

## Commentary

Global equity strength continued in June (+4.1%) led by the Technology and Energy sectors, while Materials and Financials underperformed. US equities (+5.5%) outperformed amidst the continuation of friendly policy from the US Federal Reserve despite the emergence of more hawkish tones. European equities underperformed (+1.1%) as the continent continued to catchup with its vaccination rollout.

Asian equities were stable (+3.0%) with Japan (+1.7%) underperforming, while Chinese equities were positive despite their continued regulation on internet names and commodity prices (+3.4%).

Elsewhere, Brent Crude (+10.8% in USD) continued its rally, while Gold underperformed (-7.2% in USD) and the US Dollar (DXY +2.9%) was stronger driven by the US macroeconomic backdrop.

Key contributors included:

- Software/Internet - Developed Markets cluster, notably Microsoft amidst continued strength in the company's cloud services business, Facebook as a US federal court dismissed the Federal Trade Commission's antitrust lawsuit, and Roku as they announced a record two-week streaming period from the launch of original content.
- Software/Internet - Asia/Emerging Markets cluster, notably Meituan after reporting strong growth in food delivery, supporting its dominant market

status. JD.com experienced an increase in sales from the prior year from the 618 shopping festival in China with over 80% of new users coming from lower tier cities.

- Healthcare cluster, notably Merck following the presentation of impressive data at a medical conference (ASCO), supporting its oncology therapy pipeline, and as major pharmaceutical stocks rebounded after a period of underperformance.
- Exxon, in our Energy cluster, continued its upward trajectory in tandem with rallying crude oil prices and increased investor confidence in de-risking the long term strategy following the successful election of new board directors with specialisations in decarbonisation.

Key detractors included:

- Consumer Cyclical - Asia/EM cluster including Trip.com after a brief resurgence of COVID-19 cases in the Guangdong region in China raised concerns of delays to the establishment of travel bubbles. Financials, including KB Financial, underperformed as the consensus on rising rates was challenged after bonds rallied on concerns that the recovery trade may not be as linear as expected.
- Volkswagen in the Industrials cluster after a sustained period of outperformance over the prior two quarters.
- Newcrest Mining on the weakness in gold.

## Net performance (%)

	Fund	Benchmark	Difference
1 month	1.1	4.5	-3.4
3 month	3.3	9.0	-5.6
Year to date	12.0	15.4	-3.4
1 year	28.5	27.7	0.8
3 year p.a.	8.9	14.0	-5.1
5 year p.a.	13.7	14.4	-0.7
Inception p.a.	11.6	11.8	-0.1

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

## Performance & risk summary<sup>1</sup>

Average net exposure	88.4%
Upside capture ratio	98
Downside capture ratio	82
Portfolio standard deviation	11.0%
Benchmark standard deviation	10.7%
Sharpe ratio	1.07

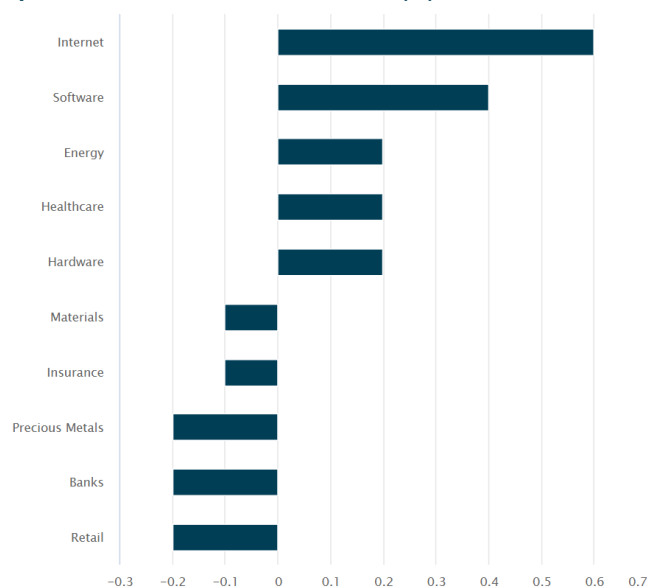
<sup>1</sup>All metrics are based on gross of fee returns in AUD terms. The upside/downside capture ratio is the percentage of benchmark performance captured by the fund during months that the benchmark is up/down. Standard deviation is a measure of risk with a smaller figure indicating lower return 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 contribution<sup>2</sup> (%)

	1 month
Long	1.2%
Currency	0.0%

<sup>2</sup> Based on gross returns in AUD

## Top & bottom sector contribution<sup>2,4</sup> (%)



<sup>5</sup> Antipodes classification

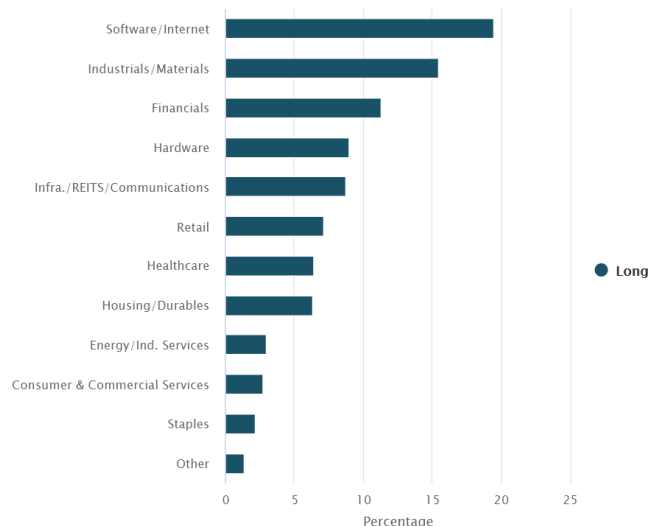
## Fund facts

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	\$1,104m
Strategy AUM	\$3,061m
Unit redemption price	1.3186

Asset allocation<sup>3</sup>

	Equities - Long	Other - Long
Weight (%)	93.3	-
Count	59	-
Avg. weight (%)	1.6	-
Top 10 (%)	28.2	-
Top 30 (%)	66.6	-

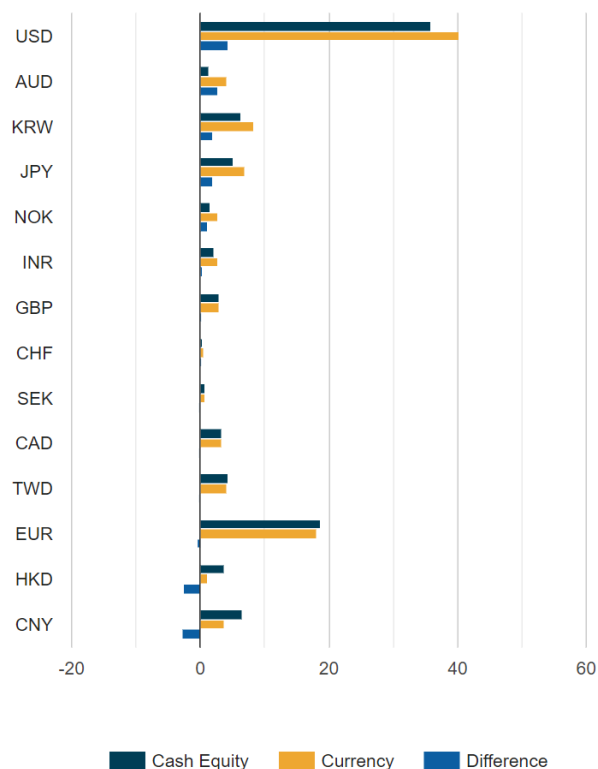
<sup>3</sup>Call (put) options represented as the current option value (delta adjusted exposure)

Sector exposure<sup>3,4</sup> (%)

<sup>4</sup> Antipodes classification

Top 10 equity longs<sup>3</sup> (%)

Name	Country	Weight
Facebook	United States	4.5
Siemens	Germany	3.5
Microsoft	United States	3.4
Samsung Electronics	Korea	2.6
Tencent	China/HK	2.6
ING Groep	Netherlands	2.5
Taiwan Semiconductor	Taiwan	2.3
Exxon Mobil	United States	2.3
General Electric	United States	2.2
Merck	United States	2.2

Currency exposure<sup>3,5</sup> (%)

<sup>5</sup> Where possible, regions, countries and currencies classified on a look through basis

Regional exposure<sup>3,4,5</sup> (%)

Region	Long
North America	39.2
Western Europe	24.5
- Eurozone	18.7
- United Kingdom	3.0
- Rest Western Europe	2.8
Developed Asia	15.7
- Korea/Taiwan	10.6
- Japan	5.1
Developing Asia	12.5
- China/Hong Kong	10.3
- India	2.2
Australia	1.4
<b>Total Equities</b>	<b>93.3</b>
Cash	6.7
<b>Totals</b>	<b>100.0</b>

Market cap exposure<sup>3</sup> (%)

Band	Weight
Mega (>\$100b)	51.5
Large (>\$25b <\$100b)	19.7
Medium (>\$5b <\$25b)	20.2
Small (<\$5b)	1.9

## 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)
- In the absence of finding individual securities that meet minimum risk-return criteria, cash may be held to maximum 25%
- Flexibility to hedge for risk management purposes:
  - Currency exposure of the underlying stock position (net short currency position not permitted)
  - Equity market exposure via exchange traded derivatives (limited to 10% of NAV)
  - Leverage not permitted

## Fund Ratings



## Further information

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