

Commentary

Global equity strength continued for a fifth consecutive month (+2.9%, +6.1% in USD) as global growth indicators picked up and COVID-19 vaccine developments progressed. Whilst some cyclical sectors outperformed, led by Consumer Discretionary and Industrials, investors continued to exhibit a preference for growth over low multiple – or value – stocks.

US equities outperformed (+4.2%) as the Fed confirmed monetary policy will remain supportive post a shift to an average inflation target. The strength in US technology giants continued unabated as investors increasingly view the tech sector as a COVID-19 haven, despite lofty valuations. Negotiations on a new COVID-19 relief bill stalled in Washington. Japanese equities led (+4.4%), quickly regaining the ground lost at the end of July. Towards the end of the month, Prime minister Shinzo Abe announced his resignation due to a long-standing health problem.

Europe underperformed (+1.0%) given its lack of technology exposure. COVID-19 cases worsened with France and Spain entering a second wave and new travel restrictions were established across the continent.

Elsewhere, global bond yields rose from record low levels as risk appetite improved. Gold halted a five month winning streak. Brent Crude (+4.0%) rallied amid the threat of tropical activity in the US Gulf Coast interrupting supply.

Key contributors to performance included:

- Consumer Cyclical Developed Markets cluster notably ING which

Net performance (%)

| | Fund | Benchmark | Difference |
|----------------|------|-----------|------------|
| 1 month | 2.5 | 2.9 | -0.4 |
| 3 month | 2.8 | 3.5 | -0.7 |
| Year to date | -4.6 | -0.4 | -4.2 |
| 1 year | 1.5 | 6.2 | -4.7 |
| 3 year p.a. | 6.5 | 11.6 | -5.0 |
| 5 year p.a. | 8.8 | 9.3 | -0.4 |
| Inception p.a. | 8.9 | 9.4 | -0.4 |
| Inception | 55.5 | 58.8 | -3.3 |

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 | 87.8% |
| Upside capture ratio | 97 |
| Downside capture ratio | 86 |
| Portfolio standard deviation | 11.0% |
| Benchmark standard deviation | 10.9% |
| Sharpe ratio | 0.81 |

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 | 2.6% |
| Currency | -0.1% |

² Based on gross returns in AUD

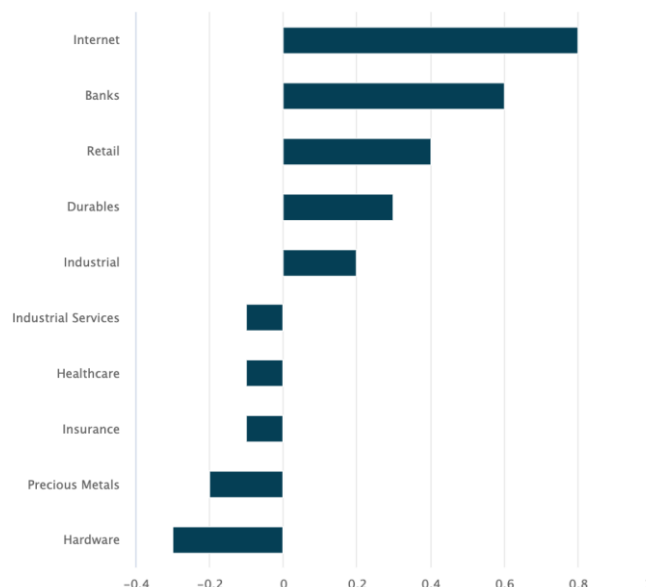
reported a strong result with flat earnings and provisions expected to fall in 2H20. Excess capital places ING in a good position to pay dividends in 2021, valuing the stock on a 10% yield.

- Industrials cluster including Volkswagen and Siemens as the market become more constructive around reopening. Siemens reported another strong result driven by Digital Industries (automation, including hardware and software), where profitability rose thanks to software sales. Pleasingly, orders and market share also rose.
- Online Services in Developed and Emerging Markets including Facebook and Alibaba, as Facebook continues to announce new product initiatives and Alibaba announced its intention to separately list Ant Group, which operates AliPay.

Key detractors to performance included:

- Connectivity/Compute cluster including Samsung Electronics, TSMC and MediaTek following escalation in US-China tech tensions, preventing Huawei accessing chips designed/manufactured using US equipment, after a period of outperformance. MediaTek is temporarily affected, though we expect the three players can emerge from this transition with secular trends intact
- Newcrest as the gold price tapered, and following a period of outperformance.

Top & bottom sector contribution^{2,4} (%)



⁵ Antipodes classification

Fund facts

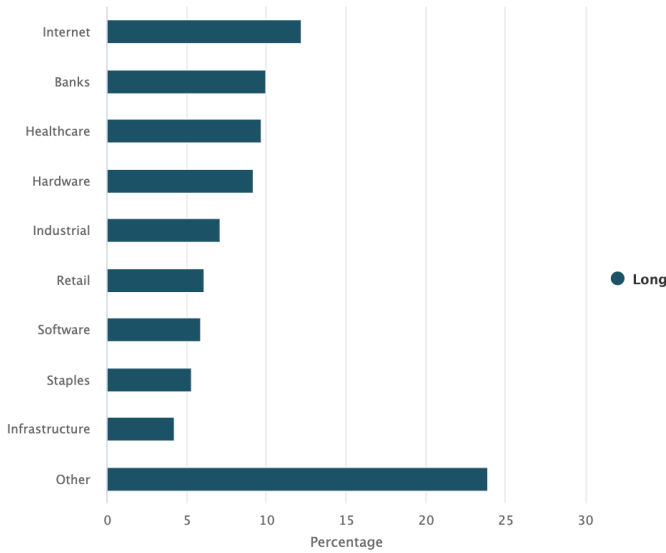
| Characteristics | |
|-----------------------|--|
| Investment manager | Antipodes Partners |
| Inception 1 date | 1 July 2015 |
| Benchmark | MSCI All Country World Net Index in AUD |
| Management fee | 1.20% p.a. |
| Performance fee | 15% of net return in excess of benchmark |
| Buy/Sell spread | ±0.30% |
| Minimum investment | AUD \$25,000 |
| Distribution | Annual, 30 June |
| Asset value | |
| Fund AUM | \$945m |
| Strategy AUM | \$2,462m |
| Unit redemption price | 1.0595 |

Asset allocation³

| | Equities - Long | Other - Long |
|----------------|-----------------|--------------|
| Weight (% NAV) | 93.4 | - |
| Count | 65 | - |
| Avg. weight | 1.4 | - |
| Top 10 (% NAV) | 27.6 | - |
| Top 30 (% NAV) | 64.6 | - |

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

Sector exposure^{3,4} (%)

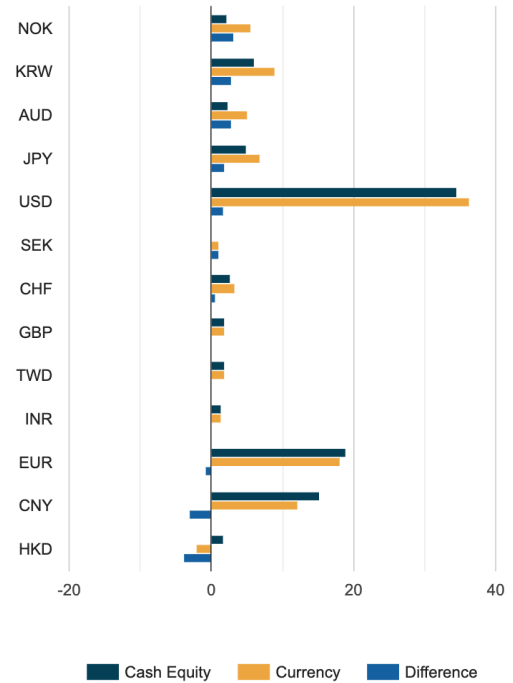


⁴ Antipodes classification

Top 10 equity longs³ (%)

| Name | Country | Weight |
|-----------------------|---------------|--------|
| Facebook | United States | 3.1 |
| Microsoft | United States | 2.9 |
| Ping An Insurance | China/HK | 2.9 |
| Alibaba | China/HK | 2.9 |
| Siemens | Germany | 2.8 |
| Électricité de France | France | 2.7 |
| Roche | Switzerland | 2.7 |
| Tencent Holdings | China/HK | 2.6 |
| Merck | United States | 2.5 |
| Capital One Financial | United States | 2.5 |

Currency exposure^{3,5} (%)



⁵ Where possible, regions, countries and currencies classified on a look through basis

Regional exposure^{3,4,5} (%)

| Region | Long |
|-----------------------|--------------|
| United States | 34.6 |
| Western Europe | 25.3 |
| - Eurozone | 18.7 |
| - Rest Western Europe | 4.9 |
| - United Kingdom | 1.8 |
| Developing Asia | 18.4 |
| - China/Hong Kong | 16.9 |
| - India | 1.4 |
| Developed Asia | 12.8 |
| - Korea/Taiwan | 7.9 |
| - Japan | 4.9 |
| Australia | 2.3 |
| Total Equities | 93.4 |
| Cash | 6.6 |
| Totals | 100.0 |

Market cap exposure³ (%)

| Band | Weight |
|------------------------|--------|
| Mega (>\$100b) | 40.7 |
| Large (>\$25b <\$100b) | 27.7 |
| Medium (>\$5b <\$25b) | 20.1 |
| Small (<\$5b) | 4.9 |

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)
- In the absence of finding individual securities that meet minimum risk-return criteria, cash may be held to maximum 25%
- Flexibility to hedge for risk management purposes:
 - Currency exposure of the underlying stock position (net short currency position not permitted)
 - Equity market exposure via exchange traded derivatives (limited to 10% of NAV)
 - Leverage not permitted

Fund Ratings



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