

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.

US equities underperformed (-0.7%) as Democratic Presidential candidate Joe Biden maintained a lead in the polls, a Democratic majority in the Senate became more likely, and negotiations on a new COVID-19 fiscal relief bill stalled. New COVID-19 restrictions and concerns over stalling economic recovery ahead of the next Brexit negotiations weighed on Europe (-0.3%).

Asia broadly outperformed (+2.6%) led by Japan as Yoshihide Suga was appointed Prime Minister and existing economic policies are expected to be maintained. China lagged (-0.4%) on elevated US-China tech tensions.

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.

Net performance (%)

	Fund	Benchmark	Difference
1 month	-0.6	-0.1	-0.5
3 month	1.1	3.9	-2.7
Year to date	-5.0	-0.6	-4.4
1 year	-2.2	3.9	-6.2
3 year p.a.	3.1	10.4	-7.3
5 year p.a.	7.1	9.9	-2.8
Inception p.a.	7.5	9.2	-1.6
Inception	46.4	58.5	-12.2

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	62.8%
Upside capture ratio	75
Downside capture ratio	59
Portfolio standard deviation	8.5%
Benchmark standard deviation	10.8%
Sharpe ratio	0.87

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	-0.2%
Short	-0.2%
Currency	-0.1%

²Based on gross returns in AUD

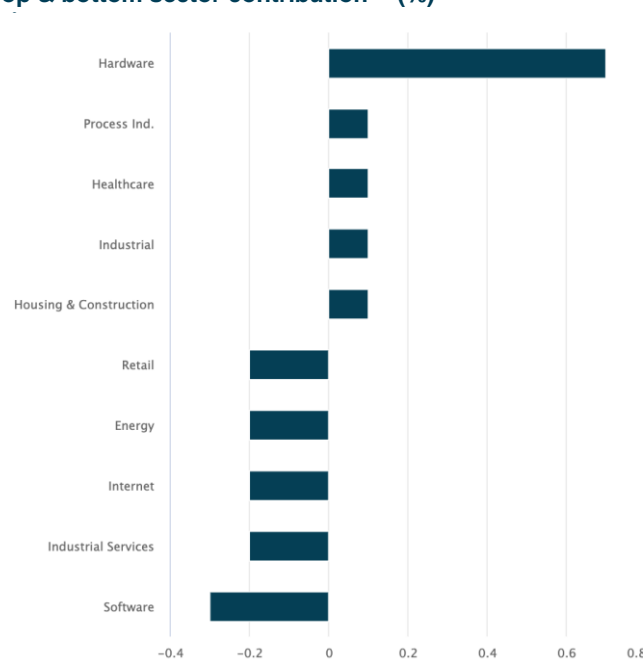
Additionally, both leading incumbent semiconductor companies are expected to benefit from the US restricting China's access to chips designed/manufactured using US tools, curtailing China's tech independence and necessitating dependence on the Koreans/Taiwanese.

- Capital One Financial, Consumer Cyclical – Developed Markets (DM), as recent metrics showed ongoing resilience in credit quality, and credit cards (industry-wide) showed the first inflection in loan growth since March 2020.

Key detractors to performance included:

- Oil/Natural Gas cluster, notably TechnipFMC and CNOOC which weakened with the oil price, while the market overlooks Technip's c. \$3b in contract wins over the September quarter.
- Online Services DM notably Facebook, after a sustained period of outperformance.
- Consumer Cyclical DM cluster, notably ING Groep, which, along with other banks, was affected by potential money laundering concerns over 2000 – 2017 with the bulk of these cases backward looking. Importantly, ING has invested heavily in compliance and given excess capital, any incremental fines should not threaten dividends.

Top & bottom sector contribution^{2,3} (%)



³Antipodes 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

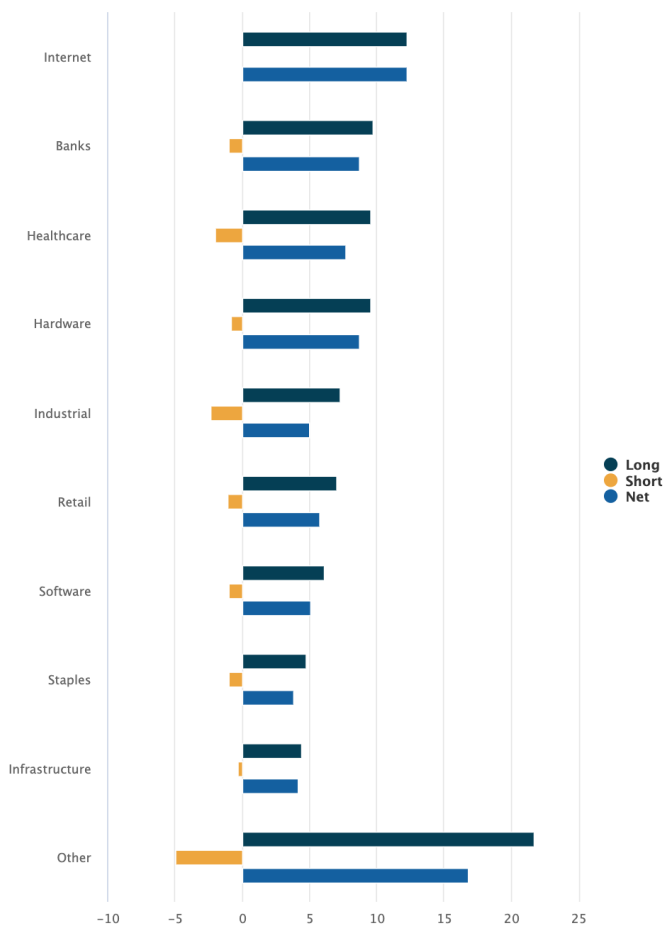
Fund AUM	\$3,087m
Strategy AUM	\$5,537m
Unit redemption price	1.5653

Asset allocation⁴

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (% NAV)	92.5	0	-14.4	-5.2
Count	66	1	32	6
Avg. weight	1.4	0	-0.5	-0.9
Top 10 (% NAV)	27.8	-	-6.7	-
Top 30 (% NAV)	65.1	-	-14.2	-

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

Sector exposure^{4,5} (%)

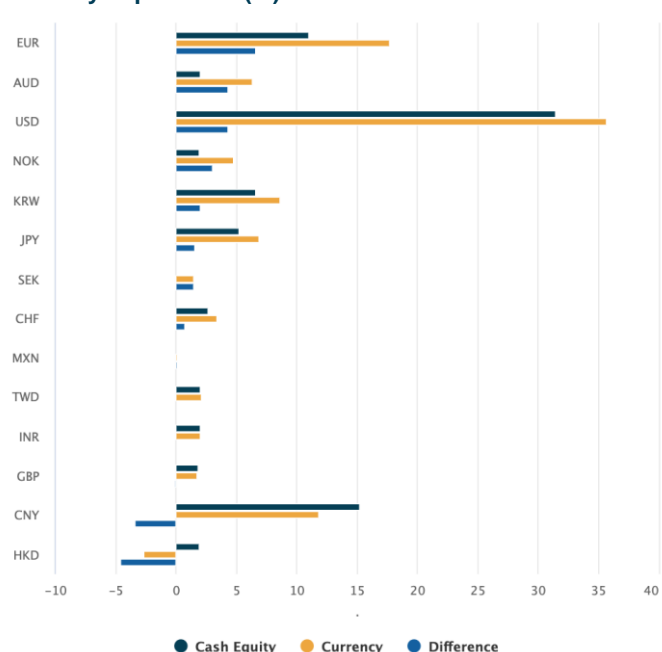


⁵ Antipodes classification

Top 10 equity longs⁴ (%)

Name	Country	Weight
Électricité de France	France	3.0
Microsoft	United States	2.9
Ping An Insurance	China/HK	2.9
Alibaba	China/HK	2.8
Facebook	United States	2.7
Roche	Switzerland	2.7
Tencent	China/HK	2.7
Capital One Financial	United States	2.7
Samsung Electronics	Korea	2.6
Siemens	Germany	2.6

Currency exposure^{4,6} (%)



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

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

Region	Long	Short	Net
North America	34.2	-9.5	24.7
Western Europe	23.3	-2.2	21.1
- Eurozone	16.9	-1.1	15.8
- Rest Western Europe	4.6	-	4.6
- United Kingdom	1.8	-1.1	0.7
Developing Asia	19.1	-0.3	18.8
- China/Hong Kong	17.1	-0.3	16.8
- India	2.0	-	2.0
Developed Asia	13.9	-2.5	11.4
- Korea/Taiwan	8.7	-0.8	7.9
- Japan	5.2	-1.7	3.6
Australia	2.0	-	2.0
Total Equities	92.5	-14.4	78.1
Other	-	-5.2	-
Cash	7.5	-	-
Totals	100.0	-19.6	-

Market cap exposure⁴ (%)

Band	Long	Short	Net
Mega (>\$100b)	40.8	-4.5	36.3
Large (>\$25b <\$100b)	28.5	-3.8	24.7
Medium (>\$5b <\$25b)	18.1	-4.5	13.6
Small (<\$5b)	5.1	-1.7	3.4

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

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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