

Key Takeaways

- Global equities were negative in May in USD terms, however higher in AUD/NZD due to exchange rate impacts, with markets being led by an extremely narrow subset of stocks.
- The largest six US technology stocks have returned roughly 50% over the calendar year to date, compared to the S&P 500 excluding these names returning close to 1%.
- The Antipodes Global Fund – Long underperformed the benchmark over the month, however remains ahead over 12 months.

Commentary*

Global equities were down in USD over the month, however higher in AUD/NZD due to exchange rate impacts (+1.0%) with information technology, communication services and consumer discretionary outperforming whilst energy, materials and consumer staples underperformed. US equities were up (+2.7%) driven by a narrow subset of technology stocks. National politics dominated the headlines, highlighted by the US budget debt ceiling negotiations, with a deal finalised in early June. Whilst the focus on US regional banks subsided, the Fed hiked interest rates as expected, though signalled an increased chance of a pause in June. European equities underperformed (-3.9%) largely led by the UK. In addition, commodity prices and China exposed sectors also saw dampened sentiment. The European Central Bank and the Bank of England both hiked rates as expected with the inflation combatting narrative remaining.

Asian equities outperformed broader markets over the month (+1.6%). Chinese equities were weak (-6.0%) with macroeconomic data disappointing and the property market continuing to weigh on sentiment. Japanese equities outperformed globally and regionally (+4.0%) with strong macroeconomic data and continued easing from the Bank of Japan.

Elsewhere, Brent Crude (-8.7% in USD) was weak, Gold (-1.4%) was down, whilst the US Dollar (+2.6%) was up.

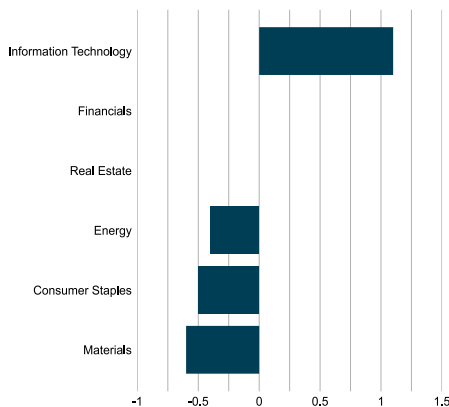
* Illustrative only and not a recommendation to buy or sell any particular security.

Net performance (%)

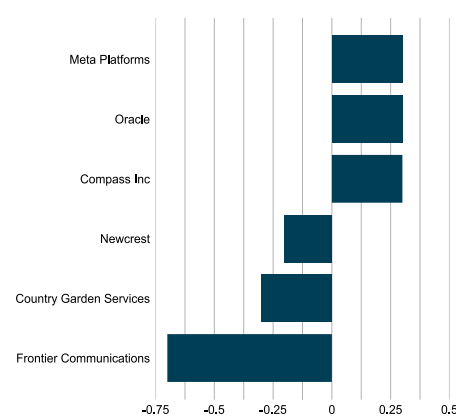
	1 month	3 month	CYTD	1 year	3 year p.a.	5 year p.a.	Inception p.a.
Fund	(1.1)	5.2	12.8	12.3	12.3	7.9	10.1
Benchmark	1.0	7.8	12.8	11.8	11.0	10.2	9.8
Difference	(2.1)	(2.6)	(0.1)	0.5	1.3	(2.2)	0.3

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.

Top & bottom sector contribution^{1,2} (%)



Top & bottom stock contribution (%)



Market cap exposure³ (%)

Band	Weight	Benchmark
Mega (>\$100b)	31.6	48.1
Large (>\$25b <\$100b)	35.8	31.6
Medium (>\$5b <\$25b)	15.3	18.9
Small (<\$5b)	7.2	1.3

Sector exposure² (%)

Sector	Long	Benchmark
Information Technology	15.3	22.1
Consumer Discretionary	14.1	10.8
Financials	12.1	15.3
Health Care	11.2	12.2
Industrials	9.6	10.2
Consumer Staples	7.7	7.4
Communication Services	6.9	7.6
Materials	4.9	4.5
Energy	3.8	4.6
Utilities	2.6	2.8
Real Estate	1.8	2.4

Regional exposure^{3,4,5} (%)

Region	Long	Benchmark
North America	35.7	64.5
Western Europe	31.2	15.9
- Eurozone	22.7	8.1
- United Kingdom	5.8	3.5
- Rest Western Europe	2.7	4.3
Developing Asia/EM	15.6	9.0
- China/Hong Kong	10.7	4.0
- Rest Developing Asia/EM	4.9	4.9
Developed Asia	5.3	8.7
- Korea/Taiwan	3.1	3.1
- Japan	2.3	5.6
Australia	2.0	2.0
Total Equities	89.9	100.0
Cash	10.1	0.0
Totals	100.0	100.0

Top 10 equity longs³ (%)

Name	Country	Weight
Meta Platforms	United States	3.2
Sanofi	France	3.1
Oracle	United States	3.0
Merck	United States	2.9
SAP	Germany	2.7
Siemens Energy	Germany	2.6
Siemens	Germany	2.5
Microsoft	United States	2.3
TotalEnergies	France	2.3
Alibaba	China/HK	2.3

Fund facts

Characteristics	
Investment manager	Antipodes Partners Limited
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	\$25,000
Distributions	Annual, 30 June
Asset value	
Fund AUM	\$621m
Strategy AUM	\$5,316m
Unit redemption price	1.1355

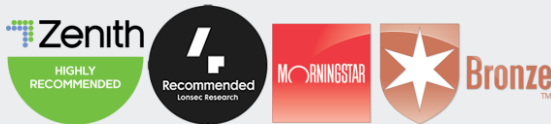
Performance & risk summary⁶

	Portfolio	Benchmark
Standard deviation	10.9%	11.0%
Sharpe ratio	0.94	0.78
Information ratio	0.29	-
Beta	0.84	-
Stock count (long)	68	-
Average net exposure	89.4%	-
Upside capture ratio	92	-
Downside capture ratio	72	-

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 use as a small allocation within a portfolio where the consumer has a minimum investment timeframe of 5 years, and high risk/return profile

Fund ratings



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
Suite 823
125 Old Broad Street
London EC2N 1AR UK

1 Based on gross returns in AUD

2 GICS classification

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

4 Antipodes classification

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

6 All metrics are based on gross of fee returns in AUD terms since inception. 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.

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