

Key Takeaways

- **Headline US CPI for May 2022 came in above expectation at 8.6%, dispelling the narrative peak inflation has been reached.**
- **The broad market selloff continued throughout June with growth outperforming value for the first time in six months.**
- **The Antipodes Global Fund - Long underperformed the benchmark over the month, however remains meaningfully ahead over the calendar-year-to-date.**

Commentary

Global equities were down in June (-4.5%) with healthcare, consumer staples and utilities outperforming whilst materials, energy and information technology underperformed. US equities were down (-4.4%) with headline inflation higher than expected, resulting in the Federal Reserve hiking the funds rate by 75bps, rather than the anticipated 50bps. With macroeconomic data showing signs of an economic slowdown, fears of a hard landing and deeper recession intensified. European equities underperformed broader global markets over the month (-6.1%) with fears of an energy crisis lead recession intensifying in the event of Russia reducing the flow of natural gas into the region. With European inflation data coming in stronger than expected, the ECB reiterated its hawkish tone while introducing supportive measures for sovereign periphery yields. The Bank of England hiked rates again, with the Swiss Reserve Bank and Norwegian central bank, Norges Bank, both hiking rates above market expectation.

Asian equities outperformed (-1.6%). Chinese equities were strong (+12.5%) upon the relaxing of COVID-19 restrictions, complimented by supportive government commentary. Japanese equities were down over the month (-3.9%), driven by low industrial production with the Bank of Japan continuing their yield curve control regime to keep monetary policy loose.

Elsewhere, Brent Crude (-6.5% in USD) was down, Gold (-1.6%) was lower, whilst the US Dollar (+2.9%) was stronger.

Key contributors included:

- Consumer Cyclical – Asia/EM cluster, including Trip.com and Yum China. Trip.com reported top-line results exceeding analyst expectations with management also highlighting that airline ticket bookings on its global platforms increased 270% from the corresponding quarter in 2021. Similarly, Yum China

also benefited from lockdowns easing and consumers returning to stores and restaurants during the month.

- Internet/Software – Asia/EM cluster, with Chinese technology stocks rallying during the month as China's leadership vowed to drive economic stimulus and end speculation around the crackdown on internet companies. Online real estate platform KE Holdings benefitted from sell side research upgrades, whilst JD.com surged upon news of a mooted expansion into on-demand food delivery service.
- Healthcare cluster, notably Seagen which surged upon reports that Merck & Co is considering acquiring the remaining stake in the antibody-drug conjugate specialist. Merck & Co also benefitted from the news.

Key detractors included:

- Internet/Software – DM cluster with technology stocks and platform companies, such Meta Platforms, Compass Inc. and Amazon heavily sold-off, detracting from returns.
- Industrials cluster, which saw Siemens declare a write down in the value of its 35% stake in Siemens Energy due to a sharp drop in share price over recent months. Siemens Energy (also held in the portfolio) has issued a number of profit warnings for the division's biggest asset, wind turbine maker Siemens Gamesa Renewable Energy following pandemic related cost inflation for its raw materials and component shortages.
- Oil/Natural Gas cluster, which experienced a pull-back after a period of very strong performance, with portfolio holdings EQT Corporation and Coterra Energy detracting over the month. Our thesis remains in-tact and the portfolio remains overweight energy with a focus on natural gas.

Net performance (%)

| | Fund | Benchmark | Difference |
|----------------|------|-----------|------------|
| 1 month | -5.4 | -4.5 | -1.0 |
| 3 month | -2.3 | -7.9 | 5.6 |
| Year to date | -9.4 | -15.6 | 6.2 |
| 1 year | -6.8 | -8.0 | 1.2 |
| 3 year p.a. | 5.2 | 6.9 | -1.7 |
| 5 year p.a. | 7.2 | 9.4 | -2.2 |
| Inception p.a. | 8.8 | 8.7 | 0.1 |

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. The inception date of the Antipodes Global Fund – Long (Class P) is 1 August 2015. In order to show performance since the fund's inception, the performance for the period 1 July 2015 to 31 July 2015 is derived from Antipodes Global Fund – Long (Class I) and is adjusted to reflect the fees of Class P.

Performance & risk summary¹

| | |
|------------------------------|-------|
| Average net exposure | 89.2% |
| Upside capture ratio | 93 |
| Downside capture ratio | 75 |
| Portfolio standard deviation | 10.9% |
| Benchmark standard deviation | 10.8% |
| Sharpe ratio | 0.85 |

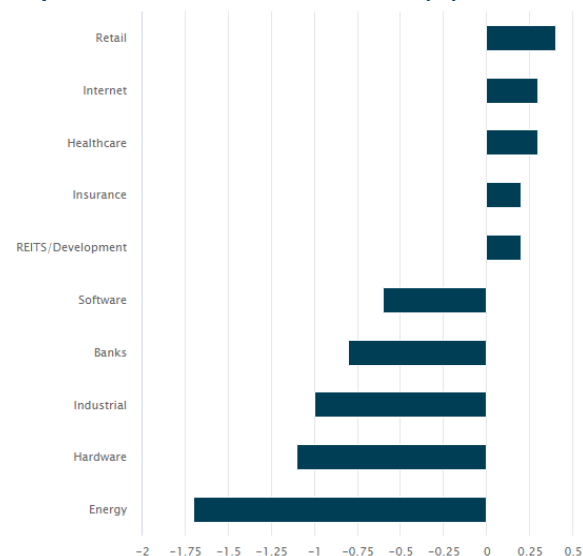
¹ All metrics are based on gross of fee returns in AUD terms. The upside/downside capture ratio is the percentage of benchmark performance captured by the fund during months that the benchmark is up/down. Standard deviation is a measure of risk with a smaller figure indicating lower return volatility. 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 | -5.0% |
| Currency | -0.4% |

² Based on gross returns in AUD

Top & bottom sector contribution^{2,3} (%)



³ Antipodes classification

Fund facts

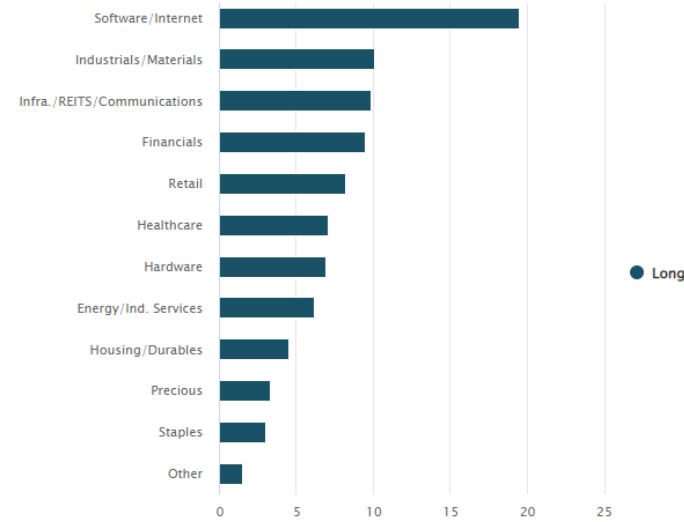
| Characteristics | |
|-----------------------|--|
| Investment manager | Antipodes Partners |
| Inception date | 1 July 2015 |
| Benchmark | MSCI All Country World Net Index in AUD |
| Management fee | 1.20% p.a. |
| Performance fee | 15% of net return in excess of benchmark |
| Buy/Sell spread | ±0.30% |
| Minimum investment | AUD \$25,000 |
| Distribution | Annual, 30 June |
| Asset value | |
| Fund AUM | \$686m |
| Strategy AUM | \$4,135m |
| Unit redemption price | 1.0294 |

Asset allocation⁴

| | Equities - Long | Other - Long |
|-----------------|-----------------|--------------|
| Weight (%) | 89.8 | - |
| Count | 59 | - |
| Avg. weight (%) | 1.5 | - |
| Top 10 (%) | 26.6 | - |
| Top 30 (%) | 62.6 | - |

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

Sector exposure^{4,5} (%)

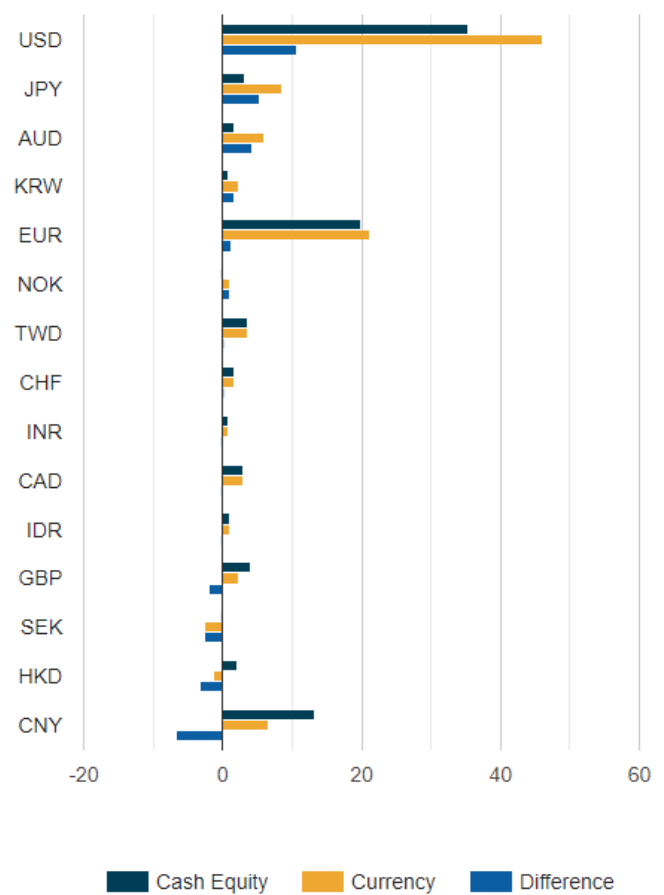


⁵ Antipodes classification

Top 10 equity longs⁴ (%)

| Name | Country | Weight |
|-------------------------|----------------|--------|
| Merck | United States | 3.2 |
| Sanofi | France | 3.0 |
| SAP | Germany | 2.8 |
| Oracle | United States | 2.8 |
| Frontier Communications | United States | 2.7 |
| Meta Platforms | United States | 2.6 |
| Siemens | Germany | 2.6 |
| Microsoft | United States | 2.4 |
| Tesco | United Kingdom | 2.3 |
| Trip.com Group | China/HK | 2.3 |

Currency exposure^{4,6} (%)



⁶ Where possible, regions, countries and currencies classified on a look through basis

Regional exposure^{4,5,6} (%)

| Region | Long |
|------------------------|--------------|
| North America | 38.3 |
| Western Europe | 25.3 |
| - Eurozone | 19.7 |
| - United Kingdom | 4.1 |
| - Rest Western Europe | 1.6 |
| Developing Asia/EM | 17.2 |
| - China/Hong Kong | 15.3 |
| - India | 0.9 |
| - Rest Developing Asia | 1.0 |
| Developed Asia | 7.3 |
| - Korea/Taiwan | 4.2 |
| - Japan | 3.1 |
| Australia | 1.7 |
| Total Equities | 89.8 |
| Cash | 10.2 |
| Totals | 100.0 |

Market cap exposure⁴ (%)

| Band | Weight |
|------------------------|--------|
| Mega (>\$100b) | 31.9 |
| Large (>\$25b <\$100b) | 23.5 |
| Medium (>\$5b <\$25b) | 30.4 |
| Small (<\$5b) | 4.1 |

Investment Manager

- Global 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



Fund features

- Objective to achieve absolute returns in excess of the benchmark over the investment cycle (typically 3-5 years)
- 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

Further information

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Link to [Product Disclosure Statement](#)

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