

Commentary

Global equities in January were down (-1.9%) with Energy, Financials and Utilities outperforming, whilst Communication Services, Consumer Discretionary and Healthcare lagged. US equities were down (-2.7%) as the Fed conveyed a more hawkish tone than expected with yields rising and flattening, with inflation fears rising and geopolitical tensions increasing. Similarly, European equities were also down (-1.5%) exacerbated further by soaring energy prices in the region.

Asian equities outperformed broader global equities (-0.7%) with Chinese equities underperforming (-2.3%) as a result of from growth concerns, COVID-19 lockdowns and subsequent bottlenecks. This was in addition to ongoing property sector concerns lingering, despite the PBOC conducting further easing. Japan underperformed (-2.0%), reacting to the prospect of higher yields.

Elsewhere, Brent Crude (+17.2% in USD) rallied, while Gold (-1.7%) was down and the US Dollar (DXY +0.9%) was up.

Key contributors included:

- Internet/Software - Asia/EM cluster, including Tencent and KE Holdings. Tencent pushed higher in January amid news reports the company would be acquiring gaming hardware company Black Shark. Already the leading video game distributor in China, the purported acquisition signals Tencent's desire to further establish itself into the augmented and virtual reality gaming market. Investors gained comfort with KE Holdings over the month after the Chinese real estate platform formally addressed publicised concerns from a short selling report in late 2020, refuting data and methodology detailed in the report. Subsequently, this alleviated sell-side concerns and garnered analyst support.
- Consumer Cyclical - Asia/EM, including ICICI Bank and China Merchants Bank. ICICI Bank contributed over the month despite a broader sell-off in India, with sentiment buoyed by strong Q3FY22 results which exceeded expectations supported by strong growth in private lending, namely mortgage and car loans amid easing pandemic restrictions. China Merchants Bank

benefitted from government readiness to stimulate the economy, and a political mandate to maintain stability in a year widely expected to confirm President Xi Jinping's unprecedented third term. As such, foreign investors saw well established Chinese equities as a shield from inflation and broader global volatility.

- TSMC within the Hardware cluster surged higher after the company reported earnings that exceeded estimates and provided upbeat guidance for the quarter. TSMC also announced capital expenditure of between US\$40b-44b for the year ahead, with a view to expand capacity and firmly positioning itself to continue to benefit from the global semiconductor demand surge.

Key detractors included:

- Internet/Software - DM including Delivery Hero which was impacted over the month after being remanded for its exclusivity agreements, with the Norwegian Competition Authority settling an anti-competitive probe into Delivery Hero subsidiary, Foodora in relation to restaurant exclusivity arrangements. Delivery Hero remains one of the biggest food delivery players in Europe and later in the month announced an agreement with multi-category marketplace Hugo Technologies, to acquire the company's core food delivery and e-commerce business in Central America and the Caribbean.
- Hardware cluster including SK Hynix, which despite reporting growth in both the DRAM and NAND business lines, reported supply chain constraints and procurement issues as a result of semiconductor shortages. The company expects supply chain issues to gradually improve in the second half of the year coinciding with increased demand for memory products and the expectation that NAND revenues to grow post the acquisition of Solidigm, Intel's solid state drive business, in late 2021.
- Consumer Defensive - Asia/EM, notably Wuliangye which was impacted by negative sentiment around the potential lockdowns over the Chinese New Year holiday period and the subsequent effects on traditional gift giving, which saw the stock underperform.

Net performance (%)

	Fund	Benchmark	Difference
1 month	1.7	0.0	1.7
3 month	-0.8	0.7	-1.4
Year to date	1.7	0.0	1.7
1 year	-3.9	-3.4	-0.5
3 year p.a.	8.5	9.6	-1.1
5 year p.a.	9.7	10.9	-1.2
Inception p.a.	8.6	7.8	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	75.6%
Upside capture ratio	81
Downside capture ratio	49
Portfolio standard deviation	9.6%
Benchmark standard deviation	11.0%
Sharpe ratio	0.96

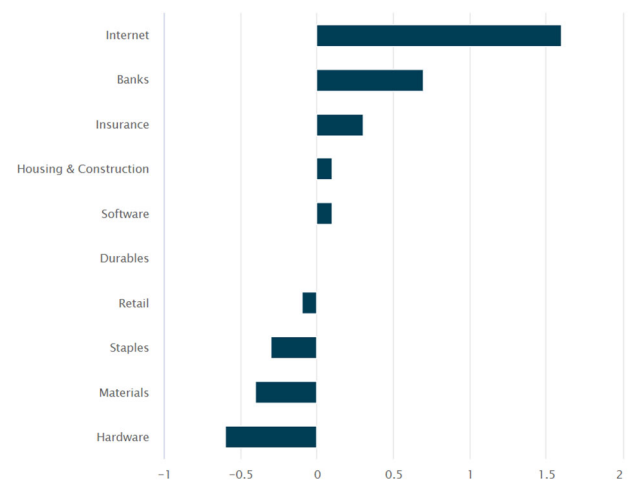
¹All metrics are based on gross of fee returns in AUD terms. The upside/downside capture ratio is the percentage of benchmark performance captured by the fund during months that the benchmark is up/down. Standard deviation is a measure of risk with a smaller figure indicating lower return volatility. 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	1.6%
Short	-0.2%
Currency	0.4%

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

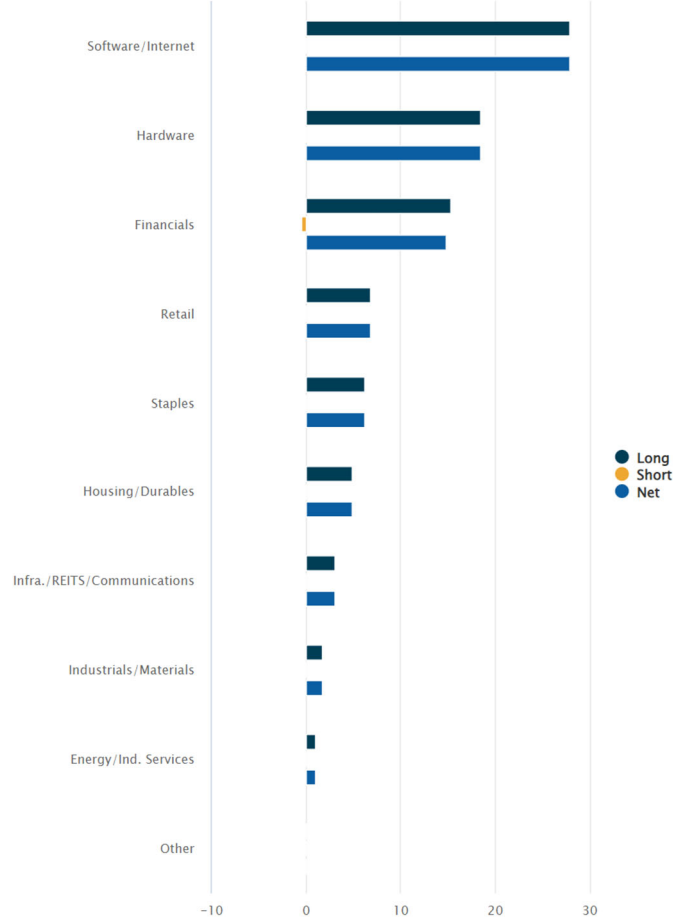
Asset value	
Fund AUM	\$39m
Strategy AUM	\$46m
Unit redemption price	1.1624

Asset allocation⁴

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (%)	85.3	-	-0.4	-
Count	29	-	1	-
Avg. weight (%)	2.9	-	-0.4	-
Top 10 (%)	52.7	-	-	-
Top 30 (%)	-	-	-	-

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

Sector exposure^{4,5} (%)



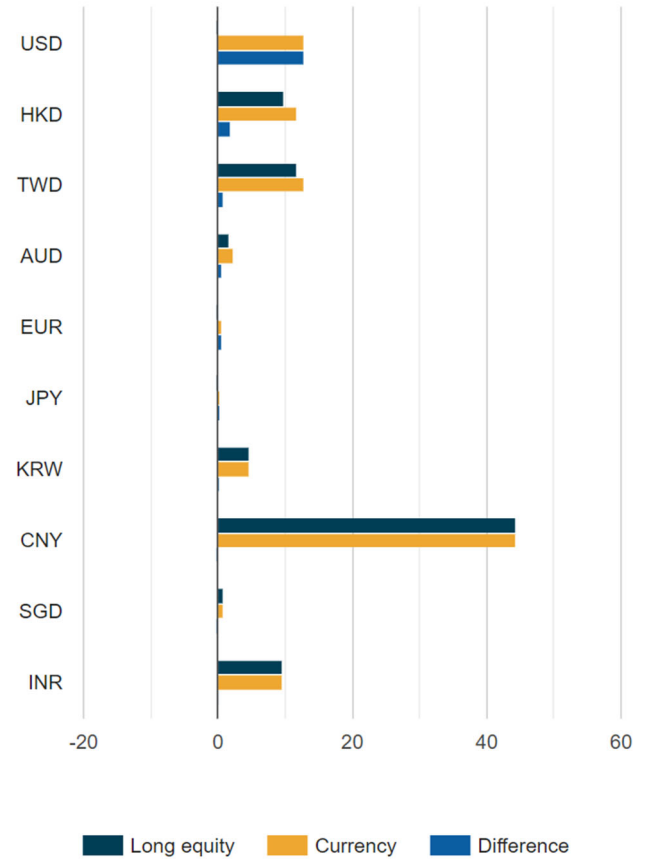
⁵ Antipodes classification

Top 10 equity longs⁴ (%)

Name	Country	Weight
Taiwan Semiconductor	Taiwan	8.9
Meituan	China/HK	8.0
Tencent	China/HK	6.9
JD.com	China/HK	5.3
ICICI Bank	India	5.1
KE Holdings	China/HK	4.9
Samsung Electronics	Korea	3.7
Wuliangye Yibin	China/HK	3.6
Ping An Insurance	China/HK	3.3
Country Garden Services Holdings Co.	China/HK	3.1

² Based on gross returns in AUD

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	67.1	-0.4	66.8
- China/Hong Kong	56.7	-0.4	56.4
- India	9.6	-	9.6
- Singapore	0.8	-	0.8
Developed Asia	16.5	-	16.5
- Korea/Taiwan	16.5	-	16.5
Australia	1.7	-	1.7
Total Equities	85.3	-0.4	84.9
Cash	14.7	-	-
Totals	100.0	-0.4	-

Market cap exposure⁴ (%)

Band	Long	Short	Net
Mega (>\$100b)	46.6	0.0	46.6
Large (>\$25b <\$100b)	17.5	-0.4	17.2
Medium (>\$5b <\$25b)	21.1	0.0	21.1

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