

## Key Takeaways

- Global equities were up in February, despite expectations of higher peak interest rates following resilient economic data from a number of developed economies.
- Asian equities were weaker over the month, with some profit taking after the recent rally in China, in addition to rising geopolitical tensions.
- The Antipodes Global Fund – Long outperformed the benchmark over the month, and remains meaningfully ahead over 12 months.

## Commentary\*

Global equities were down in USD over the month, however higher in AUD/NZD due to exchange rate impacts (+1.5%), with information technology, industrials and financials outperforming and materials, utilities and communication services underperformed.

US equities outperformed broader global equities (+1.9%) with the month beginning with expectations that central banks were nearing the end of the hiking cycle. Resilient economic data, however, caused this narrative to shift, pricing in higher peak interest rates across developed economies, with yields moving higher and equities moving lower. European equities outperformed (+3.8%) despite evidence of strong macroeconomic data and repricing of future central bank rate decisions. The region benefitted from further falls in gas prices, discussions of decarbonisation funding stimulus and flow-on benefits from re-opening in China.

Asian equities underperformed broader markets over the month (-1.5%). Chinese equities were down (-3.7%) as a result of increasing geopolitical tensions and some profit taking after the recent rally. Japanese equities underperformed (+0.5%) as a surprise candidate emerged to lead the Bank of Japan, with the view that monetary policy tightening may be increasingly likely.

Elsewhere, Brent Crude (-2.3% in USD) was lower, Gold (-5.3%) was weak, whilst the US Dollar (+2.7%) was stronger.

Key contributors included:

- Internet/Software - DM cluster, namely Meta Platforms with the platform exceeding analyst estimates in the company's fourth-quarter earnings. CEO Mark

Zuckerberg alluded to further efficiencies which may include streamlining Meta's workforce and further cost cutting.

- Consumer Cyclical – DM cluster, including UniCredit which continued higher after posting a record quarterly and pledging to return €5.25billion in capital to shareholders.
- Healthcare cluster, notably Seagen after the biopharmaceutical company reported 2022 full-year and fourth-quarter results exceeding estimates. Further, the company provided CY23 guidance indicating a revenue uplift of 9.5% on 2022. Later in the month, Seagen surged on reports Pfizer is potentially looking to acquire the company.
- Industrials cluster, including Stellantis NV after the automaker posted a better-than-expected annual profit, leading to the announcement of a buyback.

Key detractors included:

- Consumer Cyclical – Asia/EM cluster including Country Garden Services and Ping An Insurance which saw profit taking after a strong rally to start the year. Country Garden Services was also impacted by weaker January property data as a result of the Chinese New Year period.
- Internet/Software – Asia/EM, including Alibaba with the platform selling off amid rising geopolitical tensions, led by offshore sellers.
- Tail Risk cluster, including Barrick Gold after reporting mixed fourth quarter earnings with a beat on earnings-per-share however a miss on revenue expectations. The miner also announced a buyback of up to US\$1bn worth of stock over the next 12 months.

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

## Net performance (%)

	Fund	Benchmark	Difference
1 month	1.6	1.5	0.1
3 month	5.3	-0.7	6.0
Year to date	7.2	4.7	2.5
1 year	5.6	-1.3	6.9
3 year p.a.	8.0	7.2	0.8
5 year p.a.	6.9	8.9	-2.0
Inception p.a.	9.7	9.1	0.6

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<sup>1</sup>

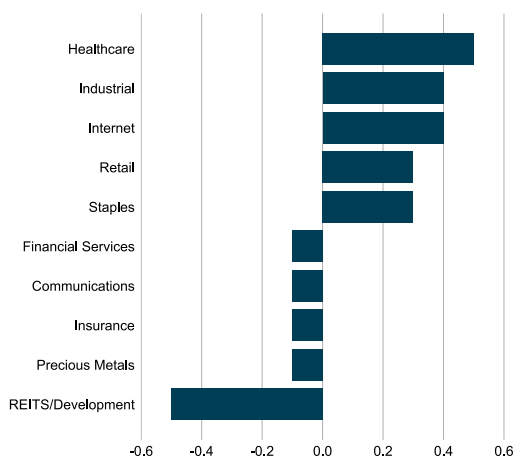
Average net exposure	89.4%
Upside capture ratio	94
Downside capture ratio	72
Portfolio standard deviation	11.0%
Benchmark standard deviation	11.1%
Sharpe ratio	0.91

## Performance contribution<sup>2</sup> (%)

	1 month
Long	1.5%
Currency	0.1%

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

## Top & bottom sector contribution<sup>2,3</sup> (%)



<sup>3</sup> Antipodes classification

## Fund facts

Characteristics	
Investment manager	Antipodes Partners
Inception date	1 July 2015
Benchmark	MSCI All Country World Next 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	\$583m
Strategy AUM	\$5,247m
Unit redemption price	1.0794

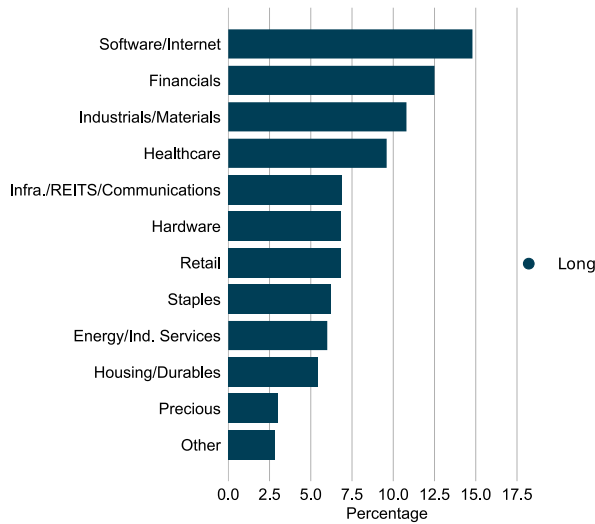
<sup>1</sup> All metrics are based on gross of fee returns in AUD terms. The upside/downside capture ratio is the percentage of benchmark performance captured by the fund during months that the benchmark is up/down. Standard deviation is a measure of risk with a smaller figure indicating lower return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

Asset allocation<sup>4</sup>

	Equities - Long	Other - Long
Weight (%)	91.6	-
Count	70.0	-
Avg. weight (%)	1.3	-
Top 10 (%)	26.5	-
Top 30 (%)	59.2	-

<sup>4</sup> Call (put) options represented as the current option value (delta adjusted exposure)

Sector exposure<sup>4,5</sup> (%)

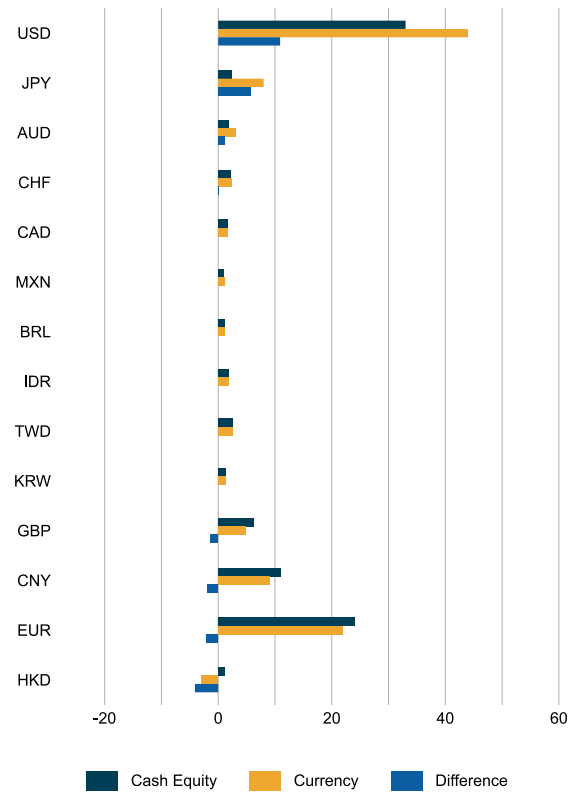


<sup>5</sup> Antipodes classification

Top 10 equity longs<sup>4</sup> (%)

Name	Country	Weight
TotalEnergies	France	3.0
Sanofi	France	2.9
Merck	United States	2.8
Siemens	Germany	2.7
Meta Platforms	United States	2.6
Frontier Communications	United States	2.6
Oracle	United States	2.6
SAP	Germany	2.6
Siemens Energy	Germany	2.5
Baidu	China/HK	2.1

Currency exposure<sup>4,6</sup> (%)



<sup>6</sup> Where possible, regions, countries and currencies classified on a look through basis

Regional exposure<sup>4,5,6</sup> (%)

Region	Long	Benchmark
<b>North America</b>	<b>34.7</b>	<b>63.5</b>
<b>Western Europe</b>	<b>32.5</b>	<b>16.5</b>
- Eurozone	24.0	8.4
- United Kingdom	6.2	3.7
- Rest Western Europe	2.2	4.4
<b>Developing Asia/EM</b>	<b>16.4</b>	<b>9.5</b>
- China/Hong Kong	12.2	4.6
- Rest Developing Asia/EM	4.1	4.9
<b>Developed Asia</b>	<b>6.2</b>	<b>8.4</b>
- Korea/Taiwan	3.9	2.9
- Japan	2.3	5.4
<b>Australia</b>	<b>1.9</b>	<b>2.2</b>
<b>Total Equities</b>	<b>91.6</b>	<b>100.0</b>
<b>Cash</b>	<b>8.4</b>	<b>0.0</b>
<b>Totals</b>	<b>100.0</b>	<b>100.0</b>

Market cap exposure<sup>4</sup> (%)

Band	Weight
Mega (>\$100b)	33.3
Large (>\$25b <\$100b)	33.3
Medium (>\$5b <\$25b)	20.2
Small (<\$5b)	4.8

### 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 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 high risk/return profile.

### Further information

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Link to [Product Disclosure Statement](#)

Link to [Target Market Determination](#)

For historic TMD's please contact Pinnacle client service Phone 1300 010 311 or Email [service@pinnacleinvestment.com](mailto:service@pinnacleinvestment.com)

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