

Commentary

Global Equities were up in October (+1.1%) with Consumer Discretionary, Information Technology, Energy and Financial sectors outperforming, whilst Communications Services, Consumer Staples, Materials and Healthcare underperformed. US equities were strong (+2.9%) with solid corporate earnings, the US Treasury debt ceiling issue kicked into December, and previous worries such as inflation and Chinese regulation and Evergrande contagion dissipating, whilst European equities were up (+0.5%) also on good earnings and dispelled fears, but with a surging Gas price as a headwind.

Asian equities were down (-4.2%) with Chinese equities underperforming (-1.2%) with macro data disappointing overall. Japan underperformed (-7.1%) with an election overhang for most of the month.

Elsewhere, Brent Crude (+7.5% in USD) continued to rally, while Gold (+1.5%) was up and the US Dollar (DXY -0.11%) was slightly down.

Key contributors included:

- Infrastructure/Property - Developed Markets, notably Electricite de France (EDF) and Frontier Communications. EDF reacted positively on the back president Macron's announcement of intention the French government's co-investment commitment alongside EDF in the development small modular nuclear reactors by 2030. Frontier Communications benefitted from the signing of a multi-year strategic agreement with AT&T to bring fiber-optic connectivity to customers outside AT&T's current footprint.
- Microsoft, in the Internet/Software - Developed Markets cluster, which delivered higher than expected 1Q22 results driven by strong revenue

performance in its cloud, server, and Office businesses in the September quarter.

- Merck, in the Healthcare cluster, which delivered strong 3Q21 results, whereby the company flagged a growing early stage development pipeline and disclosure of supply and purchase commitments with several governments on its oral COVID antiviral drug, Molnupiravir.

Key detractors included:

- Industrials cluster, notably Airbus and Toyota. Amid a broader rotation away from cyclicals upon further delta variant disruptions, Airbus reported a 19% drop in third-quarter operating profit and hinted at difficulties receiving parts on time, leading to a flattening of 3Q deliveries. Similarly, there were temporary impacts around Toyota's ability to fulfil CY21 production targets given the ongoing concerns around chip shortages.
- Trip.com, within the Consumer Cyclical - Asia/Emerging Markets cluster detracted as new Covid cases emerged in a number of Chinese provinces after the Golden Week holiday, pointing to a further disruption to local travel.
- Facebook (Meta Platforms Inc.), within the Internet/Software - Developed Markets cluster, which suffered negative press when a former Facebook employee accused the company of putting profits over safety, before later in the month announcing a corporate rebranding, to Meta Platforms, in an effort to better encompass the company's reach beyond social media platforms.
- Short positioning in Internet/Software - Developed Market cluster, which acted as a headwind in rising markets.

Net performance (%)

	Fund	Benchmark	Difference
1 month	-1.1	1.1	-2.2
3 month	1.1	1.1	0.0
Year to date	9.9	20.0	-10.1
1 year	17.7	28.3	-10.7
3 year p.a.	6.1	15.2	-9.1
5 year p.a.	8.9	15.0	-6.1
Inception p.a.	9.3	11.8	-2.5

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.

Performance & risk summary¹

Average net exposure	64.8%
Upside capture ratio	73
Downside capture ratio	53
Portfolio standard deviation	8.6%
Benchmark standard deviation	10.6%
Sharpe ratio	1.10

¹All 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	0.7%
Short	-1.0%
Currency	-0.8%

²Based on gross returns in AUD

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



³Antipodes 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	\$3,083m
Strategy AUM	\$5,979m
Unit redemption price	1.7822

Asset allocation⁴

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (%)	96.5	-	-17.4	-8.5
Count	60	-	36	5
Avg. weight (%)	1.6	-	-0.5	-1.7
Top 10 (%)	30.1	-	-11.0	-
Top 30 (%)	70.4	-	-16.7	-

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

Sector exposure^{4,5} (%)

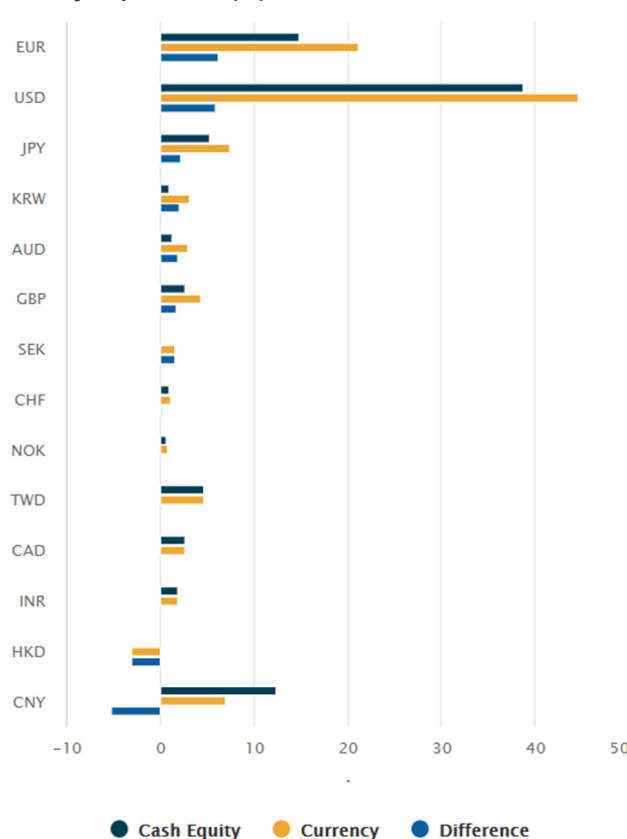


⁵ Antipodes classification

Top 10 equity longs⁴ (%)

Name	Country	Weight
Microsoft	United States	3.9
Meta Platforms	United States	3.4
Siemens	Germany	3.3
Tencent	China/HK	3.1
Frontier Communications Parent	United States	3.1
Sanofi	France	2.9
Teck Resources	Canada	2.6
Tesco	United Kingdom	2.6
Taiwan Semiconductor	Taiwan	2.6
Merck	United States	2.6

Currency exposure^{4,6} (%)



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

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

Region	Long	Short	Net
North America	44.7	-11.6	33.1
Western Europe	25.5	-0.7	24.8
- Eurozone	19.6	-0.7	18.9
- United Kingdom	4.3	-	4.3
- Rest Western Europe	1.6	-	1.6
Developing Asia/EM	14.1	-0.8	13.3
- China/Hong Kong	12.3	-0.8	11.5
- India	1.8	-	1.8
Developed Asia	10.9	-1.3	9.6
- Korea/Taiwan	5.7	-	5.7
- Japan	5.2	-1.3	3.9
Australia	1.3	-	1.3
Other equity	-	-3.0	-3.0
Total Equities	96.5	-17.4	79.1
Other	-	-8.5	-
Cash	3.5	-	-
Totals	100.0	-25.8	-

Market cap exposure⁴ (%)

Band	Long	Short	Net
Mega (>\$100b)	48.6	-10.2	38.4
Large (>\$25b <\$100b)	26.1	-4.7	21.4
Medium (>\$5b <\$25b)	19.1	-1.6	17.5
Small (<\$5b)	2.7	-0.9	1.8

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 features

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

Fund Ratings



Further information

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