

Key Takeaways

- Global equities were higher over the month, led by the US and Europe, with the Fed pausing rate hikes for the first time in 15 months.
- Despite policy support, Chinese equities lagged over the month, with data failing to ease concerns around a slower than expected recovery.
- The Antipodes Emerging Markets (Managed Fund) outperformed the benchmark over the month, and remains ahead over the calendar-year-to-date.

Commentary*

Global equities were higher in June (+2.9%) with consumer discretionary, industrials and materials sectors outperforming whilst utilities, healthcare and communication services underperformed.

US equities outperformed (+3.7%) with the Fed pausing hiking for the first time in 15 months, however not without hawkish messaging indicating the potential for further hikes in 2023. Subsequently the yield curve repriced, removing some previously predicted rate cuts. Overall US Economic data has been weakening, however key sectors including services and non-residential construction continue to remain resilient.

European equities were higher (+1.9%) though were impacted by China's economic reopening data failing to meet expectations. The European Central Bank hiked as expected, whilst the Bank of England and Norges Bank surprised markets with 50bp hikes rather than the anticipated 25bp. Hawkish rhetoric continued within the region,

with core CPI remaining sticky and the market pricing in an increased probability of a UK recession.

Asian equities underperformed broader markets (+0.4%) over the month. Chinese equities lagged (-1.0%) with several economic data points failing to meet expectations. The PBOC provided further support through additional policy loosening, however this fell short of market expectations. Japanese equities were higher (+1.2%) with the currency remaining weak due continued BOJ yield curve control despite core inflation increasing gradually, albeit at levels below other developed economies.

Elsewhere, Brent Crude (+3.1% in USD) was up from output cuts, Gold (-2.2%) was down, whilst the US Dollar (-1.4%) was weaker.

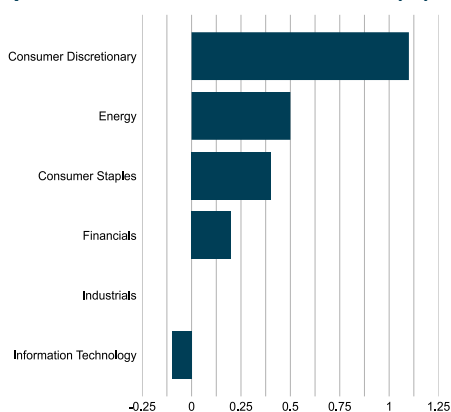
* Illustrative only and not a recommendation to buy or sell any particular security.

Net performance (%)

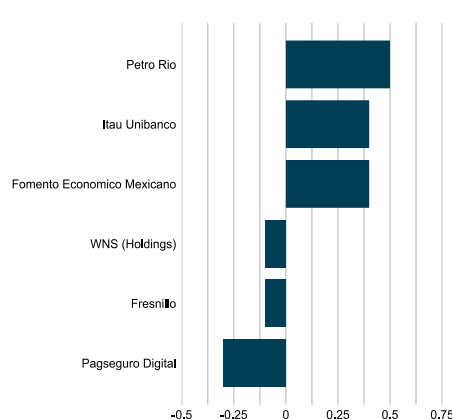
	1 month	3 month	CYTD	Inception
Fund	2.9	0.8	8.1	12.9
Benchmark	0.9	1.5	6.9	11.1
Difference	2.0	(0.7)	1.3	1.8

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.

Top & bottom sector contribution^{1,2} (%)



Top & bottom stock contribution (%)



Market cap exposure³ (%)

Band	Weight	Benchmark
Mega (>\$100b)	28.3	24.3
Large (>\$25b <\$100b)	19.7	29.4
Medium (>\$5b <\$25b)	33.9	37.6
Small (<\$5b)	13.5	8.7

Sector exposure² (%)

Sector	Long	Benchmark
Communication Services	7.5	9.8
Consumer Discretionary	24.7	12.9
Consumer Staples	5.5	6.4
Energy	4.4	5.1
Financials	20.9	22.1
Health Care	0.0	3.7
Industrials	5.7	6.0
Information Technology	14.2	21.3
Materials	8.8	8.3
Real Estate	3.6	1.8
Utilities	0.0	2.7

Regional exposure^{3,4,5} (%)

Region	Long	Benchmark
Developing Asia	49.9	49.1
- China/Hong Kong	37.3	28.6
- Indonesia	6.8	2.0
- India	3.0	14.5
- Philippines	2.1	0.7
- Rest EM Asia	0.7	3.3
LATAM/EEMEA	23.8	21.5
- Brazil	11.6	5.7
- Mexico	11.3	2.8
- Rest LATAM	1.0	0.7
- Rest LATAM/EEMEA	0.0	12.3
Developed Asia	14.0	28.1
- Korea	7.9	12.4
- Taiwan	6.1	15.7
Rest of World	7.6	1.3
Total Equities	95.4	100.0
Cash	4.6	0.0
Totals	100.0	100.0

Top 10 equity longs³ (%)

Name	Country	Weight
Taiwan Semiconductor	Taiwan	6.1
Alibaba	China/HK	5.8
Fomento Economico Mexicano	Mexico	5.5
Samsung Electronics	Korea	5.1
Ping An Insurance	China/HK	4.6
PRIO	Brazil	4.4
Itaú Unibanco Holding	Brazil	4.0
Galaxy Entertainment Group	China/HK	3.9
PT Astra International	Indonesia	3.9
PagSeguro Digital	Brazil	3.2

Fund facts

Characteristics	
Investment manager	Antipodes Partners Limited
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	\$25,000
Distributions	Annual, 30 June
Asset value	
Fund AUM	\$21m
Strategy AUM	\$21m
Unit redemption price	0.9698

Performance & risk summary⁶

	Portfolio	Benchmark
Standard deviation	22.6%	13.8%
Sharpe ratio	0.61	0.75
Information ratio	0.35	-
Beta	1.55	-
Stock count (long)	39	-
Average net exposure	93.6%	-
Upside capture ratio	143	-
Downside capture ratio	162	-

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



Further information

☎ 1300 010 311
✉ invest@antipodespartners.com

Australia head office

Antipodes Partners Limited
Level 25, Australia Square Tower
264 George Street
Sydney NSW 2000

UK Office

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

1 Based on gross returns in AUD

2 GICS classification

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

4 Antipodes classification

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

6 All metrics are based on gross of fee returns in AUD terms since inception. 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

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) (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 Lonssec assumes no obligation to update the relevant documents following publication. Lonssec receives a fee from the Fund Manager for researching the products using comprehensive and objective criteria. For further information regarding Lonssec's Ratings methodology, please refer to our website at <https://www.lonssec.com.au/fund-manager/investment-product-ratings>.

Lonssec Disclaimer: The Lonssec Rating (assigned May 2022) presented in this document is published by Lonssec Research Pty Ltd ('Lonssec') (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 Lonssec assumes no obligation to update the relevant documents following publication. Lonssec receives a fee from the Fund Manager for researching the products using comprehensive and objective criteria. For further information regarding Lonssec's Ratings methodology, please refer to our website at <https://www.lonssec.com.au/fund-manager/investment-product-ratings>.