

Commentary

Global equity strength continued in December (+4.6% in USD, -0.1% in USD 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.

Net performance (%)

	Fund	Benchmark	Difference
1 month	3.5	2.0	1.6
3 month	11.5	10.2	1.4
Year to date	14.1	13.9	0.2
1 year	14.1	13.9	0.2
3 year p.a.	8.7	8.6	0.1
5 year p.a.	12.2	12.3	-0.1
Inception p.a.	10.5	9.2	1.3
Inception	72.9	62.2	10.7

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

Performance & risk summary¹

Average net exposure	72.7%
Upside capture ratio	76
Downside capture ratio	33
Portfolio standard deviation	9.0%
Benchmark standard deviation	11.3%
Sharpe ratio	1.19

¹All metrics are based on gross of fee returns in AUD terms. The upside/downside capture ratio is the percentage of benchmark performance captured by the fund during months that the benchmark is up/down. Standard deviation is a measure of risk with a smaller figure indicating lower return volatility. The Sharpe ratio measures returns on a risk adjusted basis with a figure > 1 indicating a higher return than the benchmark for the respective levels of return volatility

Performance contribution² (%)

	1 month
Long	2.9%
Short	0.2%
Currency	0.6%

⁴ Based on gross returns in AUD

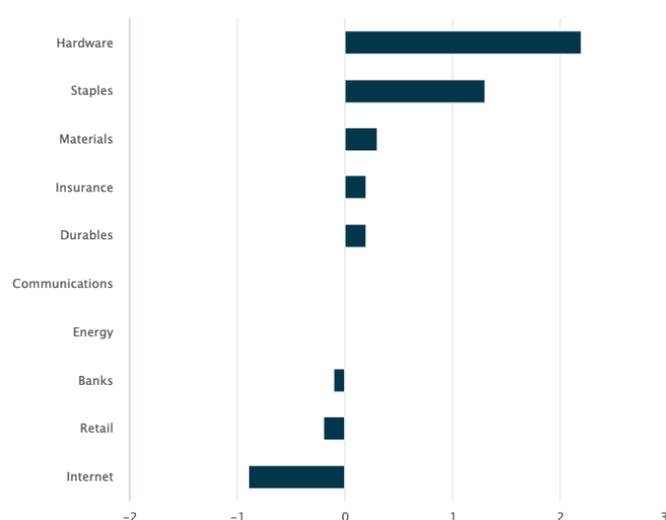
Key contributors to performance included:

- Connectivity/Compute cluster, 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.
- Consumer Defensive cluster, including Li Ning, Yili and Wuliangye, continued its strong performance as China's economic recovery continues, lifting consumption.

Key detractors to performance included:

- Online Services cluster, 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.
- Consumer Cyclical cluster notably HDFC and China Merchants Bank following a period of material outperformance for both companies. ICICI Bank's strong performance, however, continued owing to signs of a revival in corporate lending.

Top & bottom sector contribution³ (%)



³ Antipodes classification

Fund facts

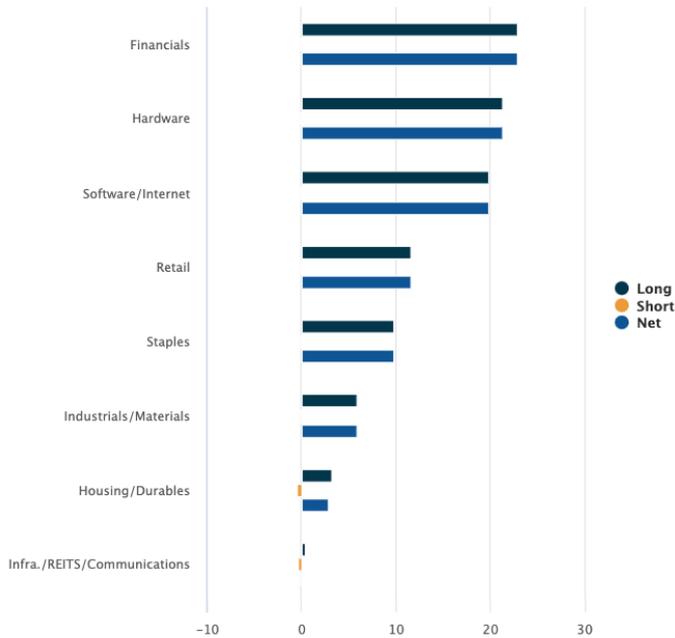
Characteristics	
Investment manager	Antipodes Partners
Inception date	1 July 2015
Benchmark	MSCI All Country Asia ex Japan Net Index in AUD
Management fee	1.20% p.a.
Performance fee	15% of net return in excess of benchmark
Buy/Sell spread	±0.30%
Minimum investment	AUD \$25,000
Distribution	Annual, 30 June
Asset value	
Fund AUM	\$85m
Strategy AUM	\$93m
Unit redemption price	1.4708

Asset allocation⁴

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (%)	95.2	-	-0.7	-
Count	37	-	2	-
Avg. weight (%)	2.6	-	-0.4	-
Top 10 (%)	48.0	-	-	-
Top 30 (%)	90.4	-	-	-

⁴ Call (put) options represented as the current option value (delta adjusted exposure)

Sector exposure^{4,5} (%)

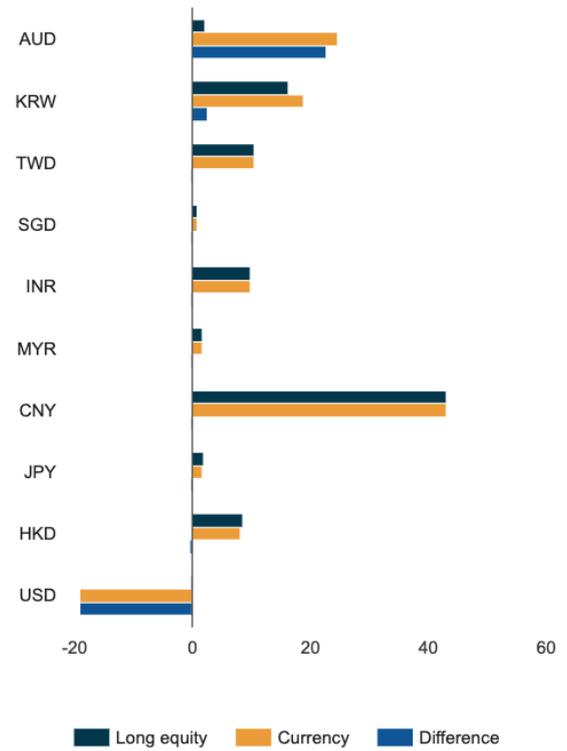


⁵ Antipodes classification

Top 10 equity longs⁴ (%)

Name	Country	Weight
Samsung Electronics	Korea	7.7
Taiwan Semiconductor	Taiwan	7.4
Tencent	China/HK	6.8
HDFC Bank	India	4.7
Ping An Insurance	China/HK	3.8
Li Ning	China/HK	3.7
AIA Group	China/HK	3.6
ICICI Bank	India	3.5
Alibaba	China/HK	3.4
JD.com	China/HK	3.3

Currency exposure^{4,5} (%)



⁶ Where possible, regions, countries and currencies classified on a look through basis

Regional exposure^{4,5,6} (%)

Region	Long	Short	Net
Developing Asia	64.5	-0.4	64.1
- China/Hong Kong	51.6	-0.4	51.2
- India	9.9	-	9.9
- Rest Developing Asia	3.0	-	3.0
Developed Asia	28.6	-0.3	28.2
- Korea/Taiwan	26.7	-	26.7
- Japan	1.9	-0.3	1.5
Australia	2.1	-	2.1
Total Equities	95.2	-0.7	94.5
Cash	4.8	-	-
Totals	100.0	-0.7	-

Market cap exposure⁴ (%)

Band	Long	Short	Net
Mega (>\$100b)	51.2	0.0	51.2
Large (>\$25b <\$100b)	23.7	-0.7	23.0
Medium (>\$5b <\$25b)	11.9	0.0	11.9
Small (<\$5b)	8.3	0.0	8.3

Investment Manager

- Global and Asian 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 Ratings



Fund features

- Objective to achieve absolute returns in excess of the benchmark over the investment cycle (typically 3-5 years)
- The fund may invest in companies that are listed:
 - On Asian share markets
 - On global share markets and which derive >65% of their revenues from Asia
 - In Japan (maximum 30% net exposure)
 - In Oceania and non-Asian emerging markets (maximum 15% net exposure)
- In the absence of finding securities that meet minimum risk-return criteria, cash may be held
- Flexibility to hedge for risk management purposes:
- Equity shorts and currency positions used to take advantage of attractive risk-return opportunities, offset specific long portfolio risks and provide some protection from negative tail risk. Derivatives may also be used to amplify high conviction ideas
- Typical net equity exposure of 50% to 100%; maximum gross exposure of 150% of NAV

Further information

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