

## Commentary

September was the worst month of the year to date for Global Equities (-3.0%) with Energy, Financials, Consumer Discretionary and Consumer Staple sectors outperforming, whilst Materials, Utilities, Communication Services and Information Technology underperformed. US equities (-3.6%) and European equities were aligned (-3.7%). Tightening and forecast tightening by central banks, US treasury debt ceiling negotiations, German elections, inflation worries and risks from China all contributed to this weakness.

Asian equities outperformed (-0.5%) with Chinese equities down (-1.6%) with worries about Evergrande financial contagion, power cuts and further regulatory worries. Japan was strong (+4.0%) with a new Prime Minister expected to bring expansionary fiscal policy.

Elsewhere, Brent Crude (+9.5% in USD) was rallying again along with the rest of the energy complex due to a squeeze on supply, while Gold (-3.1%) was down and the US Dollar (DXY +1.7%) was strong.

Key contributors included:

- Oil/natural gas cluster, notably Coterra Energy, Exxon and Technip Energies. Coterra Energy outperformed on rallying US natural gas prices and increasing recognition that the successful merger with Cimarex will provide potential for significant shareholder returns. Exxon and Technip Energies continued their upward moves on robust gas pricing and expectations of more capital spend in gas export capacity.

## Net performance (%)

	Fund	Benchmark	Difference
1 month	-0.5	-3.0	2.5
3 month	1.4	2.8	-1.5
Year to date	11.2	18.7	-7.5
1 year	21.5	26.4	-5.0
3 year p.a.	5.5	12.6	-7.1
5 year p.a.	9.4	14.5	-5.1
Inception p.a.	9.6	11.8	-2.1

Past performance is not a reliable indicator of future performance. Returns are quoted in AUD and net of applicable fees, costs and taxes. All p.a. returns are annualised.

## Performance & risk summary<sup>1</sup>

Average net exposure	64.7%
Upside capture ratio	74
Downside capture ratio	53
Portfolio standard deviation	8.6%
Benchmark standard deviation	10.7%
Sharpe ratio	1.13

<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	-1.3%
Short	1.1%
Currency	-0.1%

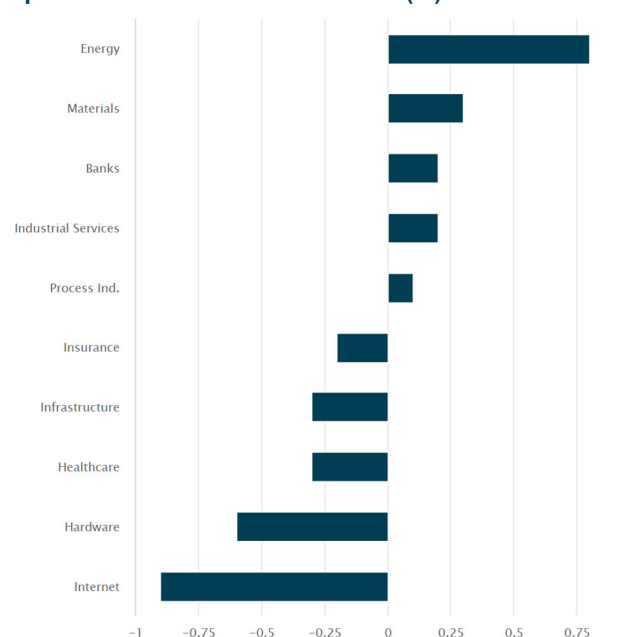
<sup>2</sup>Based on gross returns in AUD

- Industrials cluster, including Teck Resources due to a shortage of high quality metallurgical coal leading to better pricing, and Norsk Hydro as broad power shortages saw a rally in aluminium prices.
- Consumer Cyclical – Developed Markets notably UniCredit on increasing conviction around a potential acquisition of Banca Monte dei Paschi at very attractive terms, and ING Groep following rising long end rates in Europe and elevated prospects of ING announcing a material step-up in capital returns in FY 2022.

Key detractors included:

- Software/Internet – Developed Markets including Facebook which detailed instances of under reporting iOS web conversions by ~15%, driven by recent iOS updates from Apple, and Microsoft amidst a broader rotation out of technology names after a sustained period of outperformance.
- Hardware cluster, notably Sonos amidst supply chain disruption due to industry semiconductor shortages, and chipmakers Qorvo and TSMC as questions over the sustainability of recent price hikes and reports of intentional chip hoarding weighed on sentiment.
- Ping An in the Consumer Cyclical – Asia/EM cluster amidst fears of China Evergrande contagion prompting a statement saying it had no exposure to the property group.

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



<sup>3</sup>Antipodes classification

## Fund facts

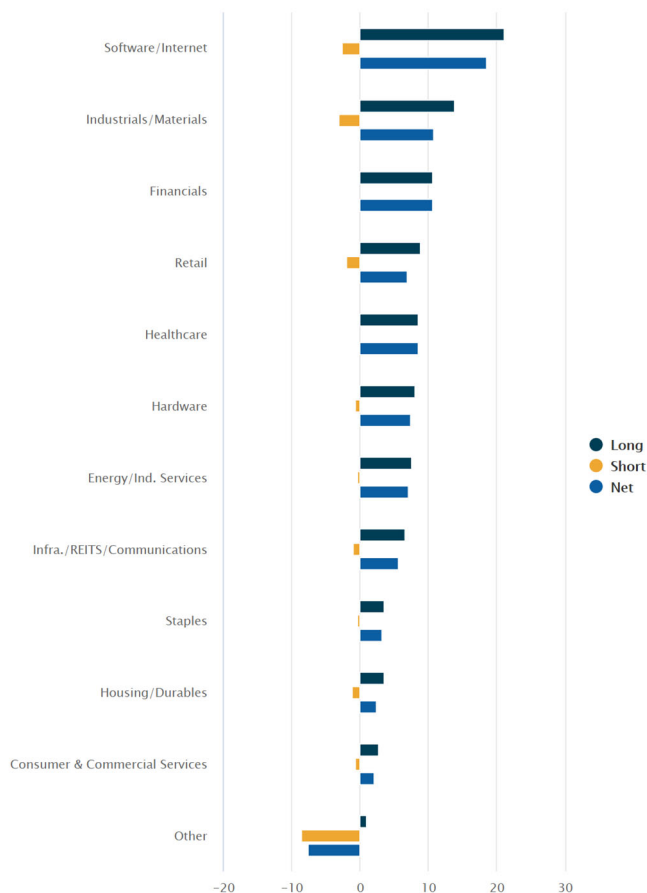
Characteristics	
Investment manager	Antipodes Partners
Inception date	1 July 2015
Benchmark	MSCI All Country World Net Index in AUD
Management fee	1.20% p.a.
Performance fee	15% of net return in excess of benchmark
Buy/Sell spread	±0.30%
Minimum investment	AUD \$25,000
Distribution	Annual, 30 June
Asset value	
Fund AUM	\$3,140m
Strategy AUM	\$6,069m
Unit redemption price	1.8022

Asset allocation<sup>4</sup>

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (%)	96.1	-	-20.3	-9.4
Count	61	-	40	4
Avg. weight (%)	1.6	-	-0.5	-2.3
Top 10 (%)	30.8	-	-10.5	-
Top 30 (%)	69.8	-	-18.6	-

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

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

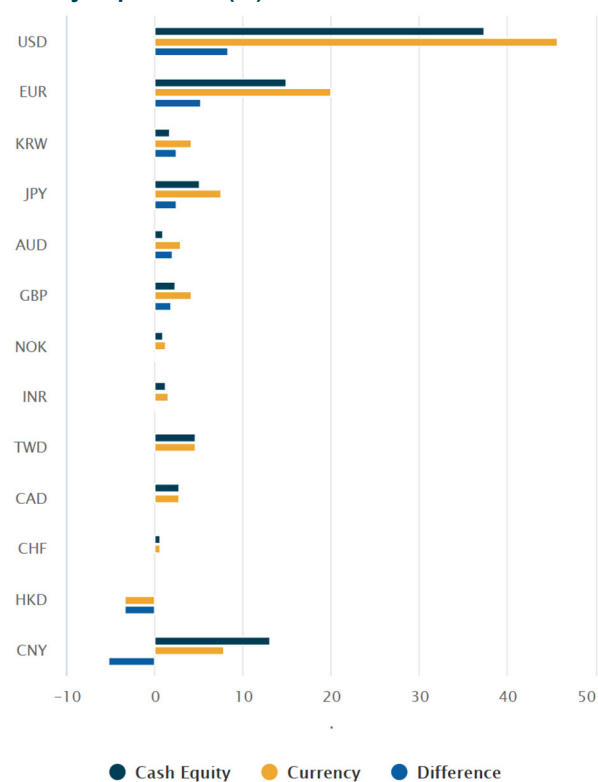


<sup>5</sup> Antipodes classification

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

Name	Country	Weight
Facebook	United States	3.8
Siemens	Germany	3.6
Tencent	China/HK	3.5
Microsoft	United States	3.5
Coterra Energy	United States	2.8
Teck Resources	Canada	2.8
Sanofi	France	2.7
UniCredit	Italy	2.7
Exxon Mobil	United States	2.7
Frontier Communications Parent	United States	2.6

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
North America	44.0	-13.7	30.3
Western Europe	25.2	-1.2	24.0
- Eurozone	19.5	-1.2	18.3
- United Kingdom	4.1	-	4.1
- Rest Western Europe	1.6	-	1.6
Developing Asia	14.5	-1.2	13.3
- China/Hong Kong	13.1	-1.2	11.9
- India	1.3	-	1.3
Developed Asia	11.4	-2.3	9.1
- Korea/Taiwan	6.3	-	6.3
- Japan	5.1	-2.3	2.9
Australia	1.0	-	1.0
Other equity	-	-1.9	-1.9
<b>Total Equities</b>	<b>96.1</b>	<b>-20.3</b>	<b>75.7</b>
Other	-	-9.4	-
Cash	3.9	-	-
<b>Totals</b>	<b>100.0</b>	<b>-29.7</b>	<b>-</b>

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

Band	Long	Short	Net
Mega (>\$100b)	49.2	-10.4	38.8
Large (>\$25b <\$100b)	23.7	-5.5	18.2
Medium (>\$5b <\$25b)	20.4	-3.0	17.4
Small (<\$5b)	2.7	-1.3	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

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