

Key Takeaways

- Global equities were negative in August in USD terms, however higher in AUD/NZD due to exchange rate impacts, with the market increasingly pricing in an end to the Fed's hiking cycle.
- Chinese equities underperformed over the month, with sentiment impacted by weaker than expected economic data.
- The Antipodes Emerging Markets (Managed Fund) underperformed the benchmark over the month, however remains ahead over the calendar-year-to-date.

Commentary*

Global equities were negative in August in USD terms, however higher in AUD/NZD due to exchange rate impacts (-2.8% in USD, +1.1% in AUD, +1.6% in NZD). Over the month, energy, healthcare and information technology outperformed whilst utilities, materials and financials underperformed.

US equities outperformed (-1.7% in USD, +2.2% in AUD, +2.7% in NZD), however were impacted by Fitch downgrading the US' sovereign credit rating which curbed sentiment. Overall, macroeconomic data was dovish as the Fed shifted to a more neutral tone, with the market increasingly pricing in an end to the Fed's hiking cycle, although also acknowledging the likelihood that rates would stay higher for longer. European equities underperformed (-4.0% in USD, -0.1% in AUD, +0.4% in NZD) impacted by weakening macroeconomic data and sticky inflation as the market began to price in an increasingly likely stagflation scenario. Weaker Chinese data

also impacted sentiment towards European equities.

Asian equities were lower (-4.9% in USD, -1.1% in AUD, -0.6% in NZD) over the month with underperformance led by Chinese equities (-8.6% in USD, -4.9% in AUD, -4.5% in NZD). Weakness in sentiment continued, with fresh default concern within the property sector and macroeconomic data continuing to underwhelm the market over the month. Japanese equities outperformed (-2.4% in USD, +1.5% in AUD, +2.0% in NZD) following stronger macroeconomic data despite growing inflation concerns.

Elsewhere, Brent Crude (+1.5% in USD) was higher amid production cut speculation, Gold (-1.3%) was lower, whilst the US Dollar (+1.7%) was stronger.

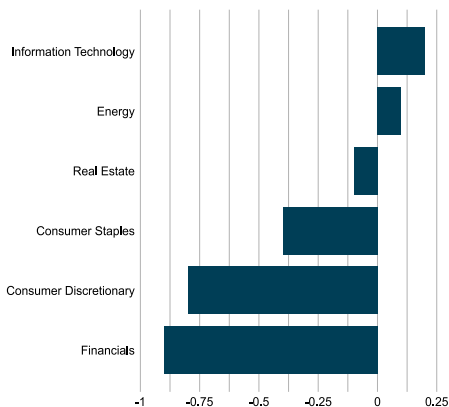
*Illustrative only and not a recommendation to buy or sell any particular security.

Net performance (%)

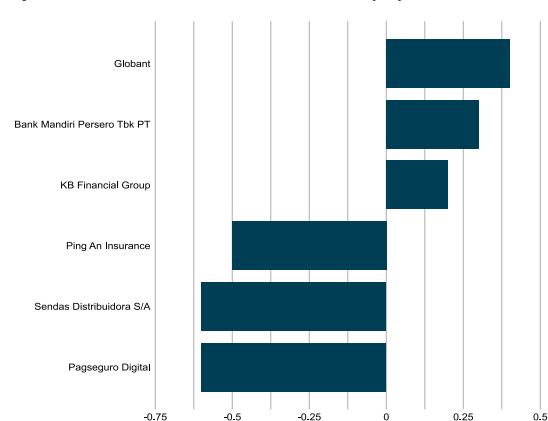
	1 month	3 month	CYTD	Inception
Fund	(2.7)	6.3	11.7	16.6
Benchmark	(2.4)	3.4	9.5	13.9
Difference	(0.4)	2.9	2.2	2.8

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)	26.4	26.1
Large (>\$25b <\$100b)	20.2	28.1
Medium (>\$5b <\$25b)	27.9	37.1
Small (<\$5b)	17.7	8.8

Sector exposure² (%)

Sector	Long	Benchmark
Communication Services	6.6	9.7
Consumer Discretionary	16.9	14.1
Consumer Staples	9.0	6.3
Energy	3.1	5.1
Financials	23.2	21.7
Health Care	0.0	3.8
Industrials	7.2	6.2
Information Technology	14.7	20.7
Materials	9.7	8.2
Real Estate	1.8	1.8
Utilities	0.0	2.5

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

Region	Long	Benchmark
Developing Asia	41.6	49.9
- China/Hong Kong	33.6	29.0
- Indonesia	4.3	2.0
- Philippines	2.4	0.6
- India	1.2	14.7
Developed Asia	14.1	27.3
- Korea	8.4	12.2
- Taiwan	5.7	15.0
LATAM/EEMEA	30.0	21.3
- Brazil	15.3	5.3
- Mexico	13.7	2.8
- Rest LATAM	1.0	0.7
- Rest LATAM/EEMEA	0.0	12.5
Rest of World	6.6	1.6
Total Equities	92.2	100.0
Cash	7.8	0.0
Totals	100.0	100.0

Top 10 equity longs³ (%)

Name	Country	Weight
Fomento Economico Mexicano	Mexico	5.8
Taiwan Semiconductor	Taiwan	5.7
Alibaba	China/HK	5.4
Samsung Electronics	Korea	4.8
Itaú Unibanco Holding	Brazil	4.4
PT Bank Mandiri (Persero)	Indonesia	4.3
Galaxy Entertainment Group	China/HK	4.2
KB Financial Group	Korea	3.5
Baidu	China/HK	3.5
Contemporary Amperex Technology	China/HK	3.3

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	\$20m
Strategy AUM	\$20m
Unit redemption price	1.0018

Performance & risk summary⁶

	Portfolio	Benchmark
Standard deviation	21.4%	13.6%
Sharpe ratio	0.67	0.75
Information ratio	0.45	-
Beta	1.50	-
Stock count (long)	36	-
Average net exposure	93.4%	-
Upside capture ratio	139	-
Downside capture ratio	150	-

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
Suite 823, 125 Old Broad Street
London, EC2N 1AR 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

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Link to [Target Market Determination](#)

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