

Commentary

Global equities were positive in May as strong US inflationary data was countered with below expected employment data (+1.7%). Cyclical sectors such as Financials, Energy and Materials were strong while Consumer discretionary was the laggard.

Asia (+1.1%) was stable as Japan (+2.5%) outperformed due to an accelerating COVID-19 vaccine rollout program. Chinese equities (+1.8%) were positive despite regulators cracking down on commodity prices, while the People's Bank of China (PBOC) increased FX reserve requirements to control the appreciating Yuan.

US equities (+0.6%) were stable as the cyclical Financials, Energy and Materials sectors lead. Europe (+4.5%) outperformed as the rollout for COVID-19 vaccinations accelerated.

Elsewhere, both Brent Crude (+4.6% in USD) and Gold (+7.8% in USD) continued their rally with the weaker USD (DXY -1.6%).

Key contributors included:

- Consumer Defensive, notably Li Ning which hit new all-time highs amidst the ongoing backlash against western sportswear brands due to the boycott of Xinjiang cotton, and Wuliangye as demand for the premium baijiu continues to grow, further fuelled by the higher price point of a supply constrained competitor.

Net performance (%)

	Fund	Benchmark	Difference
1 month	0.6	1.0	-0.4
3 month	-0.7	1.1	-1.8
Year to date	6.2	6.2	0.0
1 year	29.8	29.9	-0.1
3 year p.a.	10.8	9.6	1.2
5 year p.a.	13.2	13.6	-0.4
Inception p.a.	10.8	9.6	1.2
Inception	83.6	72.2	11.4

Past performance is not a reliable indicator of future performance. Returns are quoted in AUD and net of applicable fees, costs and taxes

Performance & risk summary¹

Average net exposure	74.0%
Upside capture ratio	79
Downside capture ratio	36
Portfolio standard deviation	8.9%
Benchmark standard deviation	11.0%
Sharpe ratio	1.25

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	0.8%
Short	0.0%
Currency	-0.1%

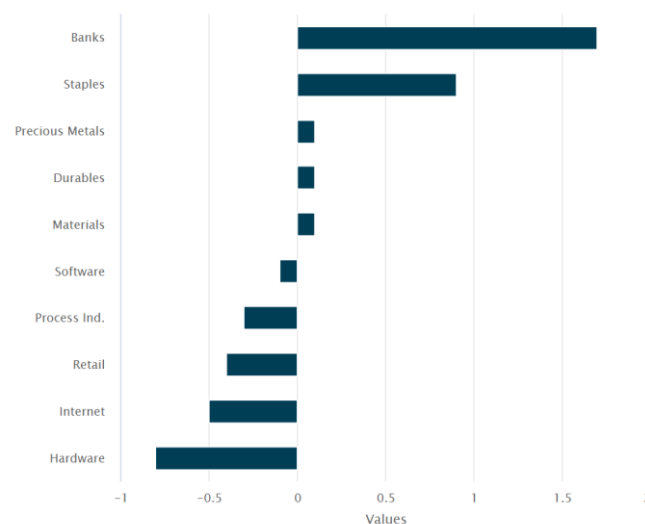
⁴ Based on gross returns in AUD

- Consumer Cyclical, notably HDFC Bank, China Merchant's Bank, ICICI Bank and KB Financial reflecting better than expected outcomes on asset quality during COVID-19 and a robust outlook as these economies continue to reopen. Trip.com reported better than expected results while also signalling that Chinese domestic hotel and air ticket volumes have fully recovered.

Key detractors included:

- Software/Internet cluster, notably Chinese internet names PDD, Kuaishou and Alibaba as regulatory concerns continue to weigh despite strong growth prospects across these platforms. MercadoLibre also underperformed despite reporting results that highlighted strong underlying trends in e-commerce and fintech.
- Hardware cluster notably MediaTek amidst weakness in handset demand in China and India, and memory names SK Hynix and Samsung as the market digested the immediate impacts of inventory overorders.
- LG Chem (Industrials cluster), as the announcement of a provision to replace a limited range of overheating energy storage system (ESS) batteries weighed.
- TAL Education (Consumer Defensive cluster), as investor sentiment towards online education names waned amidst the ongoing prospect of regulatory changes in the industry.

Top & bottom sector contribution³ (%)



³ Antipodes classification

Fund facts

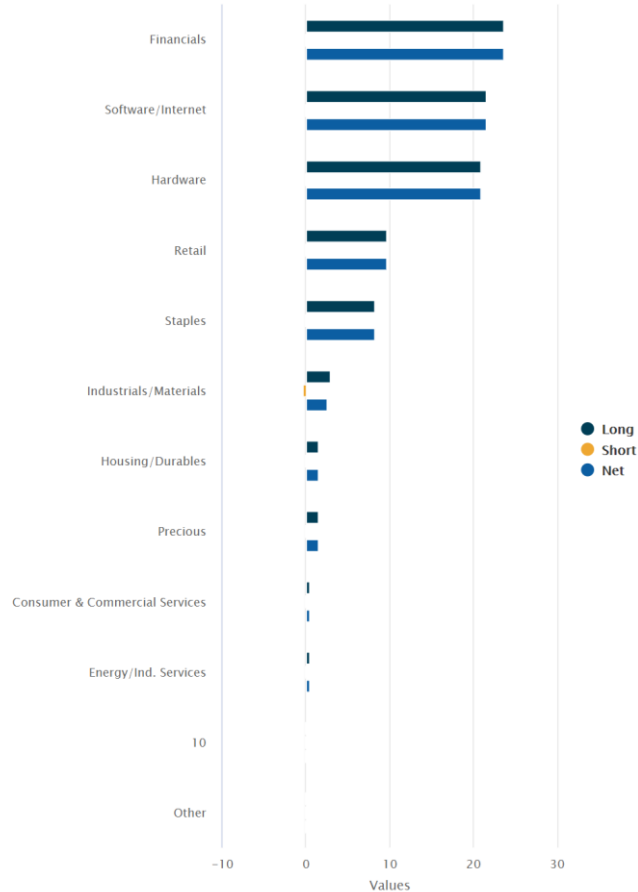
Characteristics	
Investment manager	Antipodes Partners
Inception date	1 July 2015
Benchmark	MSCI All Country Asia ex Japan Net Index in AUD
Management fee	1.20% p.a.
Performance fee	15% of net return in excess of benchmark
Buy/Sell spread	±0.30%
Minimum investment	AUD \$25,000
Distribution	Annual, 30 June
Asset value	
Fund AUM	\$91m
Strategy AUM	\$99m
Unit redemption price	1.5626

Asset allocation⁴

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (%)	91.0	-	-0.3	-
Count	36	-	1	-
Avg. weight (%)	2.5	-	-0.3	-
Top 10 (%)	51.0	-	-	-
Top 30 (%)	88.5	-	-	-

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

Sector exposure^{4,5} (%)

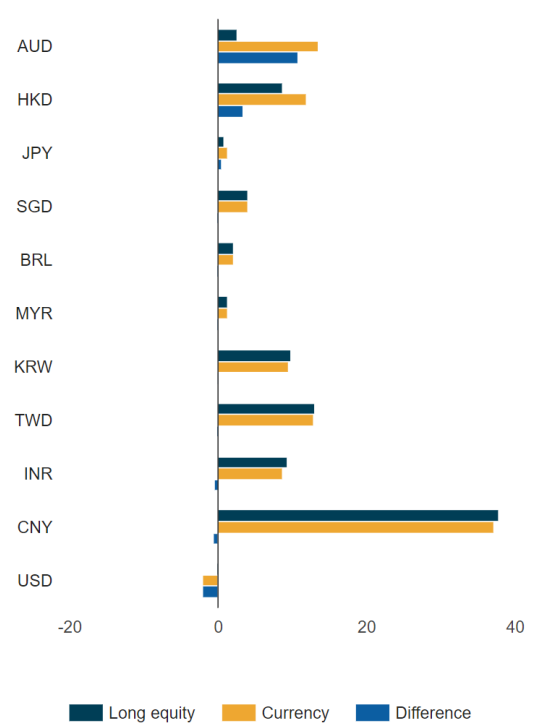


⁵ Antipodes classification

Top 10 equity longs⁴ (%)

Name	Country	Weight
Taiwan Semiconductor	Taiwan	8.4
Tencent	China/HK	8.2
Meituan	China/HK	5.2
HDFC Bank	India	5.2
MediaTek	Taiwan	4.6
Sea Ltd.	Singapore	4.0
Samsung Electronics	Korea	3.9
Wuliangye Yibin	China/HK	3.9
Li Ning	China/HK	3.8
Trip.com Group	China/HK	3.7

Currency exposure^{4,5} (%)



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

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

Region	Long	Short	Net
Developing Asia	61.0	-	61.0
- China/Hong Kong	46.4	-	46.4
- India	9.2	-	9.2
- Rest Developing Asia	5.4	-	5.4
Developed Asia	23.5	-	23.5
- Korea/Taiwan	22.7	-	22.7
- Japan	0.8	-	0.8
Australia	4.5	-0.3	4.2
Rest of World	2.1	-	2.1
Total Equities	91.0	-0.3	90.8
Cash	9.0	-	-
Totals	100.0	-0.3	-

Market cap exposure⁴ (%)

Band	Long	Short	Net
Mega (>\$100b)	52.4	0.0	52.4
Large (>\$25b <\$100b)	24.9	-0.3	24.7
Medium (>\$5b <\$25b)	11.7	0.0	11.7
Small (<\$5b)	2.0	0.0	2.0

Investment Manager

- Global and Asian 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)
- The fund may invest in companies that are listed:
 - On Asian share markets
 - On global share markets and which derive >65% of their revenues from Asia
 - In Japan (maximum 30% net exposure)
 - In Oceania and non-Asian emerging markets (maximum 15% net exposure)
- In the absence of finding securities that meet minimum risk-return criteria, cash may be held
- Flexibility to hedge for risk management purposes:
- 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

Further information

☎ 1300 010 311

✉ invest@antipodespartners.com

Australia Head Office

Antipodes Partners Limited
Level 35, 60 Margaret St
Sydney NSW 2000
Australia

UK Office

Antipodes Partners Limited
6th Floor, Nova North
11 Bressenden Place
London SW1E 5BY UK

Disclaimer

The Zenith Investment Partners ("Zenith") Australian Financial Services License No. 226872 rating (assigned November 2018) referred to in this document is limited to "General Advice" (as defined by the Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of, and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Zenith usually charges the product issuer, fund manager or a related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessment's and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>. The Lonsec Ratings (assigned April 2019) presented in this document are published by Lonsec Research Pty Ltd ABN 11 151 658 561 AFSL 421445. The Ratings are limited to "General Advice" (as defined in the Corporations Act 2001 (Cth)) and based solely on consideration of the investment merits of the financial products. Past performance information is for illustrative purposes only and is not indicative of future performance. They are not a recommendation to purchase, sell or hold Antipodes products, and you should seek independent financial advice before investing in these products. The Ratings are subject to change without notice and Lonsec assumes no obligation to update the relevant documents following publication. Lonsec receives a fee from the Fund Manager for researching the products using comprehensive and objective criteria. For further information regarding Lonsec's Ratings methodology, please refer to our website at: <http://www.beyond.lonsec.com.au/research-solutions/our-ratings>. Pinnacle Fund Services Limited ('PFSL') (ABN 29 082 494 362, AFSL 238371) is the product issuer of Antipodes Asia Fund (ARSN 096 451 393), "the Fund". The issuer is not licensed to provide financial product advice. You should consider the Product Disclosure Statement (PDS) in its entirety before making an investment decision. The current PDS of the Fund can be found on www.antipodespartners.com. Antipodes Partners Limited ('Antipodes') ABN 29 602 042 035, AFSL 481580 is the investment manager of the Fund. Whilst Antipodes and PFSL believe the information contained in this communication is based on reliable information, no warranty is given as to its accuracy and persons relying on this information do so at their own risk. Subject to any liability which cannot be excluded under the relevant laws, Antipodes and PFSL disclaim all liability to any person relying on the information contained in this communication in respect of any loss or damage (including consequential loss or damage), however caused, which may be suffered or arise directly or indirectly in respect of such information. Any opinions and forecasts reflect the judgment and assumptions of Antipodes and its representatives on the basis of information at the date of publication and may later change without notice. This communication is for general information only. The information is not intended as a securities recommendation or statement of opinion intended to influence a person or persons in making a decision in relation to investment. This communication has been prepared without taking account of any person's objectives, financial situation or needs. Past performance is not a reliable indicator of future performance. Options exposure represents the market downside. For put options (typically used to limit potential downside) delta-adjusted exposure is used and for call options (typically used to capture potential upside) exposure is calculated using the current option value. Unless otherwise specified, all amounts are in Australian Dollars (AUD). Unauthorised use, copying, distribution, replication, posting, transmitting, publication, display, or reproduction in whole or in part of the information contained in this communication is prohibited without obtaining prior written permission from Antipodes.