

## Commentary

Global equity strength continued in December (+4.6% in USD, -0.1% in AUD following US dollar weakness) as COVID-19 vaccine optimism continued to boost sentiment. Global cyclical stocks outperformed, however investors still exhibited stylistic preference for growth and momentum over low multiple - or value - stocks. Materials, Information Technology and Financials outperformed, whilst Utilities and Industrials lagged.

Emerging Markets (+2.5%) broadly outperformed, led by Korea (+11.3%), supported by continued weakness in the US dollar (DXY -2.1%) and optimism over the global economic rebound. China lagged (-0.5%) as the Chinese regulator announced anti-competitive policies and the US added more Chinese companies to a trade blacklist, prohibiting US persons from investing in companies with links to China military.

US equities (-0.6%) marginally underperformed, but were supported by the passage of another \$900bn stimulus package in response to the pandemic and the Fed's commitment to easy policy. Europe (0.0%) performed in line as the UK and EU finalised a Brexit deal, offsetting concerns over further lockdowns as virus cases escalated.

Elsewhere, Brent Crude rose strongly (+8.2% in USD) on demand optimism and Gold (+7.1% in USD) rebounded on higher inflation expectations.

Key contributors to performance included:

- Industrials cluster including Siemens and Norsk Hydro, following the outperformance of global cyclicals. Norsk, in particular, has rallied with the ongoing recovery in aluminium prices.

- Connectivity/Compute, notably Samsung Electronics on further evidence of improving supply-demand dynamics in DRAM memory due to limited supply growth, which bodes well for DRAM memory prices in 2021.
- Capital One Financial, Consumer Cyclical Developed Markets (DM), continued its strong performance in a month where US Financials outperformed on the back of rising yields, a successful stimulus package and greater clarity on distributions from the Federal Reserve.

Key detractors to performance included:

- Online Services EM, notably Alibaba and Tencent on continued regulatory pressure to prevent anti-competitive behaviour. We remain constructive on Chinese internet given the growth opportunity for e-commerce in lower tier cities and in new categories, and low penetration of digital ads.
- Healthcare cluster notably Sanofi, which indicated a six-month delay to their (second generation) COVID-19 vaccine to improve the immune response in the elderly.
- ING Groep, Consumer Cyclical DM, fell along with other European banks following the ECB's decision to limit capital distributions, including a recommendation to delay distributions until September 2021.

## Net performance (%)

	Fund	Benchmark	Difference
1 month	0.2	-0.1	0.3
3 month	11.7	6.5	5.2
Year to date	6.6	5.9	0.7
1 year	6.6	5.9	0.7
Inception p.a.	8.1	12.2	-4.0
Inception	18.4	28.1	-9.7

Past performance is not a reliable indicator of future performance. Returns are calculated net of applicable fees, costs and taxes.

## Top 10 equity longs (%)

Name	Country	Weight
Électricité de France	France	3.2
Samsung Electronics	Korea	3.0
Ping An Insurance	China/HK	2.9
Microsoft	United States	2.9
Facebook	United States	2.7
Siemens	Germany	2.6
Taiwan Semiconductor	Taiwan	2.6
Capital One Financial	United States	2.4
Merck	United States	2.4
Volkswagen	Germany	2.4

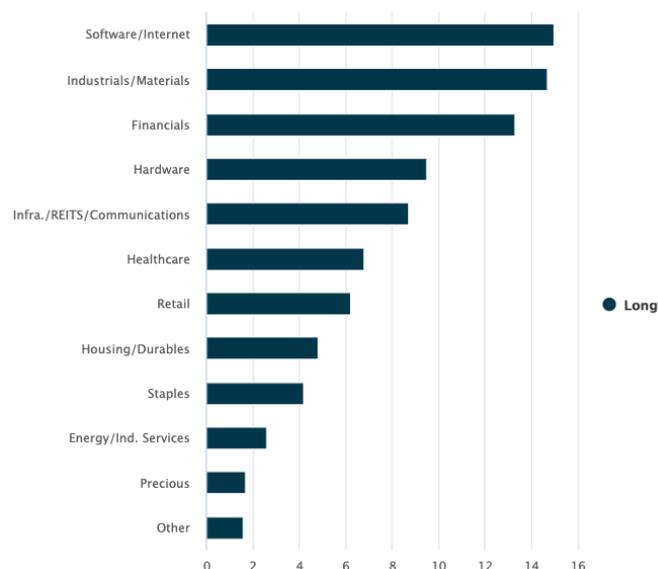
## iNAV tickers

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

## 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
Unit valuation	Sydney business day
Asset value	
Fund AUM	\$28m
Strategy AUM	\$2,601m
Asset Value (NAV)	5.7194

## Sector exposure<sup>1</sup> (%)



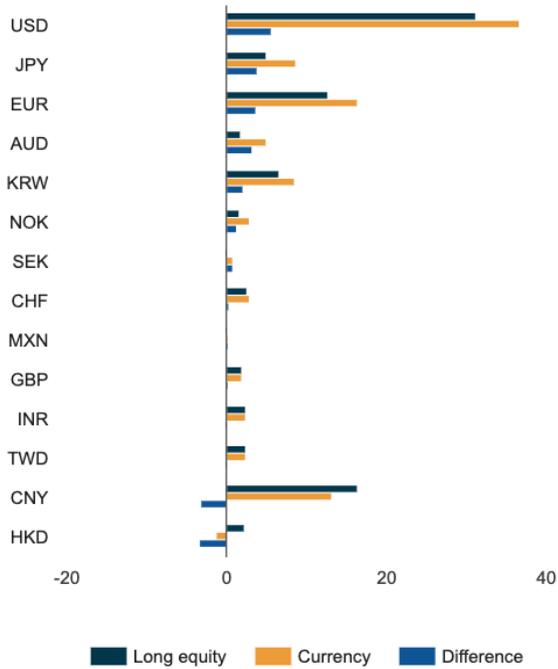
<sup>1</sup> Antipodes classification

**Asset allocation<sup>3</sup>**

	Equities - Long	Other - Long
Weight (%)	89.2	-
Count	61	-
Avg. weight (%)	1.5	-
Top 10 (%)	27.0	-
Top 30 (%)	62.7	-

<sup>3</sup> Call (put) options represented as the current option value (delta adjusted exposure)

**Currency exposure<sup>2,3</sup> (%)**



**Regional exposure<sup>1,2,3</sup> (%)**

Region	Long
United States	33.0
Western Europe	21.3
- Eurozone	15.5
- Rest Western Europe	3.8
- United Kingdom	2.0
Developed Asia	16.7
- Korea/Taiwan	10.8
- Japan	5.8
Developing Asia	15.5
- China/Hong Kong	13.2
- India	2.3
Australia	2.7
<b>Total Equities</b>	<b>89.2</b>
Cash	10.8
<b>Totals</b>	<b>100.0</b>

**Market cap exposure<sup>3</sup> (%)**

Band	Long
Mega (>\$100b)	40.3
Large (>\$25b <\$100b)	31.9
Medium (>\$5b <\$25b)	15.5
Small (<\$5b)	1.5

<sup>2</sup> Where possible, regions, countries and currencies classified on a look through basis.

### 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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