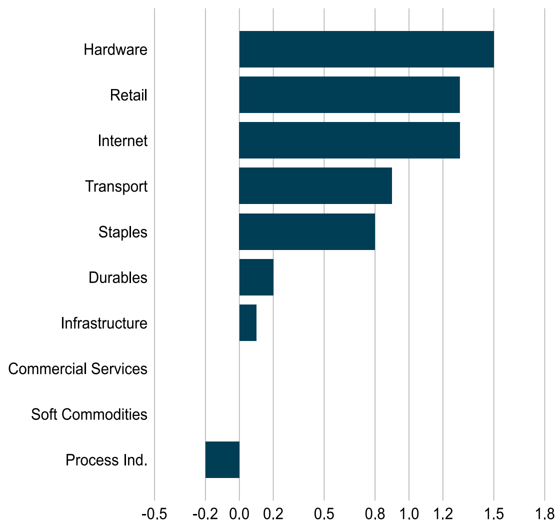
Please note the strategy of the Fund changed effective 1 October 2022. The Antipodes Emerging Markets (Managed Fund) was previously known as the Antipodes Asia Fund which targeted companies listed on Asian exchanges and derive revenue from Asia. As of 1 October 2022, the Fund invests in companies that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

Performance contribution[2] (%)

	1 month
Long	8.2%
Currency	0.1%

[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

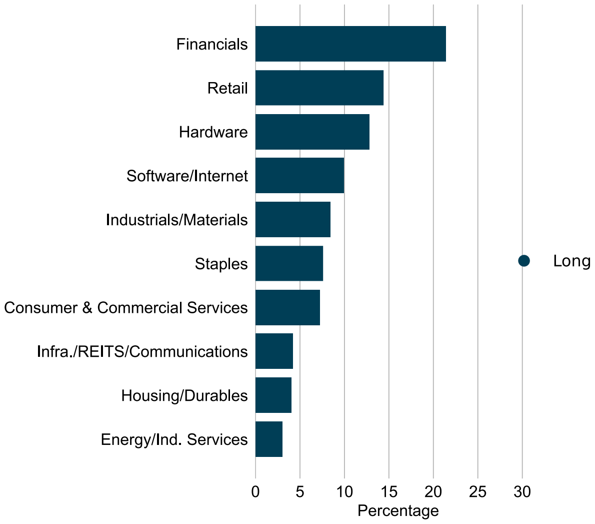
Asset value	
Fund AUM	$23m
Strategy AUM	$30m
Unit redemption price	0.9853

Asset allocation[4]

	Equities - Long
Weight (%)	92.9
Count	42.0
Avg. weight (%)	2.2
Top 10 (%)	39.0
Top 30 (%)	82.8

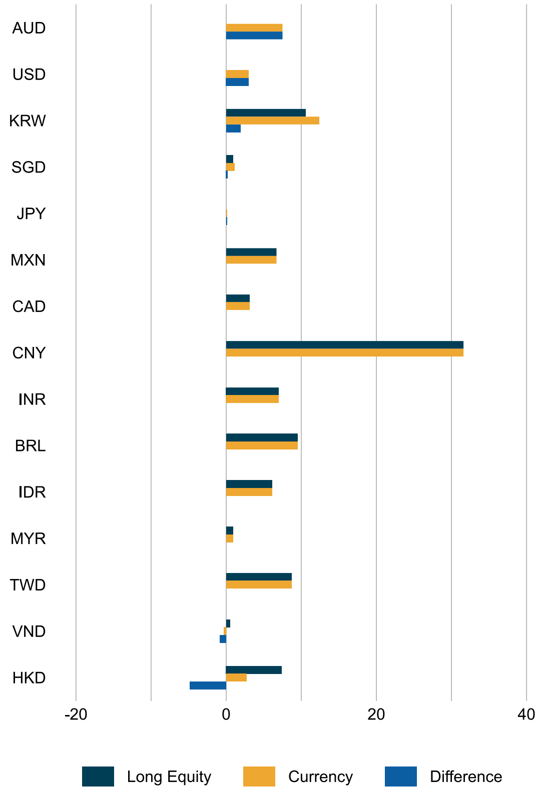
[4] Call (put) options represented as the current option value (delta adjusted exposure)

Sector exposure[4,5] (%)



[5] Antipodes classification

Currency exposure[4,6] (%)



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

Top 10 equity longs[4] (%)

Name	Country	Weight
Taiwan Semiconductor	Taiwan	5.8
Ping An Insurance	China/HK	4.4
Fomento Economico Mexicano	Mexico	4.1
Samsung Electronics	Korea	4.1
Alibaba	China/HK	3.9
Country Garden Services Holdings Co.	China/HK	3.7
Wuliangye Yibin	China/HK	3.5
Galaxy Entertainment Group	China/HK	3.3
KB Financial Group	Korea	3.2
Teck Resources Limited	Canada	3.1

Regional exposure[4,5,6] (%)

Region	Long	Benchmark
Developing Asia	**54.4**	**60.4**
- China/Hong Kong	39.0	38.2
- India	7.0	15.0
- Indonesia	6.1	2.1
- Singapore	0.9	0.0
- Malaysia	0.9	1.7
- Rest EM Asia	0.5	3.3
Developed Asia	**19.3**	**15.1**
- Korea	10.6	13.7
- Taiwan	8.7	1.3
LATAM/EEMEA	**16.1**	**23.8**
- Brazil	9.5	6.0
- Mexico	6.7	2.9
- Rest LATAM/EEMEA	0.0	15.0
Rest of World	**3.1**	**0.7**
Total Equities	**92.9**	**100.0**
Cash	**7.1**	**0.0**
Totals	**100.0**	**100.0**

Market cap exposure[4] (%)

Band	Weight
Mega (>$100b)	31.5
Large (>$25b <$100b)	22.2
Medium (>$5b <$25b)	28.0
Small (<$5b)	11.1

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 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.

Fund Ratings

Zenith RECOMMENDED

Investment Grade Lonsec Research

Further information

1300 010 311

invest@antipodespartners.com

Australia Head Office

Antipodes Partners Limited
Level 35, 60 Margaret St
Sydney NSW 2000
Australia

UK Office

Antipodes Partners Limited
6th Floor, Nova North
11 Bressenden Place
London SW1E 5BY UK

Disclaimer

This communication is prepared by Antipodes Partners Limited ('Antipodes') (ABN 29 602 042 035, AFSL 481580) as the investment manager of the Antipodes Emerging Markets (Managed Fund) (ARSN 096 451 393) ('the Fund'). Pinnacle Fund Services Limited ('PFSL') (ABN 29 082 494 362, AFSL 238371) is the product issuer of the Fund. PFSL is not licensed to provide financial product advice. PFSL is a wholly-owned subsidiary of the Pinnacle Investment Management Group Limited ('Pinnacle') (ABN 22 100 325 184). The Product Disclosure Statement ('PDS') and Target Market Determination ('TMD') of the Fund are available via below links. Any potential investor should consider the PDS and TMD before deciding whether to acquire, or continue to hold units in, the Fund.

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

This communication is for general information only. It is not intended as a securities recommendation or statement of opinion intended to influence a person or persons in making a decision in relation to investment. It has been prepared without taking account of any person's objectives, financial situation or needs. Any persons relying on this information should obtain professional advice before doing so. Past performance is for illustrative purposes only and is not indicative of future performance. Options exposure represents the market downside. For put options (typically used to limit potential downside) delta-adjusted exposure is used and for call options (typically used to capture potential upside) exposure is calculated using the current option value. Unless otherwise specified, all amounts are in Australian Dollars (AUD).

Whilst Antipodes, PFSL and Pinnacle believe the information contained in this communication is reliable, no warranty is given as to its accuracy, reliability or completeness and persons relying on this information do so at their own risk. Subject to any liability which cannot be excluded under the relevant laws, Antipodes, PFSL and Pinnacle disclaim all liability to any person relying on the information contained in this communication in respect of any loss or damage (including consequential loss or damage), however caused, which may be suffered or arise directly or indirectly in respect of such information. This disclaimer extends to any entity that may distribute this communication.

Any opinions and forecasts reflect the judgment and assumptions of Antipodes and its representatives on the basis of information available as at the date of publication and may later change without notice. Any projections contained in this presentation are estimates only and may not be realised in the future.

Unauthorised use, copying, distribution, replication, posting, transmitting, publication, display, or reproduction in whole or in part of the information contained in this communication is prohibited without obtaining prior written permission from Antipodes. Pinnacle and its associates may have interests in financial products and may receive fees from companies referred to during this communication.

Zenith Disclaimer: The Zenith Investment Partners ('Zenith') (ABN 27 103 132 672, AFSL 226872) rating (assigned Antipodes Emerging Markets (Managed Fund) – November 2022) referred to in this piece is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual, including target markets of financial products, where applicable, and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at Fund Research Regulatory Guidelines.

Lonsec Disclaimer: The Lonsec Rating (assigned May 2022) presented in this document is published by Lonsec Research Pty Ltd ('Lonsec') (ABN 11 151 658 561, AFSL 421445). The Rating is limited to "General Advice" (as defined in the Corporations Act 2001 (Cth)) and based solely on consideration of the investment merits of the financial products. Past performance information is for illustrative purposes only and is not indicative of future performance. They are not a recommendation to purchase, sell or hold Antipodes products, and you should seek independent financial advice before investing in these products. The Ratings are subject to change without notice and Lonsec assumes no obligation to update the relevant documents following publication. Lonsec receives a fee from the Fund Manager for researching the products using comprehensive and objective criteria. For further information regarding Lonsec's Ratings methodology, please refer to our website at https://www.lonsec.com.au/fund-manager/investment-product-ratings.