

## 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 Cyclical, 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	5.5	4.4	1.1
3 month	7.4	5.9	1.5
Year to date	7.4	5.9	1.5
1 year	17.8	24.2	-6.4
3 year p.a.	6.5	12.3	-5.8
5 year p.a.	10.9	13.4	-2.5
Inception p.a.	9.9	10.6	-0.8
Inception	71.9	78.9	-7.0

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	64.0%
Upside capture ratio	80
Downside capture ratio	55
Portfolio standard deviation	8.9%
Benchmark standard deviation	10.8%
Sharpe ratio	1.11

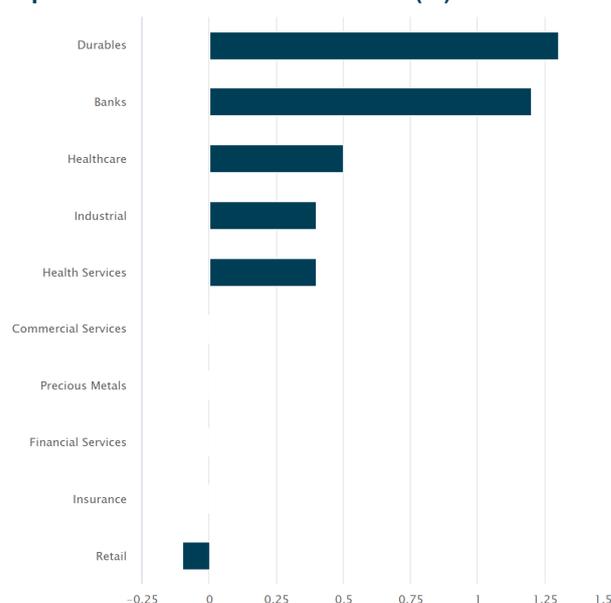
<sup>1</sup>All metrics are based on gross of fee returns in AUD terms. The upside/downside capture ratio is the percentage of benchmark performance captured by the fund during months that the benchmark is up/down. Standard deviation is a measure of risk with a smaller figure indicating lower return 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	5.6%
Short	0.0%
Currency	0.0%

<sup>2</sup>Based on gross returns in AUD

## Top & bottom sector contribution<sup>2,3</sup> (%)



<sup>3</sup>Antipodes classification

## Fund facts

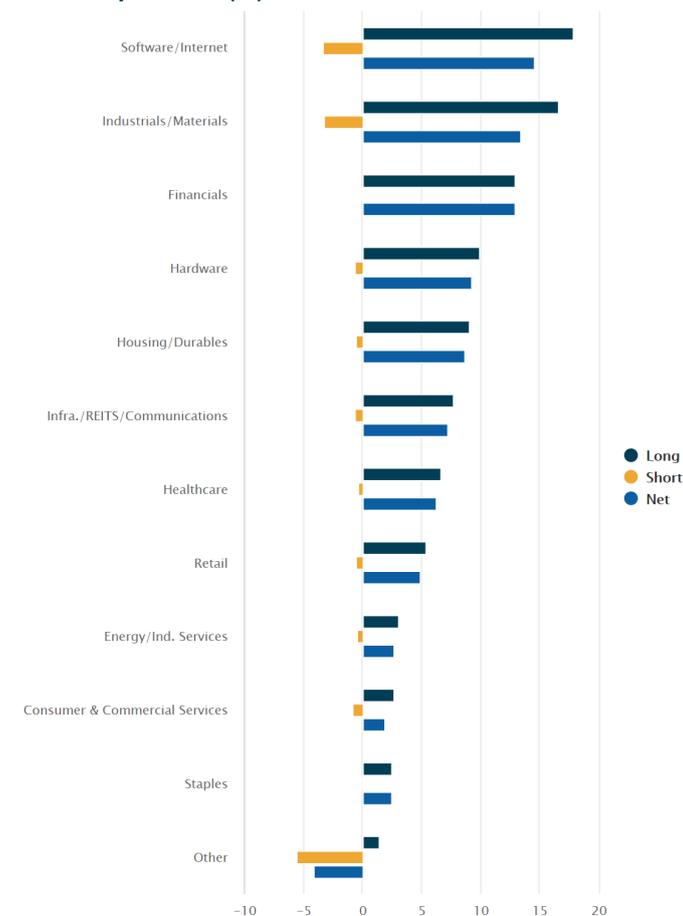
Characteristics	
Investment manager	Antipodes Partners
Inception date	1 July 2015
Benchmark	MSCI All Country World Net Index in AUD
Management fee	1.20% p.a.
Performance fee	15% of net return in excess of benchmark
Buy/Sell spread	±0.30%
Minimum investment	AUD \$25,000
Distribution	Annual, 30 June
Asset value	
Fund AUM	\$3,318m
Strategy AUM	\$6,153m
Unit redemption price	1.8382

Asset allocation<sup>4</sup>

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (%)	95.9	0.4	-15.7	-9.4
Count	62	1	27	4
Avg. weight (%)	1.5	0.4	-0.6	-2.4
Top 10 (%)	30.5	-	-9.9	-
Top 30 (%)	67.1	-	-	-

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

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

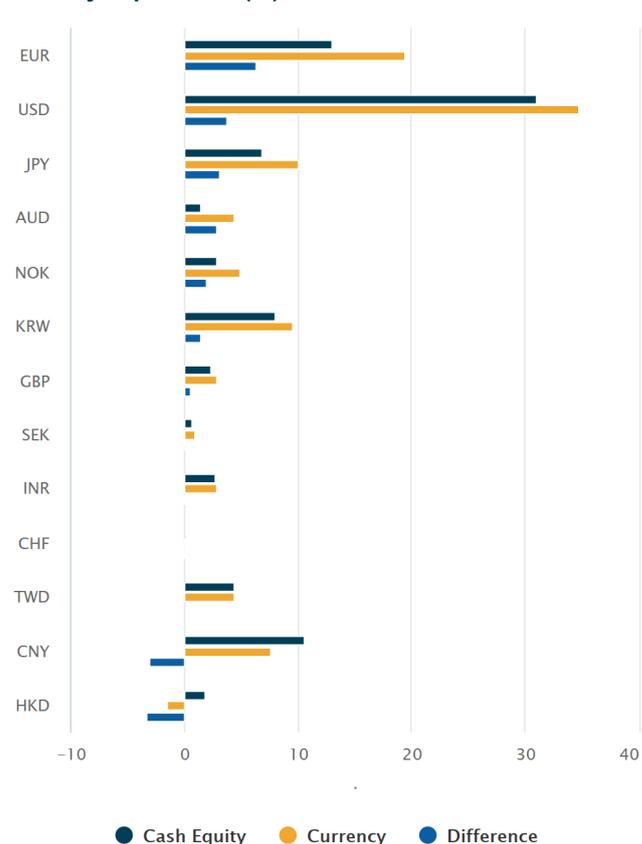


<sup>5</sup> Antipodes classification

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

Name	Country	Weight
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
Taiwan Semiconductor	Taiwan	2.6
ING Groep	Netherlands	2.5
Ping An Insurance	China/HK	2.5
General Electric	United States	2.4

Currency exposure<sup>4,6</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
United States	35.1	-11.9	23.2
Western Europe	25.0	-0.4	24.7
- Eurozone	19.1	-0.4	18.7
- Rest Western Europe	3.5	-	3.5
- United Kingdom	2.4	-	2.4
Developed Asia	19.2	-2.0	17.3
- Korea/Taiwan	12.4	-	12.4
- Japan	6.8	-2.0	4.9
Developing Asia	15.1	-1.0	14.1
- China/Hong Kong	12.4	-1.0	11.4
- India	2.7	-	2.7
Australia	1.4	-0.5	1.0
<b>Total Equities</b>	<b>95.9</b>	<b>-15.7</b>	<b>80.2</b>
Other	0.4	-9.4	-
Cash	3.8	-	-
<b>Totals</b>	<b>100.0</b>	<b>-25.1</b>	<b>-</b>

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

Band	Long	Short	Net
Mega (>\$100b)	51.1	-7.0	44.2
Large (>\$25b <\$100b)	24.0	-4.2	19.8
Medium (>\$5b <\$25b)	19.1	-4.4	14.8
Small (<\$5b)	1.6	-0.2	1.4

### 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)

### Fund Ratings



### Further information

☎ 1300 010 311

✉ [invest@antipodespartners.com](mailto: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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