

# Antipodes Asia Fund

ARSN 096 451 393 APIR IOF0203AU

## FUND UPDATE AS AT 31 OCTOBER 2018

Antipodes Partners	<ul style="list-style-type: none"> <li>Global pragmatic value manager, long only and long-short</li> <li>Structured to reinforce alignment between investors and the investment team</li> <li>We take advantage of the market's tendency for <i>irrational extrapolation</i>, identify investments that offer a high <i>margin of safety</i> and build portfolios with a <i>capital preservation</i> focus</li> </ul>
Fund features	<ul style="list-style-type: none"> <li>Objective to achieve absolute returns in excess of the benchmark over the investment cycle (typically 3-5 years)</li> <li>The fund may invest in companies that are listed:             <ul style="list-style-type: none"> <li>On Asian share markets</li> <li>On global share markets and which derive &gt;65% of their revenues from Asia</li> <li>In Japan (maximum 30% net exposure)</li> <li>In Oceania and non-Asian emerging markets (maximum 15% net exposure)</li> </ul> </li> <li>In the absence of finding securities that meet minimum risk-return criteria, cash may be held</li> <li>Equity shorts and currency positions used to take advantage of attractive risk-return opportunities, offset specific long portfolio risks and provide some protection from negative tail risk. Derivatives may also be used to amplify high conviction ideas</li> <li>Typical net equity exposure of 50% to 100%; maximum gross exposure of 150% of NAV</li> </ul>

## FUND FACTS

Investment manager	Antipodes Partners
Inception <sup>1</sup> date	1 July 2015
Benchmark	MSCI All Country Asia ex Japan 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
Net Asset Value (NAV)	\$72m
Strategy AUM	\$78m
Unit redemption price	\$1.1828
Changes to key service providers	Nil
Risk profile	High (refer to PDS)

<sup>1</sup>Investment strategy adopted 1 July 2015

## NET PERFORMANCE (%)

	Fund	Benchmark	Difference
1 month	-5.9	-9.0	3.1
3 months	-2.5	-8.7	6.2
YTD	-2.8	-7.8	5.0
1 year	-1.0	-6.6	5.6
2 year p.a.	10.7	10.0	0.7
3 year p.a.	9.1	6.5	2.6
Inception <sup>1</sup>	30.8	16.6	14.1
Inception <sup>1</sup> p.a.	8.4	4.7	3.6
Up-market capture	75		
Down-market capture	25		

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

## PERFORMANCE CONTRIBUTION<sup>2</sup> (%)

	1 month
Long	-8.94
Short	3.09
Currency/Liquidity	0.52

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

## SECTOR CONTRIBUTION<sup>2,5</sup> (%)

Top 5	1 month
Commercial Services	0.43
Software	0.28
REITS/Development	0.07
Infrastructure	0.05
Healthcare	-0.02

Bottom 5	1 month
Staples	-1.57
Durables	-0.79
Insurance	-0.64
Industrial Services	-0.59
Hardware	-0.55

## USD TOTAL RETURNS

	MSCI USA	MSCI Europe	MSCI Japan	MSCI AC Asia ex JP	MSCI EM ex Asia	MSCI All China	Brent Crude (\$/bbl)	Gold (\$/ozt)	BofAML Global Govt.	BofAML Global HY.	AUD	EUR	JPY	CNY
1M	-7.0%	-7.6%	-8.5%	-10.8%	-2.2%	-10.9%	-9.3%	2.3%	-0.7%	-1.7%	-2.0%	-2.4%	0.6%	-1.3%
1Y	6.6%	-8.3%	-3.6%	-13.6%	-6.5%	-25.8%	23.1%	-4.3%	-1.8%	-0.8%	-7.6%	-2.7%	0.7%	-5.0%

## ASSET ALLOCATION

	Long		Short	
	Equities	Other <sup>3</sup>	Equities	Other <sup>3</sup>
Weight (% NAV)	88.5	1.0	-18.7	-4.3
Count	49	1	23	2
Avg. weight	1.8	1.0	-0.8	-2.2
Top 10 (% NAV)	33.2	-	-11.3	-
Top 30 (% NAV)	69.5	-	-18.7	-

<sup>3</sup> Index futures and other non-single stock derivatives

## TOP 10 EQUITY LONGS (%)

Name	Country	Weight
Ping An Insurance	China/HK	3.8
Baidu	China/HK	3.7
KT Corporation	Korea	3.7
China Mobile	China/HK	3.6
Samsung Electronics	Korea	3.5
KB Financial	Korea	3.3
INPEX	Japan	3.1
China Construction Bank	China/HK	3.0
ICICI Bank	India	2.8
China Telecom	China/HK	2.7

## CURRENCY EXPOSURE<sup>4</sup> (%)

ISO	Long equity	Currency	Difference
USD	0.0	28.0	28.0
JPY	13.5	21.1	7.6
AUD	3.2	9.5	6.3
TWD	2.4	2.4	0.0
MXN	1.2	1.3	0.0
BRL	1.1	1.1	0.0
THB	1.3	1.3	0.0
INR	2.8	0.2	-2.6
SGD	0.0	-4.2	-4.2
KRW	19.7	15.2	-4.5
HKD	2.0	-2.7	-4.7
CNY	41.4	26.8	-14.6

<sup>4</sup> Where possible, regions, countries and currencies classified on a look through basis

## FURTHER INFORMATION

T: 1300 010 311

E: invest@antipodespartners.com

## SECTOR EXPOSURE<sup>5</sup> (%)

Sector	Long	Short	Net
Hardware	11.4	-0.6	10.8
Communications	10.6	-1.8	8.8
Banks	10.4	-3.0	7.4
Staples	9.6	-1.9	7.7
Insurance	7.1	0.0	7.1
Internet	5.7	-1.0	4.7
Retail	5.4	-2.1	3.3
Durables	4.9	0.0	4.9
Industrial	4.4	-1.9	2.5
Other	19.9	-10.7	9.2

<sup>5</sup> Antipodes Partners classification

## REGIONAL EXPOSURE<sup>4,5</sup> (%)

Region	Long	Short	Net
<b>Developed Asia</b>	<b>35.5</b>	<b>-11.3</b>	<b>24.2</b>
<i>Korea/Taiwan</i>	22.0	-1.8	20.2
<i>Japan</i>	13.5	-9.5	4.0
<b>Developing Asia</b>	<b>47.4</b>	<b>-5.6</b>	<b>41.8</b>
<i>China/Hong Kong</i>	43.3	-3.2	40.1
<i>India</i>	2.8	-2.4	0.4
<i>Rest EM Asia</i>	1.3	0.0	1.3
<b>Australia</b>	<b>3.2</b>	<b>-6.1</b>	<b>-2.9</b>
<b>Rest of World</b>	<b>2.3</b>	<b>0.0</b>	<b>2.3</b>
<b>Total Equities</b>	<b>88.5</b>	<b>-23.0</b>	<b>65.5</b>
<b>Other</b>	<b>1.0</b>	<b>0.0</b>	<b>1.0</b>
<b>Cash</b>	<b>10.5</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>100.0</b>	<b>-23.0</b>	<b>66.5</b>

## MARKET CAP EXPOSURE (%)

Band	Long	Short	Net
Mega (>\$100b)	17.1	-4.3	12.8
Large (>\$25 <\$100b)	23.8	-8.2	15.6
Medium (>\$5 <\$25b)	27.4	-8.0	19.3
Small (<\$5b)	21.2	-2.4	18.8

## DISCLAIMER

Pinnacle Fund Services Limited (ABN 29 082 494 362, AFSL 238371) is the product issuer of the Antipodes Global Fund – Long (ARSN 118 075 764); Antipodes Global Fund (ARSN 087 719 515); and Antipodes Asia Fund (ARSN 096 451 393), collectively “the Funds”. The issuer is not licensed to provide financial product advice. You should consider the Product Disclosure Statement (PDS) in its entirety before making an investment decision. The current PDS of the Fund can be found on [www.antipodespartners.com/funds](http://www.antipodespartners.com/funds).

Antipodes Partners Limited (‘Antipodes Partners’, ‘Antipodes’) ABN 29 602 042 035, AFSL 481580 is the investment manager of the Funds. Whilst Antipodes Partners believes the information contained in this communication is based on reliable information, no warranty is given as to its accuracy and persons relying on this information do so at their own risk. Subject to any liability which cannot be excluded under the relevant laws, Antipodes Partners disclaim all liability to any person relying on the information contained in this communication in respect of any loss or damage (including consequential loss or damage), however caused, which may be suffered or arise directly or indirectly in respect of such information. Any opinions and forecasts reflect the judgment and assumptions of Antipodes Partners and its representatives on the basis of information at the date of publication and may later change without notice. This communication is for general information only. The information is not intended as a securities recommendation or statement of opinion intended to influence a person or persons in making a decision in relation to investment. This communication has been prepared without taking account of any person’s objectives, financial situation or needs. Past performance is not a reliable indicator of future performance.

Unless otherwise specified, all amounts are in Australian Dollars (AUD).

Unauthorised use, copying, distribution, replication, posting, transmitting, publication, display, or reproduction in whole or in part of the information contained in this communication is prohibited without obtaining prior written permission from Antipodes Partners.