

## Commentary

Global equities retreated (-0.1%, -3.2% in USD), breaking a five-month winning streak on COVID-19 fears and US political uncertainty. Cyclical sectors were mixed as Industrials and Materials outperformed whilst Energy and Financials lagged. Defensive sectors such as Utilities and Consumer Staples were also strong.

Asian equities broadly outperformed (+2.6%) led by Japan as Yoshihide Suga was formally appointed as Prime Minister. Existing economic policies are expected to be maintained with potential for further structural reform. Korean equities outperformed (6.4%) as the market saw demand for a series of high-profile, high-growth IPOs. Chinese equities lagged (-0.4%) on elevated US-China tech tensions

US equities underperformed (-0.7%) as Democratic Presidential candidate Joe Biden maintained a lead in the polls and negotiations on a new COVID-19 fiscal relief bill stalled.

Elsewhere, Brent Crude fell on demand concerns. The US dollar rallied (DXY +1.9%) on safe-haven demand however Gold fell for a second month.

Key contributors to performance included:

- Connectivity/compute cluster, including Samsung Electronics and TSMC, as Samsung benefited from a rebound in handset sales while

demand for TSMC's leading edge solutions is stronger than expected. Additionally, both leading incumbent semiconductor companies are expected to benefit from the US restricting China's access to chips designed/manufactured using US tools, curtailing China's tech independence and necessitating dependence on the Koreans/Taiwanese.

- Online services notably Alibaba, where gross merchandise growth rates have returned to pre-COVID levels and the company continues to take share in online retail sales. New users and engagement continue to grow at a fast clip due to, amongst other things, development of membership programmes, expanded recommendation feed and short form videos.
- Li Ning (Consumer Defensive cluster) continues to benefit from secular trends in sportswear as well as an expectation that offline sales have begun to normalise to pre-COVID levels.

Key detractors to performance included:

- Consumer Defensive cluster including Yili and Yum China following a period of outperformance. Yum China was further impacted by additional capital raised in its Hong Kong listing.
- CNOOC (Oil/Natural Gas cluster) which weakened with the oil price.

## Net performance (%)

	Fund	Benchmark	Difference
1 month	0.8	1.6	-0.8
3 month	6.8	6.3	0.5
Year to date	2.3	3.4	-1.1
1 year	7.9	10.9	-3.0
3 year p.a.	7.4	8.1	-0.7
5 year p.a.	10.1	10.1	-0.1
Inception p.a.	8.7	7.6	1.1
Inception	55.0	47.2	7.8

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 summary<sup>1</sup>

Average net exposure	71.6%
Upside capture ratio	72
Downside capture ratio	33
Portfolio standard deviation	8.8%
Benchmark standard deviation	11.4%
Sharpe ratio	1.01

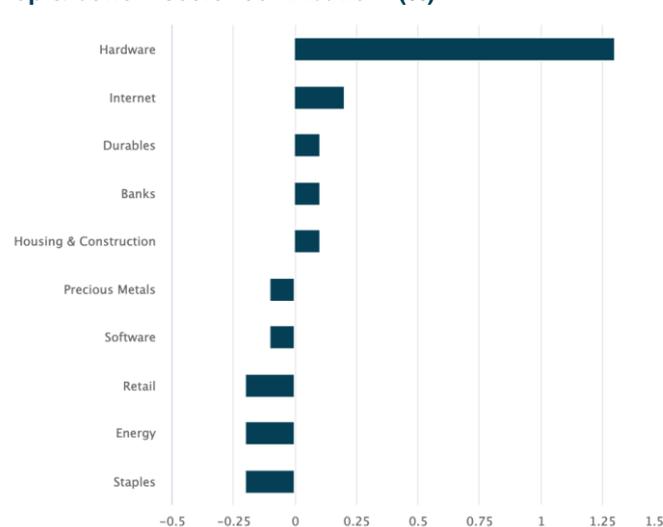
<sup>1</sup>All metrics are based on gross of fee returns in AUD terms. The upside/downside capture ratio is the percentage of benchmark performance captured by the fund during months that the benchmark is up/down. Standard deviation is a measure of risk with a smaller figure indicating lower return 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 contribution<sup>2</sup> (%)

	1 month
Long	0.9%
Short	0.1%
Currency	-0.1%

<sup>4</sup> Based on gross returns in AUD

## Top & bottom sector contribution<sup>3</sup> (%)



<sup>3</sup> 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

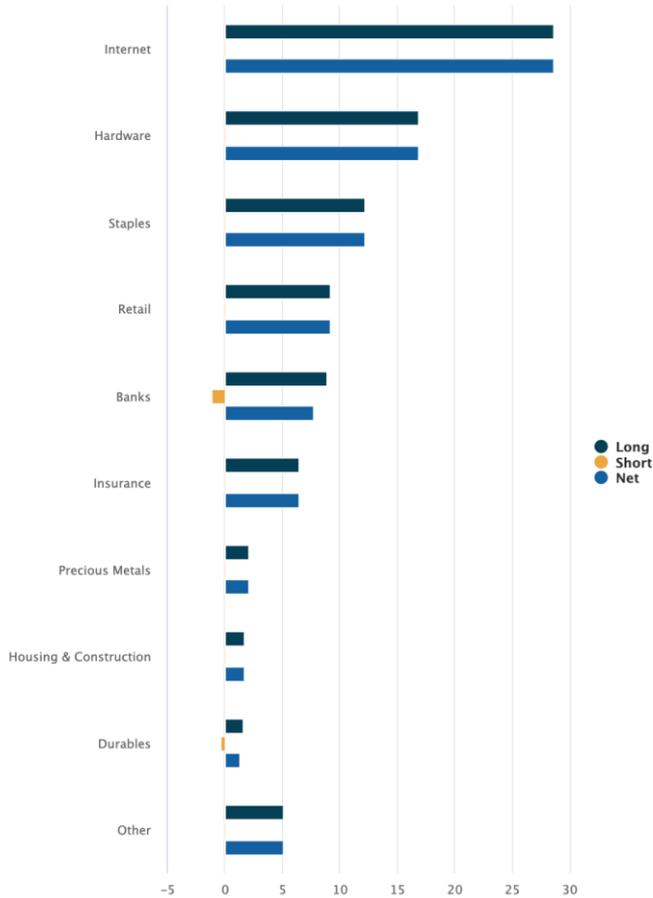
Asset value	
Fund AUM	\$78m
Strategy AUM	\$85m
Unit redemption price	1.3187

Asset allocation<sup>4</sup>

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (% NAV)	92.9	-	-1.4	-
Count	36	-	4	-
Avg. weight	2.6	-	-0.3	-
Top 10 (% NAV)	52.4	-	-	-
Top 30 (% NAV)	90.2	-	-	-

<sup>4</sup> Call (put) options represented as the current option value (delta adjusted exposure)

Sector exposure<sup>4,5</sup> (%)

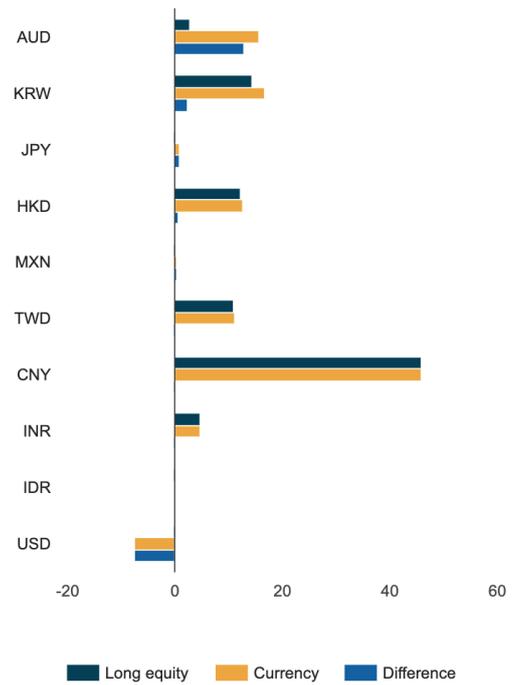


<sup>5</sup> Antipodes classification

Top 10 equity longs<sup>4</sup> (%)

Name	Country	Weight
Alibaba	China/HK	9.1
Tencent	China/HK	8.2
Taiwan Semiconductor	Taiwan	7.4
Samsung Electronics	Korea	6.0
JD.com	China/HK	4.2
Meituan Dianping	China/HK	3.9
HDFC Bank	India	3.6
AIA Group	China/HK	3.5
NAVER	Korea	3.3
Li Ning	China/HK	3.3

Currency exposure<sup>4,5</sup> (%)



<sup>6</sup> Where possible, regions, countries and currencies classified on a look through basis

Regional exposure<sup>4,5,6</sup> (%)

Region	Long	Short	Net
Developing Asia	64.7	-1.1	63.6
- China/Hong Kong	58.1	-1.1	57.0
- India	4.6	-	4.6
- Rest Developing Asia	2.1	-	2.1
Developed Asia	25.4	-0.3	25.1
- Korea/Taiwan	25.4	-	25.4
- Japan	-	-0.3	-0.3
Australia	2.8	-	2.8
<b>Total Equities</b>	<b>92.9</b>	<b>-1.4</b>	<b>91.5</b>
Cash	7.1	-	-
<b>Totals</b>	<b>100.0</b>	<b>-1.4</b>	<b>-</b>

Market cap exposure<sup>4</sup> (%)

Band	Long	Short	Net
Mega (>\$100b)	49.3	0.0	49.3
Large (>\$25b <\$100b)	16.8	-1.1	15.7
Medium (>\$5b <\$25b)	17.2	-0.3	17.0
Small (<\$5b)	9.5	0.0	9.5

### 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

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