

## Commentary

Global equities advanced in December (-0.4%, +3.5% in USD), ending 2019 at all-time highs as the US and China agreed to a phase-one trade deal leading to a more optimistic economic backdrop. Cyclical sectors outperformed led by Energy and Materials whilst Industrials and Real Estate underperformed. Investors exhibited a preference for value over momentum.

Asian equities outperformed. The trade sensitive countries, Korea and China led. US equities lagged as the US Federal Reserve indicated that it expects to leave interest rates unchanged in 2020 after three straight cuts.

European equities outperformed as the UK general election resulted in a clear victory for the Conservative party giving clarity about the near-term path of Brexit. New ECB president, Christine Lagarde, reaffirmed the bank's commitment to keep interest rates at very low levels and maintain the pace of quantitative easing until inflation rises.

Elsewhere, global government bond yields advanced for a fourth straight month and the softer US dollar helped commodities advance with Brent Oil +5.0%.

Against this backdrop the Antipodes Global Fund - Long returned 0.5% outperforming the benchmark of -0.4%.

Key contributors included:

- Connectivity/Compute cluster notably Samsung Electronics as the market increasingly expects a strong uptake in 5G devices in 2020, while inventory has rebalanced.
- Oil/Natural gas cluster, notably Technip which benefited from the rise in oil price over the month as well as rebounding from oversold levels.
- Consumer Cyclical - Asia/Emerging Markets cluster, notably KB Financial as the company announced a share cancellation programme, a rare move among Korean financial holding companies, and a positive signpost toward shareholder return.

Key detractors included:

- Industrials cluster including General Electric, consolidating recent outperformance on an expectation of a stabilisation in economic activity.
- FedEx in Consumer Cyclical - Developed Market cluster, on a mixed result which showed solid volume growth in their domestic ground delivery business despite the lost Amazon volume, but investments in technology and faster delivery turnaround is dragging on profitability. Pricing pressure in the International delivery business also proved a headwind.

## Net performance (%)<sup>1</sup>

	Fund	Benchmark <sup>2</sup>	Difference
1 month	0.5	(0.4)	0.8
3 months	4.2	4.5	(0.3)
YTD	17.4	26.8	(9.4)
1 year	17.4	26.8	(9.4)
Inception p.a. <sup>3</sup>	9.5	17.9	(8.4)
Inception <sup>3</sup>	11.0	20.9	(9.9)

Past performance is not a reliable indicator of future performance. <sup>1</sup> Returns are calculated using the net asset value per unit at the start and end of the relevant period in AUD, with distributions reinvested, and net of applicable fees, costs and taxes (other than tax paid as an investor in the Fund). The returns also do not reflect the transaction costs imposed on the creation and redemptions of Units, brokerage or spreads incurred by investors when buying or selling units on the ASX. <sup>2</sup> Benchmark is MSCI All Country World Net Index in AUD. <sup>3</sup> Inception is 5 November 2018.

## Top 10 equity longs (%)

Name	Country	Weight
Facebook	United States	3.0
Alibaba	China/HK	3.0
Microsoft	United States	2.8
Samsung Electronics	Korea	2.6
Ping An Insurance	China/HK	2.6
KB Financial	Korea	2.5
ING Groep	Netherlands	2.5
General Electric	United States	2.5
Siemens	Germany	2.4
Roche	Switzerland	2.4

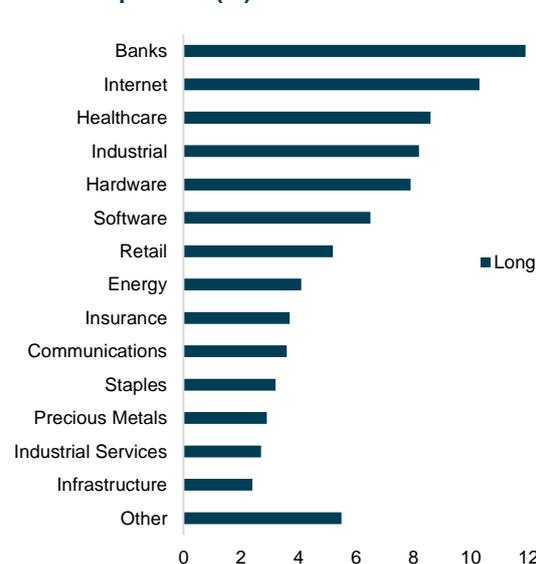
## INAV tickers

	Unit Price	iNAV
Bloomberg	AGX1.AU Equity	AGFLIV Index
Thomson Reuters	AGX1.AX	AGFLOFV-SOLA
IRESS	AGX1.AXW, AGX1.CXA	AGX1IV

## Fund Facts

Characteristics	
Investment manager	Antipodes
Inception date	5 November 2018
Benchmark	MSCI All Country World Net Index in AUD
Management fee	1.10% p.a.
Performance fee	15% of net return in excess of benchmark
Distribution	Annual, 30 June
Asset Value (NAV)	\$5.4932
Unit valuation	Sydney business day
Fund AUM	\$27m
Strategy AUM	\$2,343m

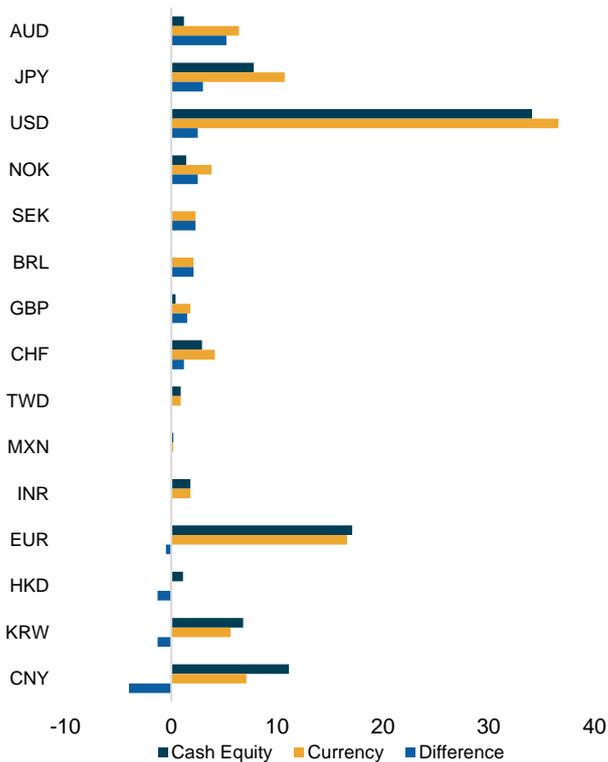
## Sector exposure<sup>4</sup> (%)



<sup>4</sup> Antipodes classification

## Asset allocation

	Long
	Equities
Weight (% NAV)	86.7
Count	65
Avg. weight	1.3
Top 10 (% NAV)	26.3
Top 30 (% NAV)	61.6

Currency exposure<sup>5</sup> (%)

<sup>5</sup> Where possible, regions, countries and currencies classified on a look through basis.

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

Region	Long
<b>North America</b>	<b>34.1</b>
<b>Developed Asia</b>	<b>15.5</b>
Korea/Taiwan	7.7
Japan	7.8
<b>Developing Asia</b>	<b>14.0</b>
China/Hong Kong	12.3
India	1.8
<b>Western Europe</b>	<b>21.7</b>
Eurozone	17.1
United Kingdom	0.4
Rest Western Europe	4.2
<b>Australia</b>	<b>1.2</b>
<b>Rest of World</b>	<b>0.2</b>
<b>Total equities</b>	<b>86.7</b>
<b>Cash</b>	<b>13.3</b>
<b>Totals</b>	<b>100.0</b>

## Market cap exposure (%)

Band	Long
Mega (>\$100b)	34.5
Large (>\$25b <\$100b)	30.4
Medium (>\$5b <\$25b)	19.3
Small (<\$5b)	2.5

### 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)
- **Global diversification** – Access to 30+ global companies via a single trade
- **Alignment of interests** – proportion of each team member's remuneration is invested into Antipodes funds. Antipodes also has a significant investment alongside unitholders
- **Simple access** – being exchange traded, investors can buy or sell AGX1 like a regular share during the trading day

### Fund Ratings



### Further information

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