

For Professional Clients Only

## Commentary

Global equities rebounded in February as the rapid rollout of vaccination programs and the supportive monetary and fiscal backdrop boosted sentiment (+2.3%). Cyclical sectors exposed to the re-opening of economies, such as Energy, Financials, Industrials and Materials outperformed, at the expense of defensive sectors such as Utilities, Healthcare and Consumer Staples. Investors exhibited a preference for low multiple - or value - stocks over momentum and growth.

US equities (+2.6%) marginally outperformed on expectations of a significant acceleration in consumption once restrictions are lifted, supported by Joe Biden's proposed \$1.9t "Rescue Plan". Improving growth expectations led to an aggressive steepening of the US yield curve (US10yr yield rose from 1.07% to 1.40%) led by real yields. This weighed on large-cap tech and healthcare which dominate the index market cap and hit the headline indices into month end, despite cyclicals holding up on a relative basis.

Asia (+1.3%) and Emerging Markets (+0.8%) lagged with China (-1.0%) the major underperformer due to a small rise in COVID cases leading to new restrictions over Lunar New Year alongside fears of premature tightening from the PBOC due to rising house prices.

Elsewhere, the rally in Brent Crude on demand optimism continued for a fourth month (17.0%) and Gold (-6.5%) retreated on the move in real yields.

The key contributors to the portfolio were the cyclical exposures due to confidence around vaccine roll out and continued normalisation in economic activity, and additional stimulus.

## Net performance (%)

	Fund	Benchmark	Difference
1 month	3.9	2.3	1.6
3 month	8.1	6.6	1.5
Year to date	3.3	1.9	1.5
1 year	32.3	30.2	2.1
3 year p.a.	6.4	10.3	-3.9
Inception p.a.	4.3	8.2	-3.9
Inception	14.1	27.7	-13.6

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

## Performance contribution<sup>1</sup> (%)

	1 month
Long	3.7%
Currency	0.2%

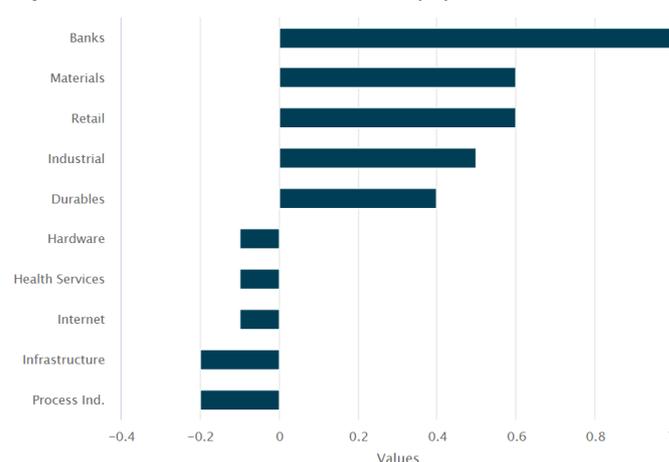
<sup>1</sup> Based on gross returns in USD

- Consumer Cyclical Developed Markets (DM) including ING Groep and Capital One, as both reported solid results and lifted distributions, and have considerable excess capital to facilitate additional distributions.
- Consumer Cyclical EM, notably HDFC Bank which continues to report strong loan growth as the Indian economy normalises ahead of expectations and Trip.com, as the market has become more constructive on travel with the roll out of vaccines.
- Industrials cluster, including Norsk Hydro, as aluminium (and base metals broadly) has moved on expectations of continued improvement in economic activity, and General Electric, which continues to perform with the belief vaccines will drive a normalisation in travel (GE's aviation business). Additionally, GE reported a strong result with profits increasing across the remaining healthcare, renewables and power divisions.
- Oil/Natural gas cluster including Equinor.

Key detractors to performance included:

- Healthcare cluster, including Merck, as investors have shied away from big cap pharma following the Democratic clean sweep in the US elections (concern around the possibility of adverse drug pricing policies) in preference for more economically sensitive exposures.

## Top & bottom sector contribution<sup>1,2</sup> (%)



<sup>2</sup> Antipodes classification

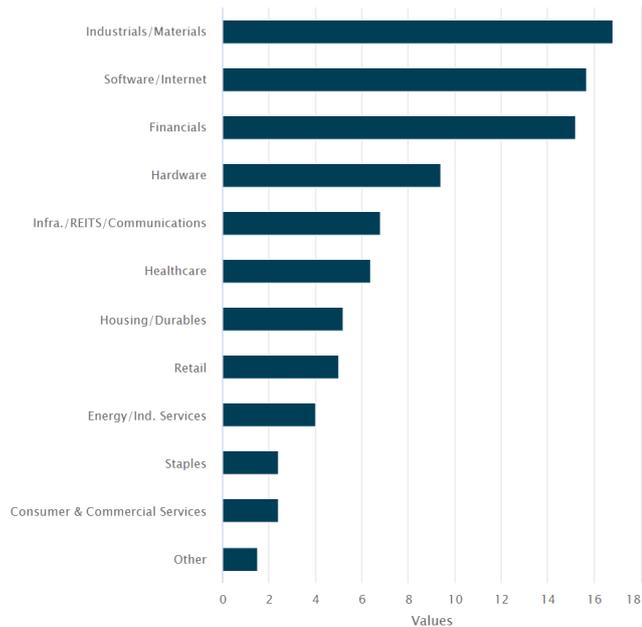
## Fund facts

Characteristics	
Fund inception date	23 January 2018
Class inception date	23 January 2018
Benchmark	MSCI All Country World Net Index (USD)
Base Currency	USD
Domicile	Ireland
Legal Structure	A sub-fund of Pinnacle ICAV
Dealing Frequency	Daily (T+3 settlement)
Dealing Deadline	12:00pm (Irish time) T-1
Asset value	
Fund AUM	\$44m
Strategy AUM	\$2.012m
Unit redemption price	11.4104

Asset allocation<sup>3</sup>

	Equities - Long	Other - Long
Weight (%)	90.9	-
Count	55	-
Avg. weight (%)	1.7	-
Top 10 (%)	30.2	-
Top 30 (%)	66.4	-

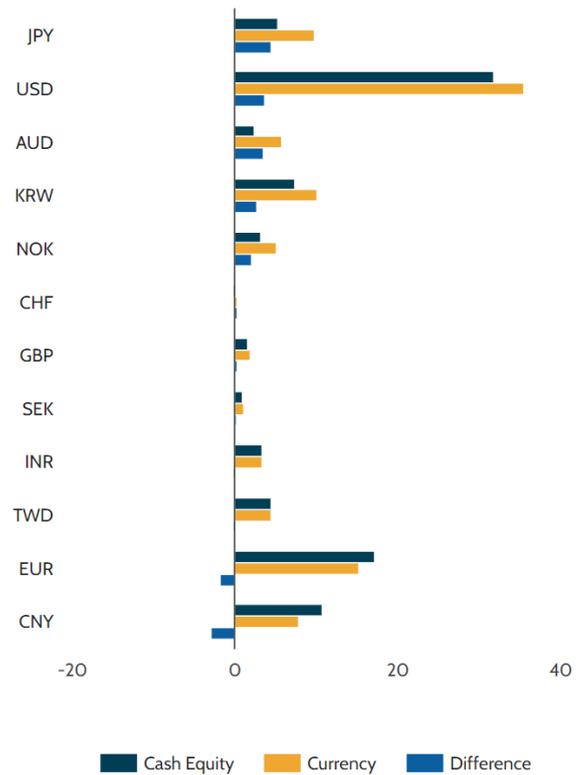
<sup>3</sup>Call (put) options represented as the current option value (delta adjusted exposure)

Sector exposure<sup>2,3</sup> (%)

<sup>2</sup> Antipodes classification

Top 10 equity longs<sup>3</sup> (%)

Name	Country	Weight
Facebook	United States	3.6
Siemens	Germany	3.4
ING Groep	Netherlands	3.2
Microsoft	United States	3.2
Ping An Insurance	China/HK	3.1
Volkswagen	Germany	2.9
Samsung Electronics	Korea	2.9
Taiwan Semiconductor	Taiwan	2.7
HDFC Bank	India	2.7
Tencent	China/HK	2.5

Currency exposure<sup>3,4</sup> (%)

<sup>4</sup> Where possible, regions, countries and currencies classified on a look through basis.

Regional exposure<sup>2,3,4</sup> (%)

Region	Long
United States	32.6
Western Europe	22.5
- Eurozone	16.9
- Rest Western Europe	4.0
- United Kingdom	1.6
Developed Asia	17.0
- Korea/Taiwan	11.8
- Japan	5.2
Developing Asia	16.5
- China/Hong Kong	13.2
- India	3.3
Australia	2.3
Total Equities	90.9
Cash	9.1
Totals	100.0

Market cap exposure<sup>3</sup> (%)

Band	Long
Mega (>\$100b)	49.2
Large (>\$25b <\$100b)	23.1
Medium (>\$5b <\$25b)	17.1
Small (<\$5b)	1.5

## 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
- Based in Australia with offices in Sydney and London

## Fund features

- Objective to achieve absolute returns in excess of the benchmark over the investment cycle (typically 3-5 years)
- The Fund may use FDIs typically for netting and hedging arrangements. FDIs cannot be used to leverage portfolio exposure.
- Total exposure limited to 100% of Net Asset Value to remain net long

Share Class	S Class	I Class
ISIN	IE00BFNKTG02	IE00BFNKTTH19
Bloomberg ticker	ANGLUSU:ID	ANGLUIU:ID
Currency	USD	USD
Dealing frequency	Daily (T+3 settlement)	Daily (T+3 settlement)
Dealing deadline	12:00pm (Irish time) T-1	12:00pm (Irish time) T-1
Min. initial amount	\$50,000,000	\$10,000,000
Min. subsequent investments	\$5,000,000	\$1,000,000
Investment management fee <sup>4</sup>	0.85%	0.85%
Performance fee <sup>5</sup>	Nil	Nil
Cap on covered costs <sup>6</sup>	0.15%	0.15%
Distribution policy	Accumulating	Accumulating
Voting shares	No	Yes
Status	Open	Open
Inception Date	23 January 2018	N/A
Registered in	UK & Ireland	UK & Ireland

Open to Institutional Investors only. <sup>4</sup> As a percentage of the net asset value of the Fund attributable to the relevant Share Class per annum. <sup>5</sup> The Performance Fee will be calculated daily in respect of a semi-annual performance period ending on 30 June and 31 December each year (or the immediately preceding Business Day if not a Business Day) (each a Performance Period). The Performance Fee will accrue on each Dealing Day and be payable within one month of the end of the relevant Performance Period. The first calculation period shall begin at the end of the Initial Offer Period for the relevant Share Class (using the Initial Issue Price) and shall finish on the next following 30 June or 31 December, whichever is sooner. <sup>6</sup> This represents, as a percentage of the net asset value of the Fund attributable to each Share Class, the maximum amount of covered costs that can be paid out of the Fund to cover fees and expenses in a financial year, including any fees and expenses payable to the Custodian and the Administrator, but excluding Investment Manager and Performance Fees (if any). The Investment Manager has voluntarily undertaken to pay covered costs (fees and expenses of the Fund) to the extent necessary to ensure that the total fees and expenses in a financial year do not exceed the stated levels. The Investment Manager may terminate or modify any such voluntary agreement at any time at its sole discretion upon thirty (30) days' notice in writing to the Shareholders.

## Further information

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THIS FUND REPORT PERTAINS TO THE FOLLOWING:

Antipodes Global Fund - Long – UCITS (the "Fund")

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**UK**

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