

Commentary

Global equities were down in February (-5.4%) with Materials, Energy, Utilities and Consumer Staples outperforming, whilst Communication Services, Consumer Discretionary and Information Technology underperformed. US equities underperformed (-5.8%) as fears relating to Russia's invasion of Ukraine took hold. This coincided with concerns earlier in the month that central banks remained acutely focused on managing inflation and the potential this could have on growth. European equities were also down (-5.6%) on similar concerns, with regard to geopolitical tensions and central bank policy.

Relative to global equities, Asian equities outperformed (-4.8%) with Chinese equities also outperforming (-4.1%) with an expansive Manufacturing PMI. Japan also outperformed within the region (-4.0%).

Elsewhere, Brent Crude (+10.7% in USD) and Gold (+6.2%) rallied due to geopolitical tensions and the US Dollar (+0.2%) was up.

Key contributors included:

- Materials cluster, notably Teck Resources and Nutrien Ltd. Teck Resources reported strong earnings, exceeding market estimates with the diversified miner reporting profit increases on metallurgical (steel-making) coal, copper and zinc operations, reflective of demand surges and higher prices globally. Later in the month, the board of directors approved an amended dividend policy, increasing the base dividend and authorising the repurchase of up to US\$100m of subordinate voting shares in 2022. Nutrien Ltd. pushed higher over the month as the market viewed the Russian invasion of Ukraine as a possible disruption to the global supply of potash and nitrogen crop nutrients, key agricultural fertiliser components.
- Tail Risk cluster, including Newcrest and Northrop Grumman. Newcrest benefitted from higher gold prices and the perceived nature as a safe-haven asset amidst geopolitical tension. Additionally, the miner revised its mineral resource and ore reserve estimates, reporting gold ore reserves increased by 10%. Later in the month, Newcrest confirmed final approval to acquire the remaining stake in Canadian company, Pretium Resources. Aerospace and defence technology company Northrop Grumman benefitted from analyst

Net performance (%)

	Fund	Benchmark	Difference
1 month	-4.7	-5.4	0.7
3 month	-1.3	-5.9	4.6
Year to date	-1.8	-7.2	5.4
1 year	8.1	15.0	-6.9
3 year p.a.	6.9	12.7	-5.7
5 year p.a.	8.2	12.7	-4.5
Inception p.a.	8.9	10.7	-1.9

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	64.9%
Upside capture ratio	72
Downside capture ratio	50
Portfolio standard deviation	8.7%
Benchmark standard deviation	10.7%
Sharpe ratio	1.07

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	-4.2%
Short	-0.1%
Currency	-0.3%

² Based on gross returns in AUD

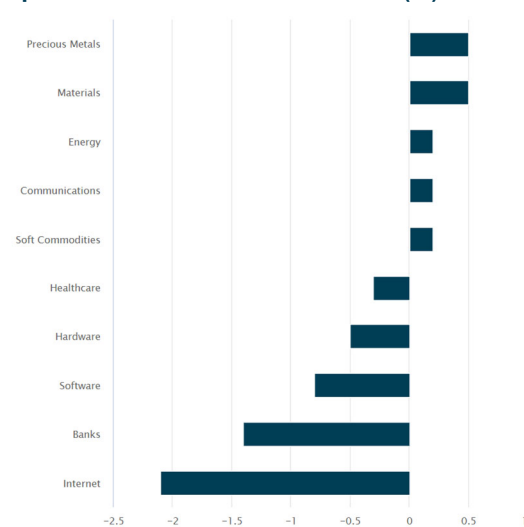
predictions of higher global defence spending in response to the conflict in Eastern Europe.

- Infrastructure cluster, notably T-Mobile rallied after reporting strong 4Q21 earnings, significantly exceeding analyst expectations, reflective of post-paid net customer additions of 1.8 million in Q4 2021. Additionally, T-Mobile detailed its rapidly expanding 5G footprint in the US which currently covers 310 million people, of which 210 million are covered by Ultra Capacity 5G.

Key detractors included:

- Internet Software – Developed Markets cluster, notably Meta Platforms which reported weaker than expected earnings in early February 2022, casting doubt over market estimates of future growth prospects. This was coupled with privacy initiatives from Google with respect to Android hardware and broader data sharing disputes in Europe. Our thesis remains intact, and we view current valuations as attractive given the strength of the company's business, earnings growth profile and the runway of opportunities to increase monetisation.
- Consumer Cyclical – Developed Markets cluster including ING Groep and UniCredit with the market reacting to the Russian exposure of many European banks. Russia/Ukraine exposure comprises less than 3% of UniCredit's loan book and equity, and around 0.2% of ING's loan book and equity. Despite the geopolitical uncertainty, we view the market reaction as disproportionate relative to exposure and against the strong capital positions of both companies.
- Internet Software – Asia/Emerging Markets cluster, notably Tencent which came under pressure amid regulatory scrutiny on the metaverse, with the China Banking and Insurance Regulatory Commission comments highlighting false metaverse projects, cryptocurrency-related frauds, and over-hyping of metaverse real estate, despite not specifically highlighting Tencent directly. Tencent highlighted its metaverse ambitions in the group's latest earnings conference in November 2021.

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



³ Antipodes classification

Fund facts

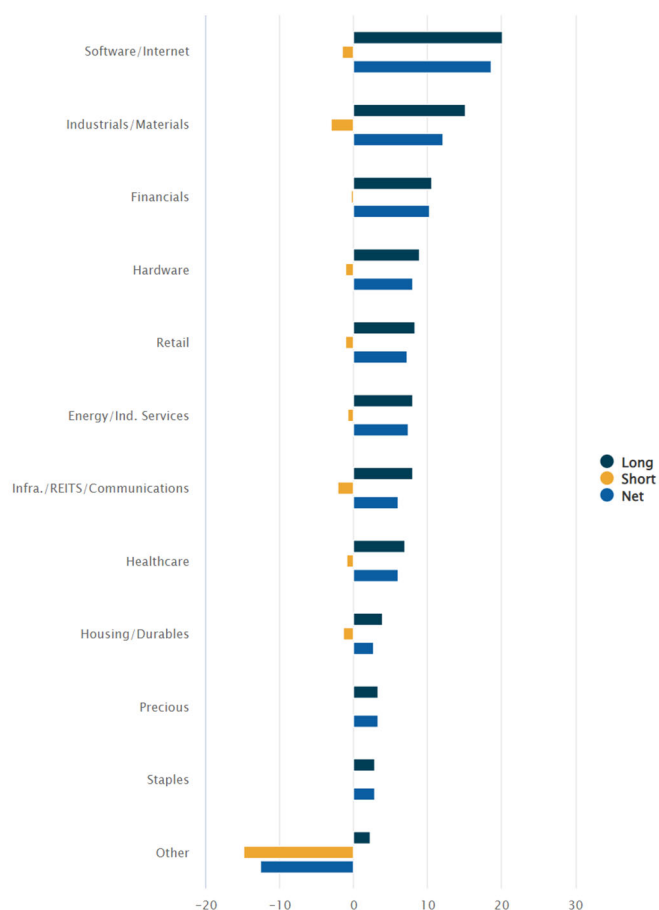
Characteristics	
Investment manager	Antipodes Partners
Inception date	1 July 2015
Benchmark	MSCI All Country World Net Index in AUD
Management fee	1.20% p.a.
Performance fee	15% of net return in excess of benchmark
Buy/Sell spread	±0.30%
Minimum investment	AUD \$25,000
Distribution	Annual, 30 June
Asset value	
Fund AUM	\$2.874m
Strategy AUM	\$5.201m
Unit redemption price	1.7855

Asset allocation⁴

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (%)	98.9	0.4	-26.9	-9.5
Count	62	2	38	7
Avg. weight (%)	1.6	0.2	-0.7	-1.4
Top 10 (%)	27.9	-	-17.0	-
Top 30 (%)	69.3	-	-25.2	-

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

Sector exposure^{4,5} (%)

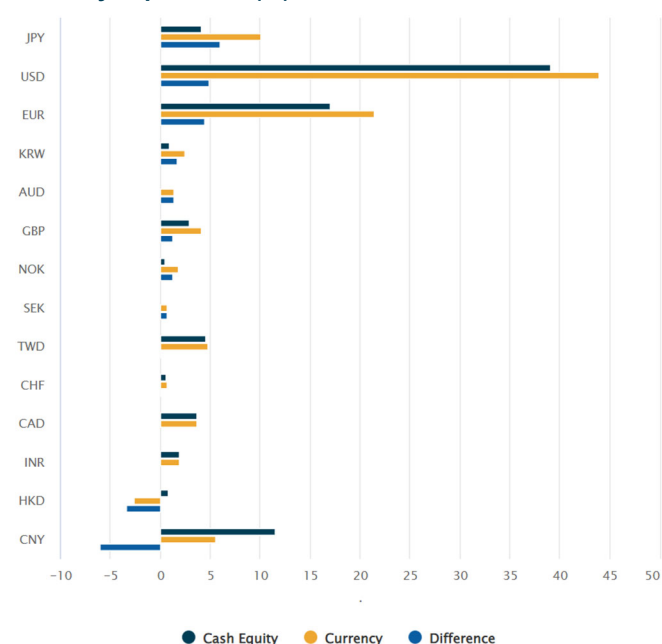


⁵ Antipodes classification

Top 10 equity longs⁴ (%)

Name	Country	Weight
Coterra Energy	United States	3.0
Sanofi	France	3.0
Frontier Communications Parent	United States	3.0
Tesco	United Kingdom	2.9
Microsoft	United States	2.8
Siemens	Germany	2.7
Teck Resources	Canada	2.7
Taiwan Semiconductor	Taiwan	2.7
Exxon Mobil	United States	2.6
Meta Platforms	United States	2.5

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	45.2	-17.2	28.1
Western Europe	26.8	-2.8	24.0
- Eurozone	21.1	-2.4	18.7
- United Kingdom	4.6	-	4.6
- Rest Western Europe	1.1	-0.4	0.7
Developing Asia/EM	15.0	-0.8	14.2
- China/Hong Kong	13.1	-0.3	12.7
- India	1.9	-0.5	1.5
Developed Asia	9.6	-1.4	8.1
- Korea/Taiwan	5.5	-	5.5
- Japan	4.1	-1.4	2.7
Australia	2.3	-1.2	1.1
Other equity	-	-3.4	-3.4
Total Equities	98.9	-26.9	72.1
Other	0.4	-9.5	-
Cash	0.6	-	-
Totals	100.0	-36.4	-

Market cap exposure⁴ (%)

Band	Long	Short	Net
Mega (>\$100b)	43.3	-16.7	26.6
Large (>\$25b <\$100b)	27.1	-6.3	20.8
Medium (>\$5b <\$25b)	26.3	-3.4	22.9
Small (<\$5b)	2.3	-0.5	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 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 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

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