

Commentary

Global equity strength continued in July (+1.1%, +5.3% in USD) on optimism the COVID-19 impact on the global economy is past the peak combined with positive early stage vaccine trials. Technology remained amongst the strongest sectors. Cyclical sectors were mixed as Consumer Discretionary and Materials lead whilst Energy and Industrials lagged. Investors continued to rotate back into growth over low multiple - or value - stocks.

The key driver of regional equity performance was the weaker US Dollar (DXY -4.2%). Chinese equities led (+6.8%), benefitting from this theme in addition to June data confirming the economy continued to show signs of normalisation. Emerging Market equities (+4.6%) outperformed on the weaker USD despite an uptick in cases in India and Brazil.

Within Developed Markets, US equities outperformed (+1.7%) with continued support from the large weighting in mega cap technology stocks. The lack of exposure to those sectors in Europe (-0.3%) and Japan (-5.5%) remains an important problem, whilst the weaker USD was a headwind. Europe did get a boost from the European Union agreeing a €750bn COVID-19 recovery fund backed by common bond issuance by the European Commission, a significant step toward potential fiscal integration. The Japan weakness weighed on Asian equities (+0.4%).

Elsewhere, the Gold rally continued given the weaker USD, accommodative central bank policy and record low US real yields. Oil rose 5.5% on better demand prospects.

Key contributors to performance included:

- Online Services - Emerging Markets (EM) and Developed Markets (DM) clusters, including Alibaba, Facebook, Roku, Amazon, Sony and Tencent as

beneficiaries of the ongoing global at-home trends across e-commerce, social media, streamed content and gaming.

- Connectivity/Compute cluster, notably TSMC as the company reported strong business growth in its quarterly results driven by secular demand for its leading edge products among High Performance Compute and 5G oriented customers. Both TSMC and Samsung benefited from an expectation of a longer term boost to earnings from Intel's possible transition of production from in-house manufacturing to contract manufacturing of their core CPU chips.
- Consumer Defensive - Emerging Markets (EM) cluster, notably Wuliangye as demand for premium baijiu continues to build amongst China's growing high income cohort.
- Newcrest Mining amidst continued Gold strength.

Key detractors to performance included:

- Industrials cluster including Honda and Volkswagen as earnings results reflected a downturn in auto sales from the economic impacts from COVID-19.
- Healthcare cluster, including Gilead and Roche where Q2 results fell short of expectations. Gilead's guidance boost from Remdesivir sales was not enough to offset disappointment from sharp declines in sales of hepatitis C and HIV treatments which we expect to recover. Softness in Roche's COVID-19 impacted Q2 sales is expected to reverse, while its strong pipeline should sustain growth despite competition from biosimilars.
- Software cluster, including VMware and Microsoft following extended periods of strong growth in enterprise demand for cloud solutions

Net performance (%)

	Fund	Benchmark	Difference
1 month	0.8	1.1	-0.2
3 month	2.4	3.5	-1.1
Year to date	-6.6	-3.2	-3.3
1 year	-1.8	3.0	-4.8
Inception p.a.	2.1	9.5	-7.3
Inception	3.7	17.0	-13.3

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
Alibaba	China/HK	3.3
Microsoft	United States	3.0
Ping An Insurance	China/HK	2.8
Siemens	Germany	2.8
Facebook	United States	2.7
Samsung Electronics	Korea	2.7
Roche	Switzerland	2.7
Électricité de France	France	2.6
Merck	United States	2.6
Tencent Holdings	China/HK	2.5

INAV tickers

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

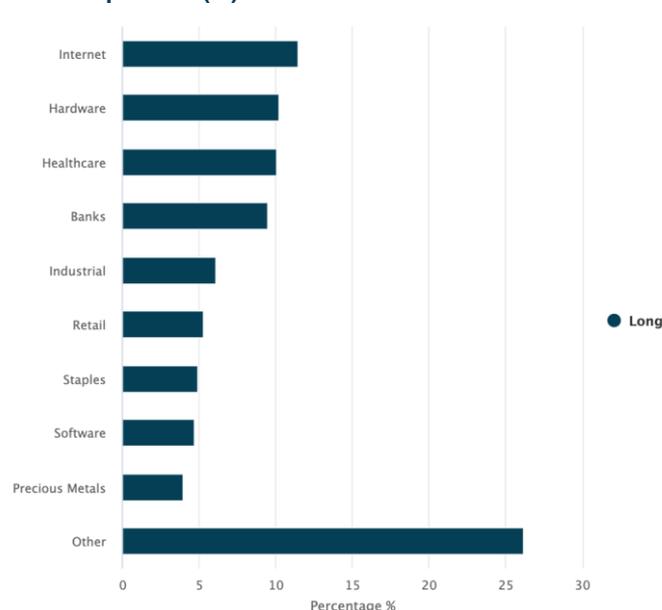
Fund facts

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	\$24m
Strategy AUM	\$2,108m
Asset Value (NAV)	5.0175

Sector exposure¹ (%)



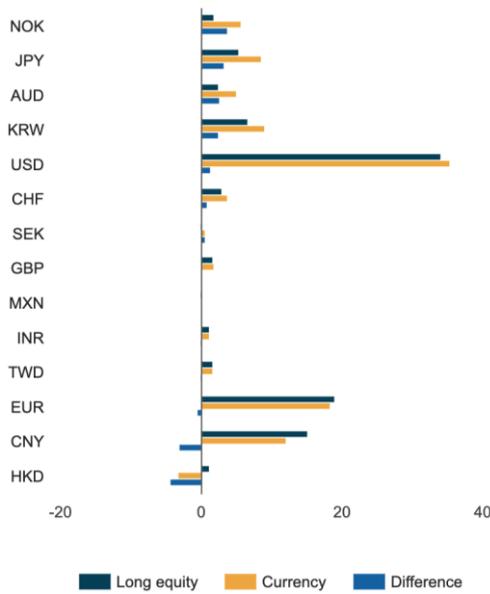
¹ Antipodes classification

Asset allocation³

	Equities - Long	Other - Long
Weight (% NAV)	92.5	0.7
Count	67	1
Avg. weight	1.4	0.7
Top 10 (% NAV)	27.6	-
Top 30 (% NAV)	63.1	-

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
United States	34.0
Western Europe	24.8
- Eurozone	18.3
- Rest Western Europe	4.8
- United Kingdom	1.7
Developing Asia	17.6
- China/Hong Kong	16.4
- India	1.2
Developed Asia	13.7
- Korea/Taiwan	8.3
- Japan	5.4
Australia	2.5
Total Equities	92.6
Other	0.7
Cash	6.7
Totals	100.0

Market cap exposure³ (%)

Band	Long
Mega (>\$100b)	37.9
Large (>\$25b <\$100b)	30.2
Medium (>\$5b <\$25b)	19.8
Small (<\$5b)	4.7

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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