

Commentary

Following Russia's invasion of Ukraine, global assets sought safety, with the AUD and NZD's lower perceived geopolitical risk and rhetoric around central bank tightening leading to a strong appreciation in March (AUD +3.0%), (NZD +2.6%). Global equities rebounded (+2.2% in USD, but -1.3% in AUD) with Energy, Utilities, Healthcare and Materials outperforming, whilst Consumer Staples, Communication Services, Financials and Consumer Discretionary underperformed. US equities outperformed broader global markets (0.0%), maintaining distance from geopolitical risks and reporting strong employment data. European equities underperformed (-3.5%) due to geopolitical risks and resulting inflation.

Asian equities underperformed broader global markets (-5.3%) with Chinese equities the major underperformer (-11.4%). This stemmed from poor macro data and China's zero COVID-19 policy resulting in major regional lockdowns. Japan underperformed (-3.9%) as the Yen depreciated and the Bank of Japan indicated the potential to intervene and provide future assistance.

Elsewhere, Brent Crude (+6.9% in USD) and Gold (+1.5%) were up and the US Dollar (+1.7%) was strong.

Key contributors included:

- Oil/Natural Gas cluster, notably EQT Corp and Coterra contributed to portfolio performance in March fuelled by the recent surge in commodity prices amid Russian supply disruptions, with both companies benefitting from the renewed demand outlook for US gas exports.
- Teck Resources within the Materials cluster, continued to benefit from strong investor sentiment around the release of the company's 4Q21 results in February in addition to sell side analyst upgrades during the month as a consequence of surging demand for metallurgical (steel-making) coal and record high copper prices.
- Tail Risk cluster including Gold as well as miners Newcrest and Barrick contributed to the portfolio over the month as geopolitical tension played on investor sentiment, with gold benefitting as a perceived safe haven.

Net performance (%)

	Fund	Benchmark	Difference
1 month	-5.5	-1.3	-4.2
3 month	-7.2	-8.4	1.2
Year to date	-7.2	-8.4	1.2
1 year	-3.1	8.8	-11.9
3 year p.a.	5.1	11.7	-6.5
5 year p.a.	6.0	12.0	-6.0
Inception p.a.	7.9	10.4	-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	64.9%
Upside capture ratio	72
Downside capture ratio	56
Portfolio standard deviation	9.0%
Benchmark standard deviation	10.7%
Sharpe ratio	0.93

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	-3.9%
Short	-0.9%
Currency	-0.6%

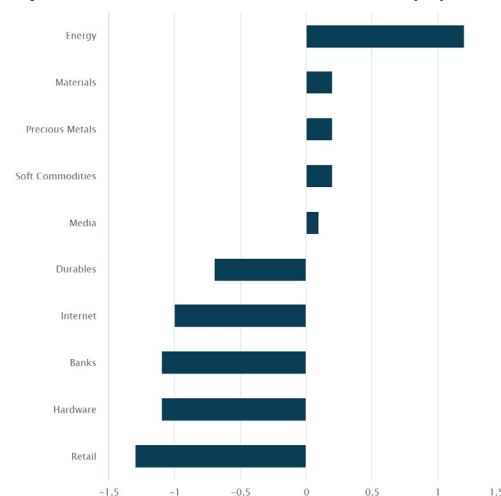
² Based on gross returns in AUD

- Internet/Software – Developed Markets cluster including Meta Platforms and Oracle. Investor sentiment turned positive for Meta over the month, following the notable sell-off in February after weaker than expected earnings. The rebound is in line with Antipodes' thesis, Meta Platforms' core assets (Facebook, Instagram, WhatsApp and Messenger) remain dominant with a long runway of monetisation. Oracle reported 3Q22 results broadly in line with expectations, with the stock initially declining before rebounding and finishing the month higher. Oracle's relationships with TikTok and in the healthcare sector also remain a source of investor encouragement.

Key detractors included:

- Internet/Software – Asia/EM cluster, including JD.com, Tencent and KE Holdings. Upon releasing results which were in line with analyst expectations, JD.com and Tencent revealed slowing revenue growth in a challenging year for Chinese internet companies. Fears of slowing economic growth, continued regulatory impacts and prospective delisting announcements continue to weigh heavily on investor sentiment. Antipodes remains broadly constructive on China exposures with policy rhetoric shifting and commentary from senior Chinese policy makers recently turning more constructive towards supporting the economy.
- Consumer Cyclical – Developed Markets cluster including ING Groep and UniCredit with sentiment continuing to remain depressed in reaction to European banks Russian exposure. Despite the geopolitical uncertainty, we view the market reaction as disproportionate relative to exposure and against the strong capital positions of both companies.
- Hardware cluster, including Mediatek which saw investor profit taking in March after a period of strong performance. The shift in sentiment was also explained by recent negative datapoints and media reports indicating weaker Chinese domestic handset volume numbers in February. There has been no change to Antipodes' thesis, noting Mediatek's resilient growth and margin outlook are multifaceted, and include market share gains from the ongoing transitions to 5G, growth of other wireless cycles such as wifi, and other businesses lines outside of handset hardware.
- Additionally, short positioning within the Industrials cluster detracted over the month.

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

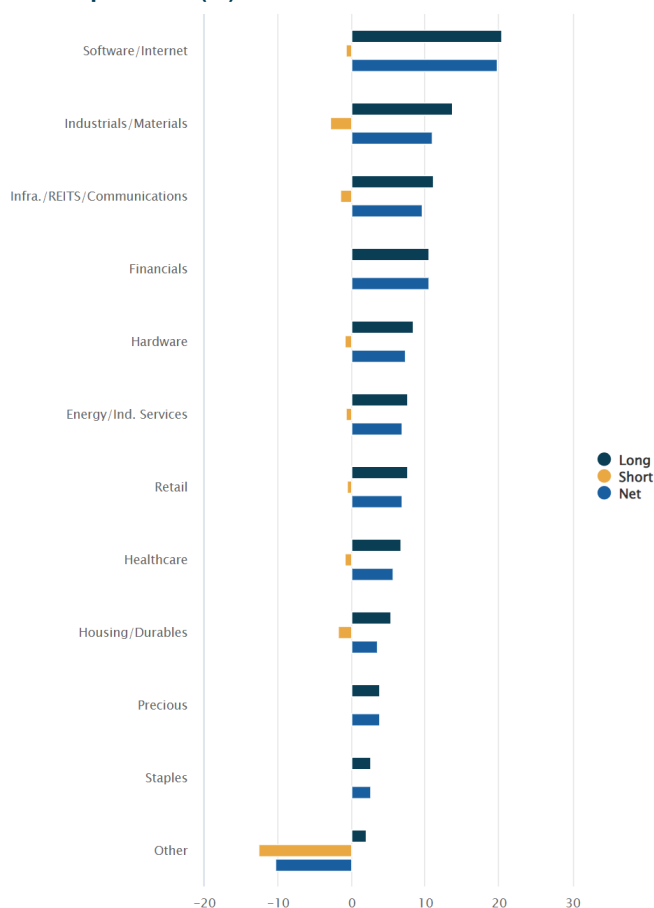
Asset value	
Fund AUM	\$2.698m
Strategy AUM	\$4.901m
Unit redemption price	1.6880

Asset allocation⁴

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (%)	100.1	-	-22.4	-9.6
Count	65	-	34	4
Avg. weight (%)	1.5	-	-0.7	-2.4
Top 10 (%)	28.8	-	-15.3	-
Top 30 (%)	69.7	-	-22.0	-

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

Sector exposure^{4,5} (%)

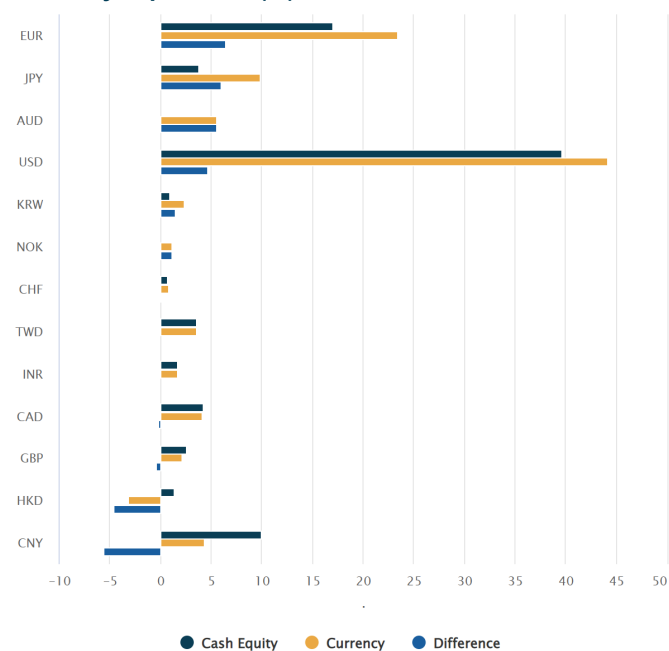


⁵ Antipodes classification

Top 10 equity longs⁴ (%)

Name	Country	Weight
EQT	United States	3.2
Frontier Communications Parent	United States	2.9
Coterra Energy	United States	2.9
Sanofi	France	2.9
Siemens	Germany	2.9
Microsoft	United States	2.8
Teck Resources	Canada	2.8
SAP	Germany	2.8
Oracle	United States	2.8
Merck	United States	2.7

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	48.5	-13.8	34.8
Western Europe	26.5	-1.3	25.2
- Eurozone	21.5	-0.8	20.6
- United Kingdom	4.3	-	4.3
- Rest Western Europe	0.7	-0.5	0.3
Developing Asia/EM	14.5	-1.5	13.0
- China/Hong Kong	12.8	-	12.8
- India	1.7	-1.5	0.2
Developed Asia	8.3	-1.3	7.0
- Korea/Taiwan	4.5	-	4.5
- Japan	3.8	-1.3	2.5
Australia	2.3	-0.9	1.4
Other equity	-	-3.6	-3.6
Total Equities	100.1	-22.4	77.7
Other	-	-9.6	-
Cash	-0.1	-	-
Totals	100.0	-32.0	-

Market cap exposure⁴ (%)

Band	Long	Short	Net
Mega (>\$100b)	36.4	-13.6	22.8
Large (>\$25b <\$100b)	30.2	-5.2	25.0
Medium (>\$5b <\$25b)	29.2	-3.0	26.1
Small (<\$5b)	4.3	-0.5	3.8

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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Link to [Product Disclosure Statement](#)

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