

Key Takeaways

- **Existing Unitholders:** Please note the changes to the Antipodes Asia Fund (ARSN 096 451 393 APIR IOF0203AU) effective 1 October 2022. [Read more](#)
- **Asian equities outperformed broader global markets over the month.**
- **Chinese equities also outperformed broader global markets. This is against the back drop of ongoing lockdowns (now ~15% of GDP), and further stimulus being announced in the form of local government bond issuance and reducing the medium-term lending facility.**
- **Antipodes Asia Fund, outperformed the benchmark for the month.**

Commentary

Global equities were down in August (-2.5%) with utilities, financials and energy outperforming whilst healthcare, information technology and industrials underperformed.

US equities were also down over the month (-2.2%) as the Federal Reserve sounded a hawkish tone and reiterated its intention to bring inflation under control. US macroeconomic data showed a slowing economy but less so than feared supported by a strong jobs market, whilst many commodity prices were lower, helping to ease inflation concerns. European equities underperformed (-4.6%) as increasing energy/natural gas prices heading into winter weighed on sentiment, with the European Central Bank sounding a similarly hawkish tone. The Bank of England hiked rates again and reiterated increasingly gloomy economic forecasts.

Asian equities outperformed broader global markets (+0.9%). Chinese equities also outperformed (+0.1%) as the Central Bank and Government continued to offer support, however macroeconomic data failed to inspire the embattled real estate sector and a major drought continuing to act as headwinds. Japanese equities again outperformed but were negative in absolute terms (-0.8%) helped by a weak currency due to the Bank of Japan's dovish path of divergent supportive policy.

Elsewhere, Brent Crude (-5.7% in USD) was weak, Gold (-3.1%) was down, whilst the US Dollar (+2.6%) was up.

Key contributors included:

- Consumer Cyclical – Asia/EM cluster, including Pagueguero Digital and Bank Mandiri Persero. Brazilian fin-tech PagSeguro Digital surged later in the month

after reporting better than expected earnings and benefiting from sell-side upgrades. Indonesia's Bank Mandiri Persero continued to push higher over the month, benefitting from broader positive sentiment towards Indonesia.

- Internet Software – Asia/EM cluster, notably KE Holdings despite reporting a 41% percent drop in revenue in 1H22 relative to 1H21. The Chinese Real estate platform surged despite a cooling property market, as its home decoration and furnishings business reported promising growth, in addition to benefitting from sell side upgrades to consensus estimates.
- Similarly within the Internet/Software – Asia/EM cluster, e-commerce retailer JD.com reported strong 2Q22 earnings growth, easily exceeding consensus estimates.

Key detractors included:

- MercadoLibre Inc within Internet/Software – Asia/EM cluster detracted over month despite reporting 2Q22 results in-line with expectations in early August. The likely catalyst for the slump in MercadoLibre was an update from competitor Sea Limited, indicating it is making progress with its Shopee app in Brazil, a key market for MercadoLibre and Latin America's largest economy.
- Agora within Internet/Software – Asia/EM cluster, as the real-time engagement platform posted a second consecutive quarter of revenue declines, continuing to cite protracted effects of lost business related to China's education crackdown last year. Agora reiterated its forecast for 5% revenue growth for 2022 expecting to return to double-digit revenue growth in the second half of 2022.

Net performance (%)

	Fund	Benchmark	Difference
1 month	2.9	1.8	1.1
3 month	-1.1	-1.3	0.1
Year to date	-19.5	-12.3	-7.2
1 year	-24.9	-16.6	-8.4
3 year p.a.	-1.2	3.2	-4.5
5 year p.a.	2.2	4.5	-2.3
Inception p.a.	4.4	5.2	-0.8

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	76.3%
Upside capture ratio	84
Downside capture ratio	70
Portfolio standard deviation	11.8%
Benchmark standard deviation	11.2%
Sharpe ratio	0.42

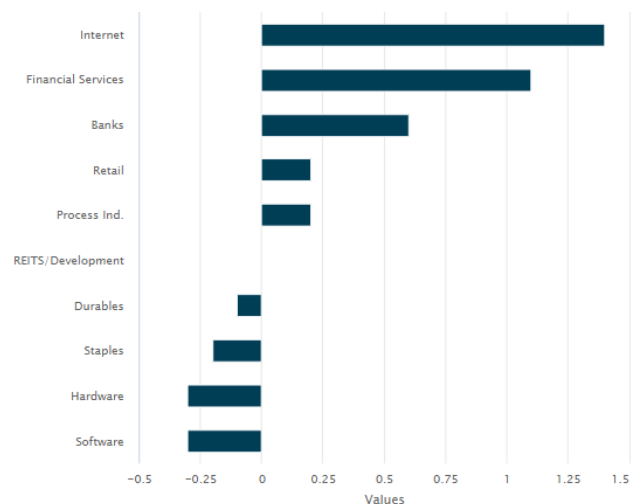
¹All metrics are based on gross of fee returns in AUD terms. The upside/downside capture ratio is the percentage of benchmark performance captured by the fund during months that the benchmark is up/down. Standard deviation is a measure of risk with a smaller figure indicating lower return volatility. 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	2.7%
Short	0.1%
Currency	0.2%

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 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

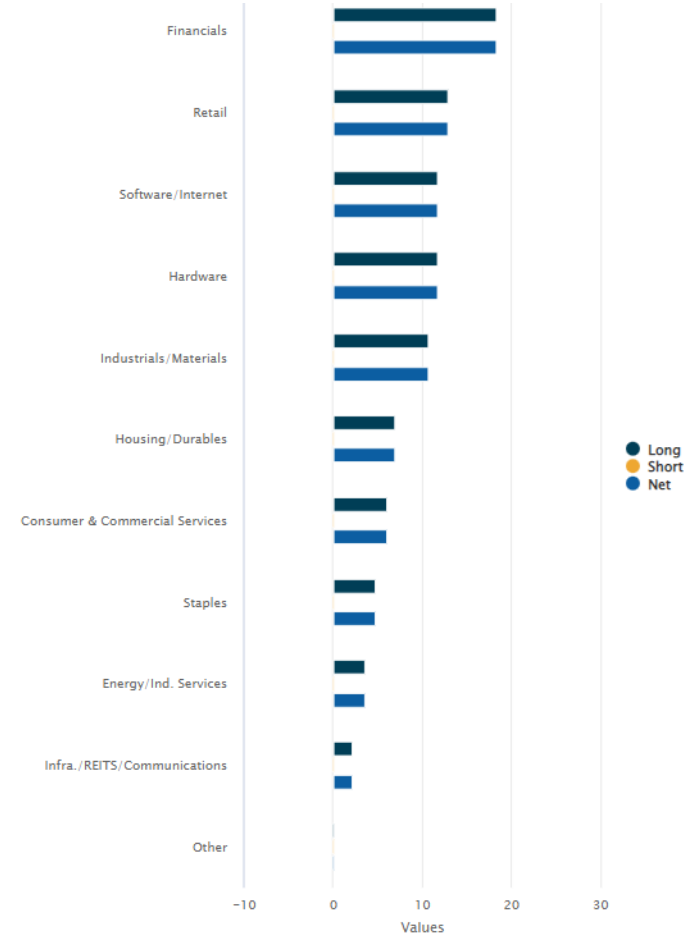
Asset value	
Fund AUM	\$23m
Strategy AUM	\$29m
Unit redemption price	0.9209

Asset allocation⁴

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (%)	88.9	-	-	-
Count	35	-	-	-
Avg. weight (%)	2.5	-	-	-
Top 10 (%)	38.8	-	-	-
Top 30 (%)	84.1	-	-	-

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

Sector exposure^{4,5} (%)

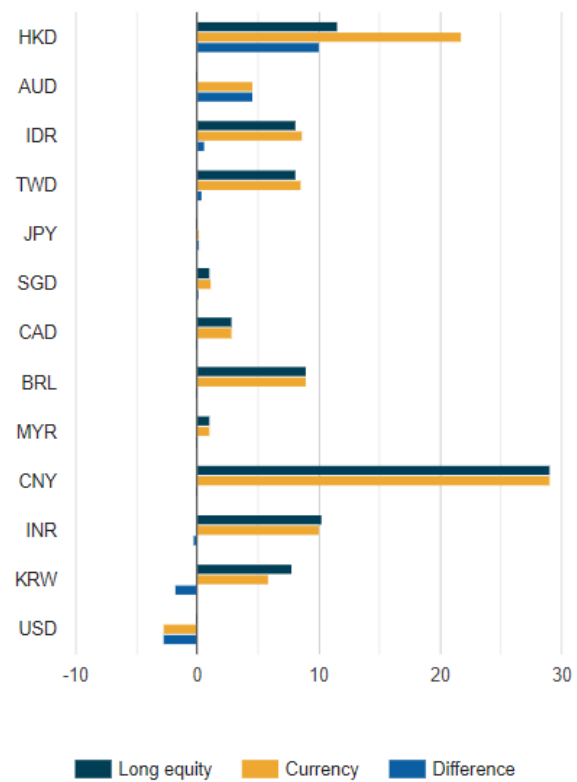


⁵ Antipodes classification

Top 10 equity longs⁴ (%)

Name	Country	Weight
Taiwan Semiconductor	Taiwan	5.8
JD.com	China/HK	4.8
PT Bank Mandiri (Persero)	Indonesia	4.3
Reliance Industries	India	3.8
PT Astra International	Indonesia	3.7
Petróleo Brasileiro	Brazil	3.6
Samsung Electronics	Korea	3.5
ICICI Bank	India	3.3
PagSeguro Digital	Brazil	3.0
Teck Resources Limited	Canada	2.9

Currency exposure^{4,6} (%)



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	70.0	-	70.0
- China/Hong Kong	40.6	-	40.6
- India	10.3	-	10.3
- Indonesia	8.1	-	8.1
- Malaysia	1.0	-	1.0
- Singapore	1.0	-	1.0
- Rest Developing Asia/EM	9.0	-	9.0
Developed Asia	15.9	-	15.9
- Korea/Taiwan	15.9	-	15.9
Rest of World	2.9	-	2.9
Total Equities	88.9	-	88.9
Cash	11.1	-	-
Totals	100.0	-	-

Market cap exposure⁴ (%)

Band	Long	Short	Net
Mega (>\$100b)	24.1	0.0	24.1
Large (>\$25b <\$100b)	27.6	0.0	27.6
Medium (>\$5b <\$25b)	29.5	0.0	29.5
Small (<\$5b)	7.7	0.0	7.7

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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Link to [Product Disclosure Statement](#)

Link to [Target Market Determination](#)

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