

Commentary

Global equity strength continued in March on continued optimism of a sustainable re-opening of the global economy (+4.4%). Defensive sectors such as Utilities and Consumer Staples led, but cyclical sectors exposed to the re-opening theme, such as Industrials and Financials, also outperformed. Information Technology and Communication Services lagged as investors exhibited a preference for low multiple - or value - stocks over momentum and growth.

US equities (+5.4%) outperformed as President Biden set out plans for a \$2tn infrastructure stimulus. The US yield curve steepening continued as yields rose on improving growth expectations (US 10 year rose to 1.74% from 1.40%), weighing on large-cap tech. Europe (+4.8%) outperformed its sensitivity to the cyclical rebound and despite an increase in COVID cases and fresh lockdowns.

Asia (+0.4%) lagged due to weakness in China (-4.8%) on concerns around policy tightening and the US regulator implementing measures to delist foreign companies that do not comply with US auditing standards. News of the collapse of a large Asia based family office also dampened sentiment.

Elsewhere, Brent Crude halted four months of gains (-2.6% in USD) and Gold (-3.4% in USD) retreated as the USD advanced (DXY +2.6%) on the move higher in yields.

The key contributors included:

- Industrials cluster including VW, Siemens and Norsk Hydro. VW reported better than expected full year results after strong Q4 sales,

improving EV profitability and a focus on fixed cost reductions. Siemens' Digital Industries segment continues to benefit from the global economic recovery. Norsk Hydro benefited from ongoing strength in base metal prices and normalising demand for aluminium.

- Consumer Cyclicals, notably KB Financial and ING Groep supported by loan growth and improving net interest margins. Home improvement retailer Lowe's continued strong sales amidst the rollout of US government stimulus.
- Healthcare, notably Walgreen's as earnings were boosted by an increase to the Medicare reimbursement rate for administering COVID-19 vaccines.
- Facebook as appreciation for the company's growth prospects outweighed dwindling concerns over Apple's upcoming iOS privacy setting changes.
- EDF which was boosted by positive news flow regarding progress of pricing reform approval from the European Commission.

Key detractors included:

- Online Services - Asia/EM, notably Chinese internet names JD.com, Tencent and Meituan as market sentiment waned amidst ongoing regulatory scrutiny of Chinese technology platforms. With growth prospects remaining positive we have taken the opportunity to increase position sizes in Tencent and Meituan.

Net performance (%)

	Fund	Benchmark	Difference
1 month	5.7	4.4	1.3
3 month	8.4	5.9	2.5
Year to date	8.4	5.9	2.5
1 year	29.7	24.2	5.4
Inception p.a.	10.9	13.5	-2.6
Inception	28.2	35.7	-7.5

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	4.0
Volkswagen	Germany	3.9
Siemens	Germany	3.9
Microsoft	United States	3.2
Samsung Electronics	Korea	2.8
Tencent	China/HK	2.6
ING Groep	Netherlands	2.5
Taiwan Semiconductor	Taiwan	2.5
Ping An Insurance	China/HK	2.5
General Electric	United States	2.4

iNAV tickers

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

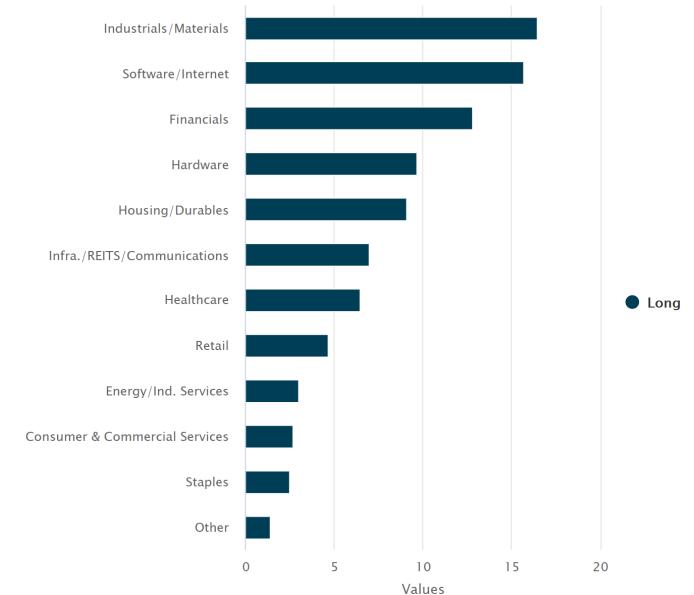
Fund facts

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	\$2,885m
Asset Value (NAV)	6.2024

Sector exposure¹ (%)

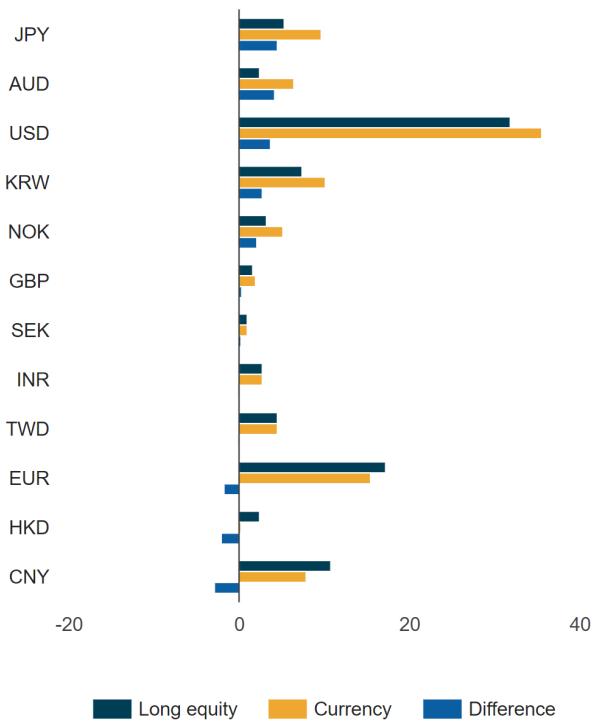


¹ Antipodes classification

Asset allocation³

	Equities - Long	Other - Long
Weight (%)	91.3	-
Count	57	-
Avg. weight (%)	1.6	-
Top 10 (%)	30.2	-
Top 30 (%)	66.1	-

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

Currency exposure^{2,3} (%)**Regional exposure^{1,2,3} (%)**

Region	Long
United States	33.2
Western Europe	24.1
- Eurozone	18.8
- Rest Western Europe	3.5
- United Kingdom	1.7
Developed Asia	18.9
- Korea/Taiwan	12.1
- Japan	6.8
Developing Asia	13.7
- China/Hong Kong	11.6
- India	2.1
Australia	1.4
Total Equities	91.3
Cash	8.7
Totals	100.0

Market cap exposure³ (%)

Band	Long
Mega (>\$100b)	49.8
Large (>\$25b <\$100b)	21.6
Medium (>\$5b <\$25b)	18.3
Small (<\$5b)	1.6

² 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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