Antipodes Global Fund - Long

ARSN 118 075 764 APIR WHT0057AU

MONTHLY REPORT | **30 November 2022**

Key Takeaways

- **November saw US headline CPI print below expectations for the first time since July, however the Fed rhetoric around bringing inflation to target levels remained unchanged.**
- **The month also saw a meaningful shift in policy in China with a pivot away from COVID-zero and increasing support for the property sector.**
- **The Antipodes Global Fund – Long outperformed the benchmark over the month, and remains ahead over the calendar-year-to-date.**

Commentary*

Global equities were higher in November (+2.9%) with materials, industrials and financials outperforming whilst energy, healthcare, information technology and consumer discretionary underperformed.

US equities underperformed broader global markets (+0.6%) despite the Fed hiking in line with consensus, as expectation for future hikes softened following slightly weaker CPI and slowing economic data. European equities outperformed (+6.3%) despite the ECB and Bank of England hiking in line with expectations, with concerns relating to natural gas stores subsiding and further details on fiscal support addressing energy shortages released.

Asian equities were strong over the month (+10.2%), particularly Chinese equities (+15.8%) following the announcement of policy changes relaxing COVID-zero restrictions, with further easing expected. Positive sentiment in China was furthered by the Peoples Bank of China easing monetary policy and the announcement of further support for the property sector. Japanese equities were higher (+4.7%) as the Bank of Japan continued loose monetary policy while defending the Yen, this is despite signs of inflation marginally increasing.

Elsewhere, Brent Crude (-9.9% in USD) was weak, Gold (+8.3%) was strong, whilst the US Dollar (-5.0%) was weak.

Key contributors included:

- Consumer Cyclical Asia/EM cluster, notably Chinese property linked holdings Country Garden Services Holdings and Longfor Group which pushed meaningfully higher over the month as the government expanded the govt-backed bond financing programme and removed the restriction to property developers accessing funds from presales. This was supported by further announcements allowing listed property companies to engage in share issuance, mergers and acquisitions, reorganizations and refinancing via non-public offerings.
- Internet Software – Asia/EM cluster, notably e-commerce platforms JD.com and Alibaba as the Chinese government outlined a pivot in its COVID-zero stance, with a relaxation of restrictions likely to boost consumer confidence and signalling the potential for a wider reopening. JD.com also reported earnings which met analyst expectations, with net quarterly revenue rising 11% year-on-year.
- Siemens within the Industrials cluster gained on expectation of higher margins from factory automation equipment and software products next year as orders during fiscal 2022 climbed 17%. Order backlogs have risen to a record €102 billion highlighting strong demand for Siemens' portfolio of automation, digitalization, sustainability and energy efficiency solutions.
- Consumer Defensive – DM cluster, notably Richemont which reported 1H23 results with revenue up 24%, as the company experienced double-digit growth in all regions except for Asia-Pacific. Operating profits also increased 26%, exceeding analyst expectations.

Key detractors included:

- PagSeguro Digital within the Consumer Cyclical - Asia/EM cluster, whereby the Brazilian fintech issued weaker than expected fourth quarter guidance, with concerns increasing that the impact of higher rates will hold back earnings into 2023.
- Internet/Software (DM), notably Lyft which sold-off despite posting record revenue figures, with investors concerned Lyft's miss on earnings estimates is driven by a broader slowdown in consumer spending.

* Illustrative only and not a recommendation to buy or sell any particular security.

Net performance (%)

	Fund	Benchmark	Difference
1 month	6.7	2.9	3.8
3 month	7.5	5.8	1.7
Year to date	-2.8	-7.7	4.9
1 year	-2.2	-6.4	4.2
3 year p.a.	6.0	7.0	-1.0
5 year p.a.	6.3	9.1	-2.8
Inception p.a.	9.3	9.5	-0.2

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. The inception date of the Antipodes Global Fund – Long (Class P) is 1 August 2015. In order to show performance since the fund's inception, the performance for the period 1 July 2015 to 31 July 2015 is derived from Antipodes Global Fund – Long (Class I) and is adjusted to reflect the fees of Class P.

Performance & risk summary[1]

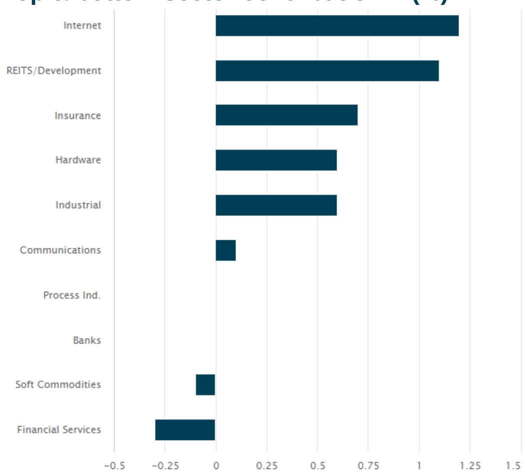
Average net exposure	89.3%
Upside capture ratio	92
Downside capture ratio	75
Portfolio standard deviation	11.0%
Benchmark standard deviation	11.0%
Sharpe ratio	0.88

Performance contribution[2] (%)

	1 month
Long	6.9%
Currency	-0.1%

[2] Based on gross returns in AUD

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
Risk/Return profile	High
Buy/Sell spread	±0.30%
Minimum investment	AUD $25,000
Distribution	Annual, 30 June
Asset value	
Fund AUM	$553m
Strategy AUM	$5,046m
Unit redemption price	1.0253

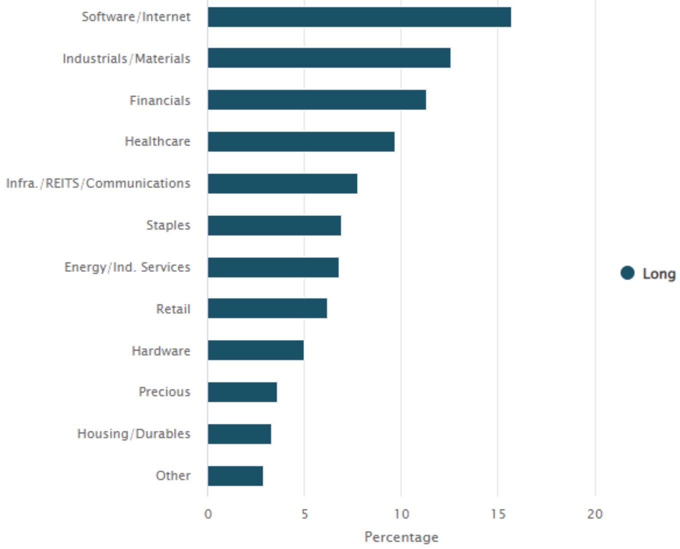
[1] All metrics are based on gross of fee returns in AUD terms. The upside/downside capture ratio is the percentage of benchmark performance captured by the fund during months that the benchmark is up/down. Standard deviation is a measure of risk with a smaller figure indicating lower return volatility.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

Asset allocation[4]

	Equities - Long	Other - Long
Weight (%)	91.7	-
Count	70	-
Avg. weight (%)	1.3	-
Top 10 (%)	25.8	-
Top 30 (%)	59.0	-

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

Sector exposure[4,5] (%)

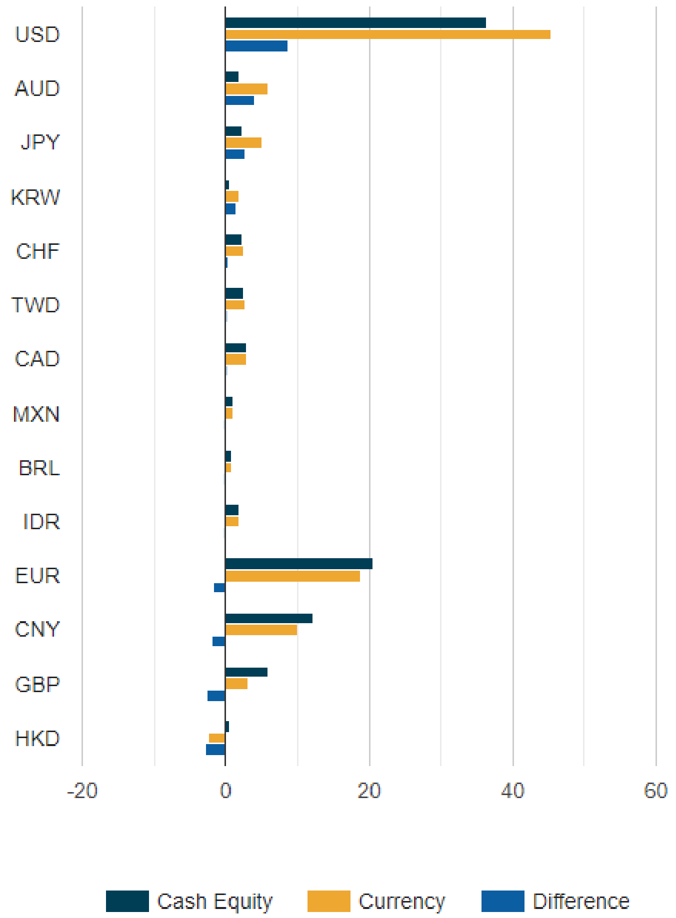


[5] Antipodes classification

Top 10 equity longs[4] (%)

Name	Country	Weight
Merck	United States	3.2
Sanofi	France	2.8
Siemens	Germany	2.8
Oracle	United States	2.7
TotalEnergies	France	2.7
Frontier Communications	United States	2.7
SAP	Germany	2.6
Ping An Insurance	China/HK	2.2
Northrop Grumman	United States	2.1
Tesco	United Kingdom	2.0

Currency exposure[4,6] (%)



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

Regional exposure[4,5,6] (%)

Region	Long	Benchmark
North America	**39.5**	**64.8**
Western Europe	**28.6**	**15.4**
- Eurozone	20.6	7.0
- United Kingdom	5.9	3.5
- Rest Western Europe	2.2	4.8
Developing Asia/EM	**16.3**	**9.5**
- China/Hong Kong	12.6	4.3
- Rest Developing Asia/EM	3.7	5.2
Developed Asia	**5.4**	**8.2**
- Korea/Taiwan	3.1	2.9
- Japan	2.3	5.3
Australia	**1.9**	**2.1**
Total Equities	**91.7**	**100.0**
Cash	**8.3**	**0.0**
Totals	**100.0**	**100.0**

Market cap exposure[4] (%)

Band	Weight
Mega (>$100b)	35.2
Large (>$25b <$100b)	28.5
Medium (>$5b <$25b)	22.9
Small (<$5b)	5.1

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 (after fees) 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
- This product is likely to be appropriate for a consumer seeking capital growth to be used as a small allocation within a portfolio where the consumer has a minimum investment timeframe of 5 years, and a high risk/return profile.

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

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Link to Product Disclosure Statement

Link to Target Market Determination

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Antipodes Global Fund – Long (Class P) received a Morningstar Analyst Rating™ of 'Bronze' on 22 April 2022.