Antipodes Global Shares (Quoted Managed Fund)

(ASX: AGX1)

MONTHLY REPORT | **31 January 2021**

Commentary

Global equities started the year lower as violent moves in highly shorted retail stocks led to volatility and de-risking in other areas of the market (+0.1% following weakness in the AUD). Whilst some cyclical sectors outperformed, led by Energy and Consumer Discretionary, investors continued to exhibit a preference for momentum and growth over low multiple - or value - stocks, with Communications Services and Healthcare also outperforming.

Markets started the month higher as the global roll out of vaccinations and prospects of further fiscal and monetary stimulus outweighed concerns about virus driven restrictions. However, a group of heavily shorted stocks in the US rallied strongly as a community of retail investors coordinated a short squeeze, forcing investors to de-gross their portfolios. US equities performed in line. President Biden continues to push a $1.9tn stimulus package including a $1,400 payment to individuals, supported by a slim Democratic Senate majority following success in the Georgia Senate race. European equities (-0.9%) lagged on vaccine distribution concerns and softer than expected economic data.

Emerging Markets outperformed (+3.7%) led by China (+6.9%) as strong economic momentum on a rebound in global growth and optimism of reduced US/China tensions led to an acceleration of southbound inflows after a period of underperformance.

Elsewhere, Brent Crude rallied strongly on demand optimism for a third month (+6.3% in USD) and Gold (-1.3% in USD) retreated.

Key contributors to performance included:

- Connectivity/Compute cluster, notably TSMC which lifted its medium term growth targets due to strong demand for leading edge semiconductor manufacturing in key end markets and market share gains with key customers.
- Online services Emerging Markets (EM), notably Tencent which entered into a tech partnership with automaker Geely to, amongst other things, develop smart vehicle cockpits and autonomous driving technology.
- Industrials, notably Siemens, which pre-announced another strong result driven by Digital Industries (automation, including hardware and software) with better than expected profitability.

Key detractors to performance included:

- Infrastructure/Property DM, notably EDF, as a decision regarding the company's new regulation and restructure has been delayed.
- Consumer Cyclicals EM including KB Financial, as performance of financials and travel exposures consolidated as COVID-19 data deteriorated into 2020 year end.
- Online Services DM, notably Facebook, on cautious guidance around growth in the second half of 2021 and uncertainty around Apple handset users being able to 'opt out' of data sharing. The impact is likely to be small and expected to be more than offset by continued healthy engagement trends and opportunities to increase monetisation.

Net performance (%)

	Fund	Benchmark	Difference
1 month	-0.2	0.1	-0.3
3 month	9.3	7.1	2.2
Year to date	-0.2	0.1	-0.3
1 year	4.8	2.1	2.7
Inception p.a.	7.7	11.7	-4.0
Inception	18.1	28.2	-10.1

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
Facebook	United States	3.6
Microsoft	United States	3.3
Siemens	Germany	3.1
Taiwan Semiconductor	Taiwan	2.9
Ping An Insurance	China/HK	2.8
Volkswagen	Germany	2.6
Samsung Electronics	Korea	2.6
Tencent	China/HK	2.6
HDFC Bank	India	2.3
Merck	United States	2.3

iNAV tickers

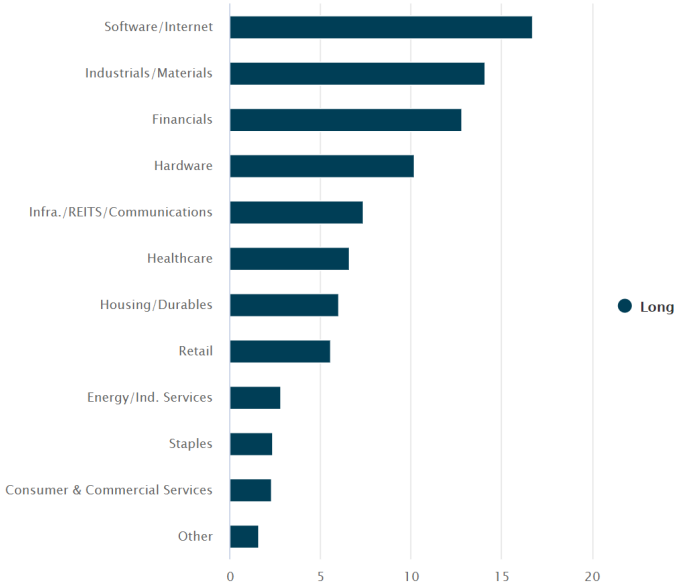
	Unit Price	iNAV
Bloomberg	AGX1.AU Equity	AGFLIV Index
Thomson Reuters	AGX1.AX	AGFLOFV=SOLA
IRESS	AGX1.AXW, AGX1.CXA	AGX1IV

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
Unit valuation	Sydney business day

Asset value	
Fund AUM	$22m
Strategy AUM	$2,594m
Asset Value (NAV)	5.7070

Sector exposure[1] (%)



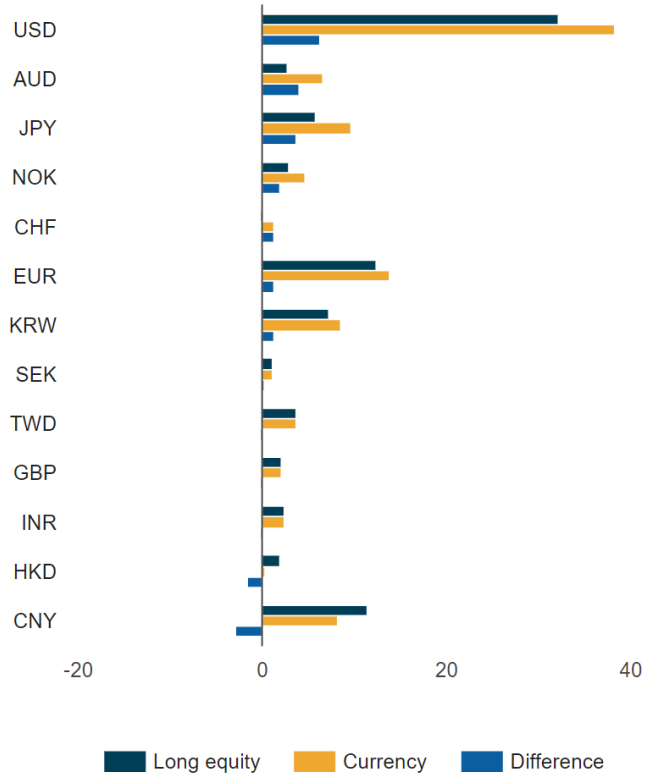
[1] Antipodes classification

Asset allocation[3]

	Equities - Long	Other - Long
Weight (%)	88.5	0.5
Count	58	1
Avg. weight (%)	1.5	0.5
Top 10 (%)	28.1	-
Top 30 (%)	64.0	-

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

Currency exposure[2,3] (%)



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

Regional exposure[1,2,3] (%)

Region	Long
North America	35.0
Western Europe	19.5
- Eurozone	13.7
- Rest Western Europe	3.5
- United Kingdom	2.2
Developed Asia	17.3
- Korea/Taiwan	11.9
- Japan	5.5
Developing Asia	14.2
- China/Hong Kong	11.9
- India	2.3
Australia	2.4
Total Equities	88.5
Other	0.5
Cash	11.0
Totals	100.0

Market cap exposure[3] (%)

Band	Long
Mega (>$100b)	44.2
Large (>$25b <$100b)	27.7
Medium (>$5b <$25b)	15.8
Small (<$5b)	0.8

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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