

Commentary

Global equities were positive in May as strong US inflationary data was countered with below expected employment data (+1.7%). Cyclical sectors such as Financials, Energy and Materials were strong while Consumer discretionary was the laggard.

US equities (+0.6%) were stable as the cyclical Financials, Energy and Materials sectors lead. Europe (+4.5%) outperformed as the rollout for COVID-19 vaccinations accelerated.

Asia (+1.1%) was stable as Japan (+2.5%) outperformed due to an accelerating COVID-19 vaccine rollout program. Chinese equities (+1.8%) were positive despite regulators cracking down on commodity prices, while the People's Bank of China (PBOC) increased FX reserve requirements to control the appreciating Yuan.

Elsewhere, both Brent Crude (+4.6% in USD) and Gold (+7.8% in USD) continued their rally with the weaker USD (DXY -1.6%).

Key contributors included:

- Industrials, notably automakers VW and Toyota as the recovery in auto demand continues to take shape despite global semiconductor shortages. Toyota also reported strong FY results while forecasting 30% unit growth in its electrified vehicles in 2022. GE and Airbus were also notable performers as the global economic recovery improved the outlook for travel, as was Teck Resources with continued strength in base metal prices.

Net performance (%)

	Fund	Benchmark	Difference
1 month	1.2	1.3	-0.1
3 month	7.9	8.8	-0.9
Year to date	10.8	10.5	0.3
1 year	26.8	21.6	5.1
Inception p.a.	11.1	14.5	-3.4
Inception	31.0	41.5	-10.5

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	4.2
Volkswagen	Germany	3.6
Siemens	Germany	3.5
Microsoft	United States	3.2
Tencent	China/HK	2.7
ING Groep	Netherlands	2.7
Samsung Electronics	Korea	2.6
Taiwan Semiconductor	Taiwan	2.5
HDFC Bank	India	2.4
General Electric	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

- Consumer Cyclical, notably Financials ING, HDFC Bank and KB Financial reflecting better than expected outcomes on asset quality during COVID-19 and a robust outlook as these economies continue to reopen. Trip.com reported better than expected results while also signalling that Chinese domestic hotel and air ticketing have fully recovered.
- KT Corp in Infrastructure/Property - Asia/EM after reporting strong results supported by growth in both 5G subscribers and revenues from the artificial intelligence and digital transformation business. KT also participated in a large capital increase by an associate company Kbank (a rapidly growing online bank).

Key detractors included:

- Hardware, notably MediaTek and Qorvo amidst weakness in handset demand in China and India.
- LG Chem, Siemens and Siemens Energy which were notable exceptions in the Industrials cluster. LG Chem announced a provision to replace a limited range of overheating energy storage system (ESS) batteries, while Siemens and Siemens Energy were impacted by speculation surrounding consolidation of its energy names.
- EDF in Infrastructure/Property - DM as management signalled there was no sign of an imminent agreement with the European Commission to progress nuclear power pricing reforms.

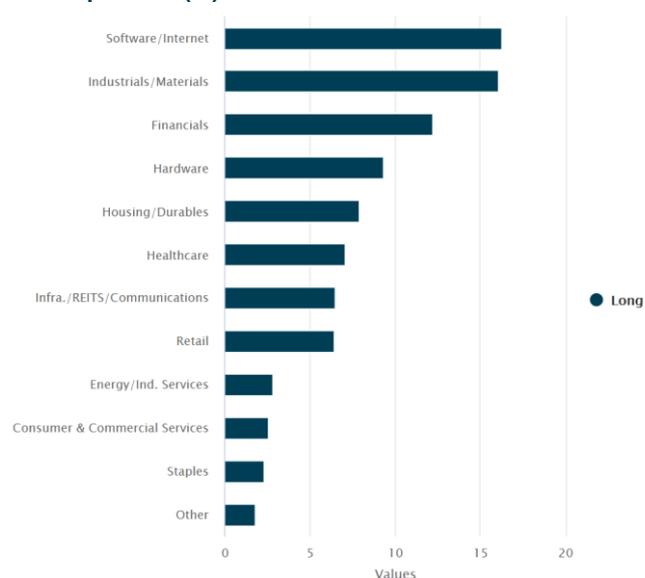
Fund facts

Characteristics	
Investment manager	Antipodes Partners
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	\$26m
Strategy AUM	\$3,009m
Asset Value (NAV)	6.3365

Sector exposure¹ (%)



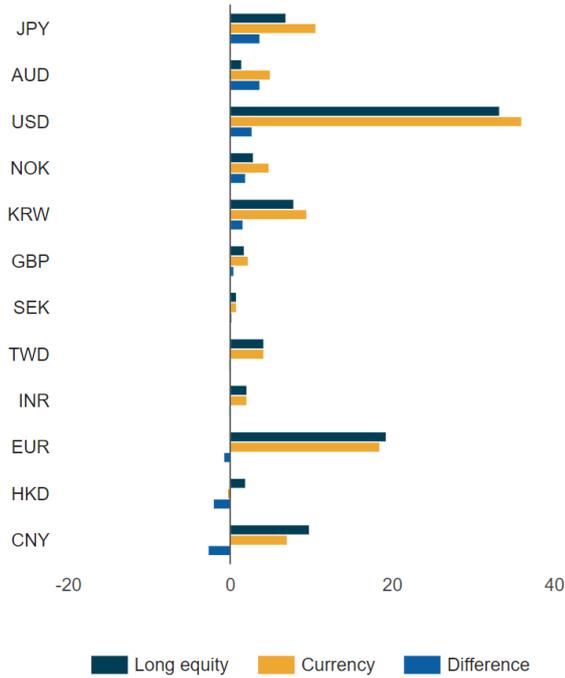
¹ Antipodes classification

Asset allocation³

	Equities - Long	Other - Long
Weight (%)	91.2	-
Count	59	-
Avg. weight (%)	1.5	-
Top 10 (%)	29.6	-
Top 30 (%)	65.8	-

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

Currency exposure^{2,3} (%)



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

Region	Long
North America	34.4
Western Europe	25.4
- Eurozone	19.7
- Rest Western Europe	3.2
- United Kingdom	2.5
Developed Asia	17.9
- Korea/Taiwan	12.6
- Japan	5.3
Developing Asia	11.6
- China/Hong Kong	9.2
- India	2.4
Australia	1.8
Total Equities	91.2
Cash	8.8
Totals	100.0

Market cap exposure³ (%)

Band	Long
Mega (>\$100b)	50.4
Large (>\$25b <\$100b)	22.8
Medium (>\$5b <\$25b)	15.4
Small (<\$5b)	2.5

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

☎ 1300 010 311

✉ invest@antipodespartners.com

Australia Head Office

Antipodes Partners Limited
Level 35, 60 Margaret St
Sydney NSW 2000
Australia

UK Office

Antipodes Partners Limited
6th Floor, Nova North
11 Bressenden Place
London SW1E 5BY UK

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