

Commentary

September was the worst month of the year to date for Global Equities (-3.0%) with Energy, Financials, Consumer Discretionary and Consumer Staple sectors outperforming, whilst Materials, Utilities, Communication Services and Information Technology underperformed. US equities (-3.6%) and European equities were aligned (-3.7%). Tightening and forecast tightening by central banks, US treasury debt ceiling negotiations, German elections, inflation worries and risks from China all contributed to this weakness.

Asian equities outperformed (-0.5%) with Chinese equities down (-1.6%) with worries about Evergrande financial contagion, power cuts and further regulatory worries. Japan was strong (+4.0%) with a new Prime Minister expected to bring expansionary fiscal policy.

Elsewhere, Brent Crude (+9.5% in USD) was rallying again along with the rest of the energy complex due to a squeeze on supply, while Gold (-3.1%) was down and the US Dollar (DXY +1.7%) was strong.

Key contributors included:

- Consumer Cyclical – Asia/EM cluster, notably ICICI Bank and HDFC Bank as beneficiaries of India's continued reopening following the most recent COVID-19 wave.

Net performance (%)

	Fund	Benchmark	Difference
1 month	-2.8	-3.0	0.2
3 month	-5.5	-5.8	0.2
Year to date	2.2	3.1	-0.9
1 year	13.9	13.5	0.4
3 year p.a.	8.3	9.3	-0.9
5 year p.a.	11.0	11.4	-0.4
Inception p.a.	9.5	8.6	1.0

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	74.9%
Upside capture ratio	82
Downside capture ratio	47
Portfolio standard deviation	9.7%
Benchmark standard deviation	11.2%
Sharpe ratio	1.02

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	-2.8%
Short	0.0%
Currency	0.1%

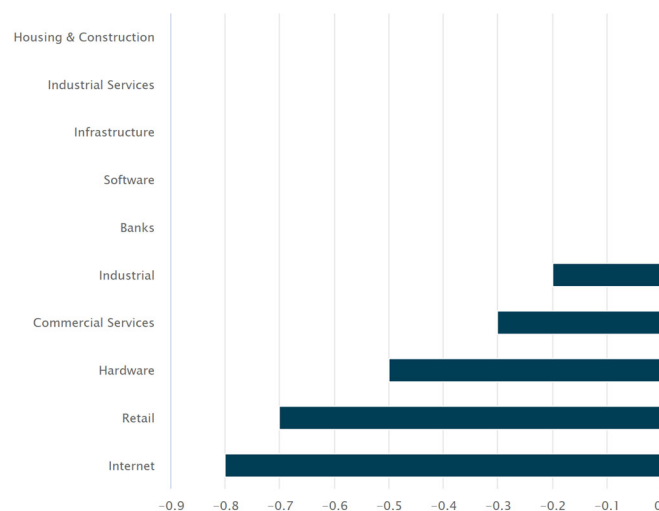
⁴ Based on gross returns in AUD

- Wuliangye and Asahi Group in the Consumer Defensive – Asia/EM cluster. Wuliangye benefitted from strength in premium Baijiu stocks as the new Chairman of Moutai outlined a plan with wider industry benefits after fears that regulation would put pressure on pricing and higher supply. Asahi outperformed with a reopening of some of its key on-premise markets in Europe and with improving vaccination rates in Japan. Li Ning was a notable underperformer in the cluster with rising power costs impacting production costs and moderating growth after a sustained period of outperformance.

Key detractors included:

- Internet/Software – Asia/EM cluster including JD.com and Alibaba amidst fears of underwhelming 3Q results amid the weaker Chinese macro and consumption environment, and Tencent with game approvals being delayed as the business adapts to the enforcement of gaming regulatory changes targeting minors.
- Hardware cluster notably Taiwan Semiconductor as questions over the sustainability of recent price hikes, reports of intentional chip hoarding to overcome supply constraints and capex growth weighed on sentiment.

Top & bottom sector contribution³ (%)



³ Antipodes classification

Fund facts

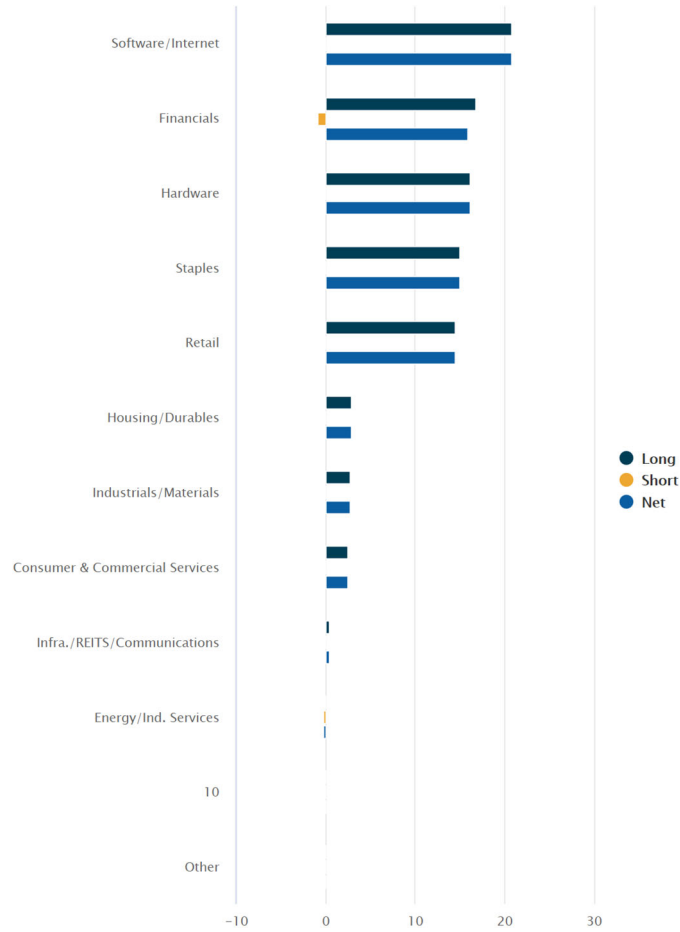
Characteristics	
Investment manager	Antipodes Partners
Inception date	1 July 2015
Benchmark	MSCI All Country Asia ex Japan Net Index in AUD
Management fee	1.20% p.a.
Performance fee	15% of net return in excess of benchmark
Buy/Sell spread	±0.30%
Minimum investment	AUD \$25,000
Distribution	Annual, 30 June
Asset value	
Fund AUM	\$86m
Strategy AUM	\$94m
Unit redemption price	1.3234

Asset allocation⁴

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (%)	92.1	-	-1.0	-
Count	34	-	3	-
Avg. weight (%)	2.7	-	-0.3	-
Top 10 (%)	53.1	-	-	-
Top 30 (%)	90.1	-	-	-

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

Sector exposure^{4,5} (%)

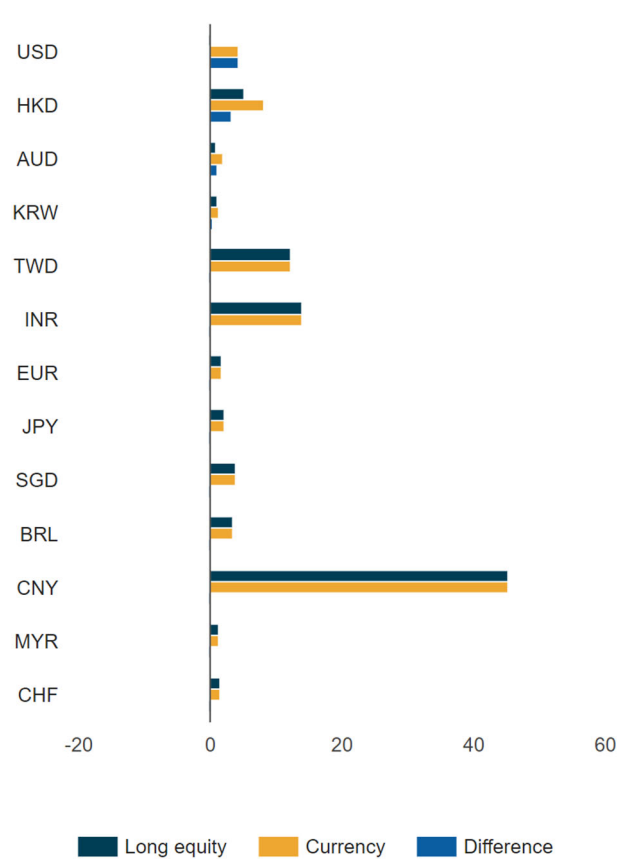


⁵ Antipodes classification

Top 10 equity longs⁴ (%)

Name	Country	Weight
Tencent	China/HK	9.0
Taiwan Semiconductor	Taiwan	7.9
Meituan	China/HK	7.5
ICICI Bank	India	5.3
HDFC Bank	India	5.1
JD.com	China/HK	4.3
China Mengniu Dairy	China/HK	3.9
Sea Ltd.	Singapore	3.8
Trip.com Group	China/HK	3.1
LONGi Green Energy Technology	China/HK	3.1

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/EM	72.4	-1.0	71.3
- China/Hong Kong	50.1	-1.0	49.1
- India	13.9	-	13.9
- Singapore	3.8	-	3.8
- Malaysia	1.3	-	1.3
- Rest Developing Asia/EM	3.4	-	3.4
Developed Asia	15.1	-	15.1
- Korea/Taiwan	13.2	-	13.2
- Japan	2.0	-	2.0
Rest of World	3.1	-	3.1
Australia	1.5	-	1.5
Total Equities	92.1	-1.0	91.1
Cash	7.9	-	-
Totals	100.0	-1.0	-

Market cap exposure⁴ (%)

Band	Long	Short	Net
Mega (>\$100b)	46.2	-0.2	46.0
Large (>\$25b <\$100b)	32.1	-0.6	31.5
Medium (>\$5b <\$25b)	11.7	0.0	11.7
Small (<\$5b)	2.1	-0.2	1.8

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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