

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 Global Fund underperformed the benchmark over the month, however remains inline over 12 months and ahead over 2 years.

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 overwhelm 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.

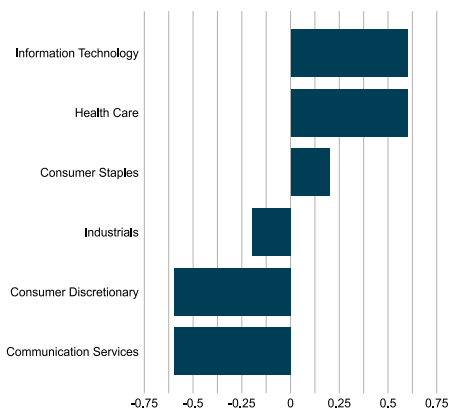
*Illustrative only and not a recommendation to buy or sell any particular security.

Net performance (%)

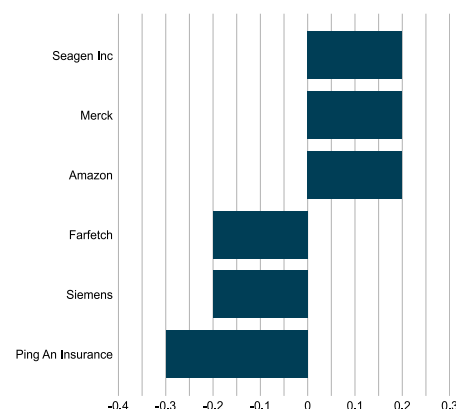
	1 month	3 month	CYTD	1 year	3 year p.a.	5 year p.a.	Inception p.a.
Fund	0.4	2.0	13.4	20.1	10.4	6.0	8.8
Benchmark	1.1	6.5	20.2	20.6	12.1	9.9	10.4
Difference	(0.7)	(4.5)	(6.8)	(0.5)	(1.6)	(3.9)	(1.6)

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)	35.7	-14.1	21.6	49.6
Large (>\$25b <\$100b)	42.3	-5.7	36.6	31.1
Medium (>\$5b <\$25b)	17.7	-6.4	11.4	18.2
Small (<\$5b)	5.8	-1.4	4.4	1.2

Sector exposure^{4,5} (%)

Sector	Long	Short	Net	Benchmark
Consumer Discretionary	17.2	-2.3	14.9	11.3
Financials	14.6	-3.2	11.4	15.4
Information Technology	14.5	-3.5	11.0	22.1
Health Care	12.2	-1.7	10.5	11.8
Communication Services	10.0	-1.0	9.0	7.5
Industrials	8.9	-3.2	5.7	10.4
Consumer Staples	8.1	-0.3	7.8	7.1
Materials	5.1	-0.6	4.5	4.5
Energy	4.7	0.0	4.7	4.9
Utilities	3.7	0.0	3.7	2.6
Real Estate	2.5	-2.0	0.4	2.3
Other	0.0	-9.7	-9.7	0.0

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

Region	Long	Short	Net	Benchmark
North America	40.1	-16.9	23.3	65.5
Western Europe	36.7	-0.9	35.7	15.4
- Eurozone	25.9	-0.3	25.6	7.9
- United Kingdom	7.3	-	7.3	3.3
- Rest Western Europe	3.5	-0.7	2.8	4.1
Developing Asia/EM	19.1	-2.3	16.8	8.8
- China/Hong Kong	13.7	-0.6	13.1	3.9
- India	0.0	-1.8	-1.8	1.5
- Rest Developing Asia/EM	5.5	-	5.5	3.4
Developed Asia	4.6	-2.5	2.1	8.3
- Korea/Taiwan	3.1	-0.2	2.9	2.8
- Japan	1.5	-2.3	-0.8	5.5
Oceania	1.0	-3.8	-2.8	1.9
Total Equities	101.5	-26.5	75.0	100.0
Other	0.0	-14.4	-	0.0
Cash	-1.5	-	-	0.0
Totals	100.0	-40.9	-	100.0

Top 10 equity longs³ (%)

Name	Country	Weight
Merck	United States	3.7
Sanofi	France	3.4
TotalEnergies	France	3.0
Alibaba	China/HK	2.9
Baidu	China/HK	2.7
Amazon.com	United States	2.7
Oracle	United States	2.6
Tesco	United Kingdom	2.6
Meta Platforms	United States	2.5
Siemens	Germany	2.4

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	\$2,040m
Strategy AUM	\$4,680m
Unit redemption price	1.7660

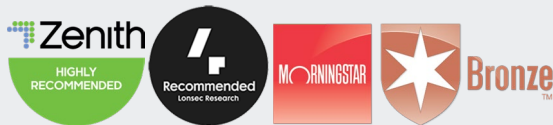
Performance & risk summary⁶

	Portfolio	Benchmark
Standard deviation	8.9%	10.8%
Sharpe ratio	0.98	0.82
Information ratio	0.03	-
Beta	0.57	-
Stock count (long)	68	-
Average net exposure	65.0%	-
Upside capture ratio	70	-
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

- 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 United
Kingdom

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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