Antipodes Global Fund - Long

ARSN 118 075 764 APIR WHT0057AU

MONTHLY REPORT | **31 May 2021**

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.

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.

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.

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:

- Industrials, notably automakers VW and Toyota as the recovery in auto demand continues to take shape despite global semiconductor shortages. Toyota also reporting strong FY results while forecasting 30% unit growth in its electrified vehicles in 2022. GE and Airbus were also notable performers as the global economic recovery improved the outlook for travel, as was Teck Resources with continued strength in base metal prices.
- Consumer Cyclicals, notably Financials ING, HDFC Bank and KB Financial reflecting better than expected outcomes on asset quality during COVID-19 and a robust outlook as these economies continue to re-open. Trip.com reported better than expected results while also signalling that Chinese domestic hotel and air ticketing have fully recovered.
- KT Corp in Infrastructure/Property - Asia/EM after reporting strong results supported by growth in both 5G subscribers and revenues from the artificial intelligence and digital transformation business. KT also participated in a large capital increase by an associate company Kbank (a rapidly growing online bank).

Key detractors included:

- Hardware, notably MediaTek and Qorvo amidst weakness in handset demand in China and India.
- LG Chem, Siemens and Siemens Energy which were notable exceptions in the Industrials cluster. LG Chem announced a provision to replace a limited range of overheating energy storage system (ESS) batteries, while Siemens and Siemens Energy were impacted by speculation surrounding consolidation of its energy names.
- EDF in Infrastructure/Property - DM as management signalled there was no sign of an imminent agreement with the European Commission to progress nuclear power pricing reforms.

Net performance (%)

	Fund	Benchmark	Difference
1 month	1.2	1.3	-0.1
3 month	7.9	8.8	-0.9
Year to date	10.8	10.5	0.3
1 year	26.6	21.6	4.9
3 year p.a.	9.4	13.0	-3.6
5 year p.a.	12.5	12.7	-0.2
Inception p.a.	11.6	11.1	0.5
Inception	91.4	86.6	4.8

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 summary[1]

Average net exposure	88.4%
Upside capture ratio	100
Downside capture ratio	82
Portfolio standard deviation	11.1%
Benchmark standard deviation	10.7%
Sharpe ratio	1.06

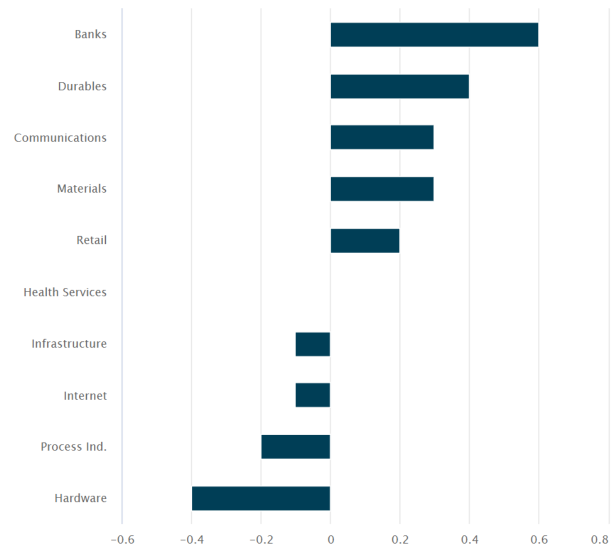
[1]All metrics are based on gross of fee returns in AUD terms. The upside/downside capture ratio is the percentage of benchmark performance captured by the fund during months that the benchmark is up/down. Standard deviation is a measure of risk with a smaller figure indicating lower return volatility.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

Performance contribution[2] (%)

	1 month
Long	1.4%
Currency	-0.2%

[2] Based on gross returns in AUD

Top & bottom sector contribution[2,4] (%)



[4] 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

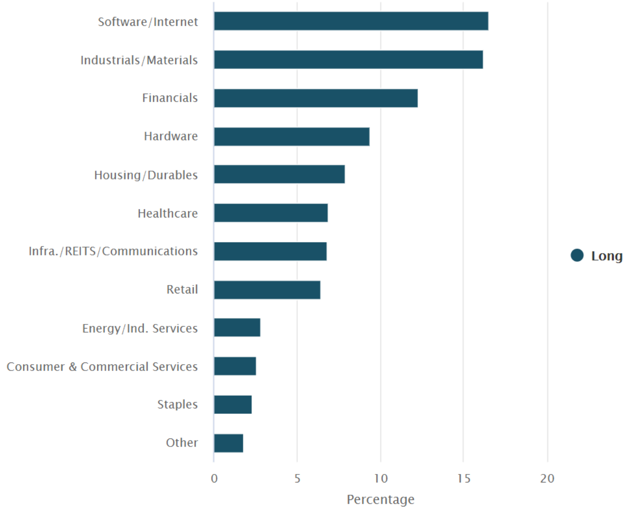
Asset value	
Fund AUM	$1,084m
Strategy AUM	$3,009m
Unit redemption price	1.3046

Asset allocation[3]

	Equities - Long	Other - Long
Weight (%)	91.9	-
Count	60	-
Avg. weight (%)	1.5	-
Top 10 (%)	29.8	-
Top 30 (%)	66.3	-

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

Sector exposure[3,4] (%)

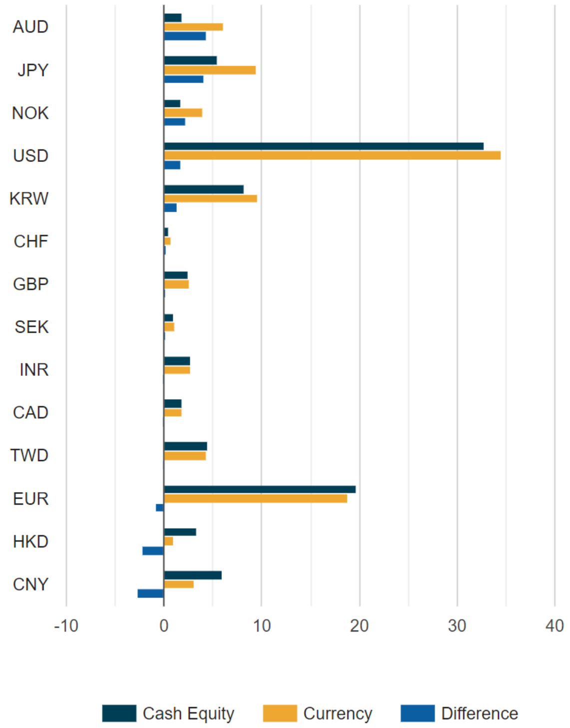


[4] Antipodes classification

Top 10 equity longs[3] (%)

Name	Country	Weight
Facebook	United States	4.3
Volkswagen	Germany	3.6
Siemens	Germany	3.5
Microsoft	United States	3.2
Tencent	China/HK	2.7
ING Groep	Netherlands	2.7
Samsung Electronics	Korea	2.6
Taiwan Semiconductor	Taiwan	2.6
HDFC Bank	India	2.4
General Electric	United States	2.3

Currency exposure[3,5] (%)



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

Regional exposure[3,4,5] (%)

Region	Long
North America	34.7
Western Europe	25.3
- Eurozone	19.6
- Rest Western Europe	3.3
- United Kingdom	2.5
Developed Asia	18.1
- Korea/Taiwan	12.7
- Japan	5.4
Developing Asia	11.9
- China/Hong Kong	9.2
- India	2.7
Australia	1.8
Total Equities	91.9
Cash	8.1
Totals	100.0

Market cap exposure[3] (%)

Band	Weight
Mega (>$100b)	50.7
Large (>$25b <$100b)	22.7
Medium (>$5b <$25b)	15.9
Small (<$5b)	2.6

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

Recommended
Lonsec Research

Zenith Investment Partners Highly Recommended

Further information

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