

# Antipodes Asia Fund

ARSN 096 451 393 APIR IOF0203AU

## FUND UPDATE AS AT 30 SEPTEMBER 2017

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 allowable gross exposure limit 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)	\$75m
Unit redemption price	\$1.2961
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	2.5	1.0	1.6
3 months	3.4	4.2	-0.8
YTD	14.2	20.8	-6.6
1 year	19.6	19.6	0.0
Inception <sup>1</sup>	25.2	16.5	8.7
Inception <sup>1</sup> p.a.	10.5	7.0	3.5
Up-market capture	77	-	-
Down-market capture	20	-	-

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	2.53
Short	-0.09
Currency/Liquidity	0.15

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

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

Top 5	1 month
Staples	1.34
Internet	0.78
Energy	0.65
Hardware	0.47
Durables	0.33

Bottom 5	1 month
Communications	-0.56
Retail	-0.37
Insurance	-0.27
Precious Metals	-0.19
Commercial Services	-0.11

### USD TOTAL RETURNS

	MSCI USA	MSCI Europe	MSCI Japan	MSCI AC Asia ex JP	MSCI China A+B+H	MSCI EM ex Asia	Brent Crude (\$/bbl)	Gold (\$/ozt)	BofAML Global Govt.	BofAML Global HY.	AUD	EUR	JPY	CNY
1M	2.0%	3.3%	2.0%	(0.1%)	(0.1%)	(1.4%)	7.4%	(2.2%)	(1.3%)	0.8%	(1.1%)	(0.6%)	(2.2%)	(0.7%)
1Y	17.8%	22.3%	14.1%	22.7%	15.3%	18.9%	13.2%	(3.0%)	(3.7%)	9.8%	2.5%	5.2%	(10.0%)	0.4%

## ASSET ALLOCATION

	Long		Short	
	Equities	Other <sup>3</sup>	Equities	Other <sup>3</sup>
Weight (% NAV)	91.4	1.3	-8.0	-8.8
Count	48	1	10	3
Avg. weight	1.9	1.3	-0.8	-2.9
Top 10 (% NAV)	32.9	-	-8.0	-
Top 30 (% NAV)	71.5	-	-8.0	-

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

## TOP 10 EQUITY LONGS (%)

Name	Country	Weight
Baidu	China/HK	4.5
Hyundai Motor	Korea	3.7
KB Financial Group	Korea	3.6
Samsung Electronics	Korea	3.5
INPEX	Japan	3.4
Ping An Insurance Group	China/HK	3.3
KT	Korea	3.1
Shenzhen Airport	China/HK	2.7
Jiangsu Yanghe Brewery	China/HK	2.7
CNOOC	China/HK	2.5

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

ISO	Cash equity	Currency	Difference
USD	0.0	21.6	21.6
AUD	2.3	15.1	12.8
JPY	11.2	15.4	4.2
INR	7.8	7.8	0.0
EUR	1.4	1.4	0.0
MXN	1.4	1.4	0.0
BRL	3.2	3.2	0.0
THB	0.5	0.5	0.0
TWD	2.3	1.9	-0.5
HKD	0.0	-3.4	-3.4
SGD	0.0	-3.8	-3.8
CNY	33.2	28.3	-4.9
KRW	20.2	10.6	-9.6

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

## FURTHER INFORMATION

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

Sector	Long	Short	Net
Staples	13.8	-0.8	13.0
Internet	10.4	0.0	10.4
Banks	9.5	-2.5	7.0
Communications	8.1	0.0	8.1
Hardware	7.5	0.0	7.5
Insurance	6.7	0.0	6.7
Energy	5.9	0.0	5.9
Durables	5.1	0.0	5.1
Retail	5.1	-0.4	4.7
Other	20.6	-13.1	7.5

<sup>5</sup> Antipodes Partners classification

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

Region	Long	Short	Net
<b>Developed Asia</b>	<b>37.1</b>	<b>-3.6</b>	<b>33.5</b>
<i>Korea</i>	20.2	0.0	20.2
<i>Japan</i>	14.5	-3.6	10.9
<b>Developing Asia</b>	<b>47.4</b>	<b>-6.3</b>	<b>41.1</b>
<i>China/Hong Kong</i>	39.1	-3.6	35.5
<i>India</i>	7.8	-2.7	5.1
<b>Australia</b>	<b>2.3</b>	<b>-6.9</b>	<b>-4.6</b>
<b>Rest of World</b>	<b>4.6</b>	<b>0.0</b>	<b>4.6</b>
<b>Total Equities</b>	<b>91.4</b>	<b>-16.8</b>	<b>74.6</b>
<b>Other</b>	<b>1.3</b>	<b>0.0</b>	<b>1.3</b>
<b>Cash</b>	<b>7.3</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>100.0</b>	<b>-16.8</b>	<b>75.9</b>

## MARKET CAP EXPOSURE (%)

Band	Long	Short	Net
Mega (>\$100b)	10.0	-9.6	0.3
Large (>\$25 <\$100b)	22.2	-1.0	21.1
Medium (>\$5 <\$25b)	37.2	-4.2	33.0
Small (<\$5b)	23.3	-1.9	21.5

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