

Key Takeaways

- Global equities were negative in May in USD terms, however higher in AUD/NZD due to exchange rate impacts, with markets being led by an extremely narrow subset of stocks.
- The largest six US technology stocks have returned roughly 50% over the calendar year to date, compared to the S&P 500 excluding these names returning close to 1%.
- The Antipodes Global Fund underperformed the benchmark over the month, however remains meaningfully ahead of the benchmark over 6 months.

Commentary*

Global equities were down in USD over the month, however higher in AUD/NZD due to exchange rate impacts (+1.0%) with information technology, communication services and consumer discretionary outperforming whilst energy, materials and consumer staples underperformed. US equities were up (+2.7%) driven by a narrow subset of technology stocks. National politics dominated the headlines, highlighted by the US budget debt ceiling negotiations, with a deal finalised in early June. Whilst the focus on US regional banks subsided, the Fed hiked interest rates as expected, though signalled an increased chance of a pause in June. European equities underperformed (-3.9%) largely led by the UK. In addition, commodity prices and China exposed sectors also saw dampened sentiment. The European Central Bank and the Bank of England both hiked rates as expected with the inflation combatting narrative remaining.

Asian equities outperformed broader markets over the month (+1.6%). Chinese equities were weak (-6.0%) with macroeconomic data disappointing and the property market continuing to weigh on sentiment. Japanese equities outperformed globally and regionally (+4.0%) with strong macroeconomic data and continued easing from the Bank of Japan.

Elsewhere, Brent Crude (-8.7% in USD) was weak, Gold (-1.4%) was down, whilst the US Dollar (+2.6%) was up.

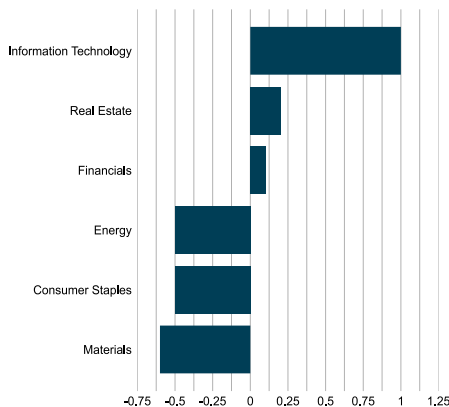
* Illustrative only and not a recommendation to buy or sell any particular security.

Net performance (%)

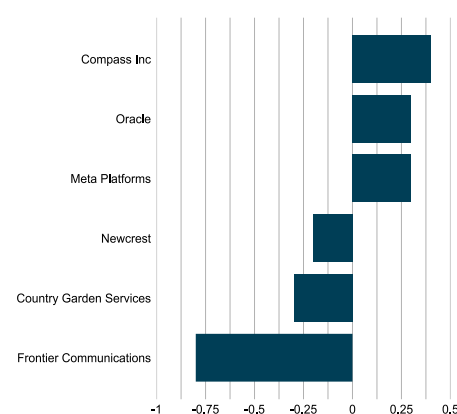
	1 month	3 month	CYTD	1 year	3 year p.a.	5 year p.a.	Inception p.a.
Fund	(1.4)	4.2	11.1	10.8	9.8	6.5	8.8
Benchmark	1.0	7.8	12.8	11.8	11.0	10.2	9.8
Difference	(2.4)	(3.6)	(1.7)	(1.0)	(1.2)	(3.6)	(1.0)

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	Short	Net	Benchmark
Mega (>\$100b)	34.6	-16.6	18.0	48.1
Large (>\$25b <\$100b)	37.9	-5.1	32.8	31.6
Medium (>\$5b <\$25b)	16.1	-4.4	11.7	18.9
Small (<\$5b)	8.6	-2.2	6.4	1.3

Sector exposure² (%)

Sector	Long	Short	Net	Benchmark
Consumer Discretionary	16.0	-3.1	12.9	10.8
Information Technology	15.6	-2.9	12.6	22.1
Financials	13.2	-3.3	9.9	15.3
Health Care	11.6	-1.1	10.4	12.2
Industrials	10.2	-2.2	8.0	10.2
Communication Services	8.9	-1.1	7.8	7.6
Consumer Staples	8.1	-0.2	8.0	7.4
Materials	4.7	-0.5	4.2	4.5
Energy	4.6	0.0	4.6	4.6
Real Estate	2.2	-1.4	0.7	2.4
Utilities	2.2	0.0	2.2	2.8
Other	0.0	-12.4	-12.4	0.0

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

Region	Long	Short	Net	Benchmark
North America	36.8	-17.3	19.4	64.5
Western Europe	33.3	-1.2	32.1	15.9
- Eurozone	24.1	-0.5	23.6	8.1
- United Kingdom	6.1	-	6.1	3.5
- Rest Western Europe	3.2	-0.8	2.4	4.3
Developing Asia/EM	19.6	-3.8	15.8	9.0
- China/Hong Kong	14.1	-0.6	13.5	4.0
- India	0.0	-3.2	-3.2	1.5
- Rest Developing Asia/EM	5.5	-	5.5	3.4
Developed Asia	5.5	-1.4	4.1	8.7
- Korea/Taiwan	3.2	-0.8	2.4	3.1
- Japan	2.3	-0.6	1.7	5.6
Oceania	2.0	-3.2	-1.3	2.0
Other equity	0.0	-1.3	-1.3	0.0
Total Equities	97.2	-28.3	68.9	100.0
Other	0.0	-13.6	-	0.0
Cash	2.8	-	-	0.0
Totals	100.0	-41.9	-	100.0

Top 10 equity longs³ (%)

Name	Country	Weight
Meta Platforms	United States	3.3
Sanofi	France	3.3
Oracle	United States	3.0
Merck	United States	3.0
SAP	Germany	2.7
TotalEnergies	France	2.7
Siemens Energy	Germany	2.6
Siemens	Germany	2.6
Alibaba	China/HK	2.5
Microsoft	United States	2.3

Fund facts

Characteristics	
Investment manager	Antipodes Partners Limited
Inception date	1 July 2015
Benchmark	MSCI All Country World Next Index in AUD
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	\$2,138m
Strategy AUM	\$4,723m
Unit redemption price	1.7736

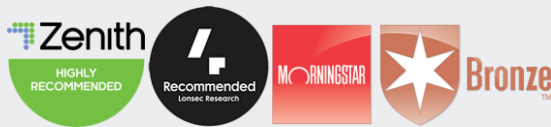
Performance & risk summary⁶

	Portfolio	Benchmark
Standard deviation	9.0%	11.0%
Sharpe ratio	0.98	0.78
Information ratio	0.04	-
Beta	0.57	-
Stock count (long)	72	-
Average net exposure	65.1%	-
Upside capture ratio	71	-
Downside capture ratio	44	-

Fund features

- Objective to achieve absolute returns in excess of the benchmark (after fees) over the investment cycle (typically 3-5 years)
- In the absence of finding securities that meet minimum risk-return criteria, cash may be held
- 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
- 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

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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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