

Investors should refer to the quarterly Fund Update which is available at [www.iisolutions.co.nz](http://www.iisolutions.co.nz) and [www.business.govt.nz/disclose](http://www.business.govt.nz/disclose)

## Commentary

Global equities were down in April (-1.7%) with Consumer Staples, Energy and Utilities outperforming and Communication Services, Information Technology and Consumer Discretionary underperforming. The downturn was led by US equities, which underperformed broader global markets (-2.6%). The broader de-risking was in response to a more hawkish stance from the Fed and the view battling inflation remained the focus, despite growth concerns evident in the 1Q22 GDP data. European equities outperformed global markets (+1.0%) taking relief in incumbent French President Macron and his centre party remaining in power.

Asian equities outperformed the wider market (+0.2%) over the month. Chinese equities outperformed global and regional markets (+0.4%) stemming from supportive government rhetoric and indications of easing. This was despite the continued worries relating to COVID-19 restrictions and fresh regional lockdowns. Japan underperformed global and regional markets (-2.3%) as the Bank of Japan continued on a separate path of sustained easing with less of an inflationary pressure to tighten monetary policy.

Elsewhere, Brent Crude (+1.3% in USD) and Gold (-2.1%) were up and the US Dollar (+4.7%) was strong.

Key contributors included:

- Oil & Natural Gas cluster, notably EQT Corp and Coterra Energy contributed to portfolio performance in April fuelled by the recent surge in commodity prices. In addition, news of an LNG export agreement between the US and the European Commission was received positively, with both companies benefitting from the renewed demand outlook for US gas exports.
- Merck within the Healthcare cluster, with the company reporting robust earnings for 1Q22. The highlight was a 50% increase in sales from 1Q21, led primarily by key cancer drug Keytruda, as well as the company's COVID-19 antiviral drug and vaccines business.

## Net performance (%)

|                | Fund | Benchmark | Difference |
|----------------|------|-----------|------------|
| 1 month        | 2.4  | -1.4      | 3.8        |
| 3 month        | -5.5 | -7.4      | 1.9        |
| Year to date   | -3.4 | -8.2      | 4.8        |
| 1 year         | -1.3 | 4.5       | -5.8       |
| 3 year p.a.    | 7.5  | 10.4      | -2.9       |
| Inception p.a. | 5.4  | 9.4       | -4.0       |

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

## Total exposure<sup>1</sup> (%)

| Composition         | Weight |
|---------------------|--------|
| Direct cash         | 1.3    |
| Underlying holdings | 98.7   |
| Total               | 100.0  |

<sup>1</sup> All exposures contained within this report are with respect to the weight of the underlying holdings

## Top 10 equity longs (%)

| Name                    | Country       | Weight |
|-------------------------|---------------|--------|
| Merck                   | United States | 3.5    |
| Coterra Energy          | United States | 3.0    |
| Sanofi                  | France        | 3.0    |
| Siemens                 | Germany       | 2.9    |
| EQT                     | United States | 2.8    |
| Frontier Communications | United States | 2.8    |
| Meta Platforms          | United States | 2.7    |
| SAP                     | Germany       | 2.6    |
| Oracle                  | United States | 2.6    |
| Microsoft               | United States | 2.6    |

- Internet Software Asia/EM, notably JD.com and KE Holdings, with Chinese technology stocks rallying towards the end of the month as China's leadership vowed to drive economic stimulus and end speculation around the continued crackdown on internet companies.
- Consumer Cyclical Asia/EM including ICICI Bank and Trip.com. Indian based ICICI Bank rose over the month after reporting strong March quarter results. This included recording a net profit increase of 59% on prior year reporting, in addition to reporting an improvement in asset quality over the quarter. Ratios for both gross and net non-performing assets, however declined. Trip.com benefitted from stronger sentiment around Chinese stocks, particularly towards the end of the month.

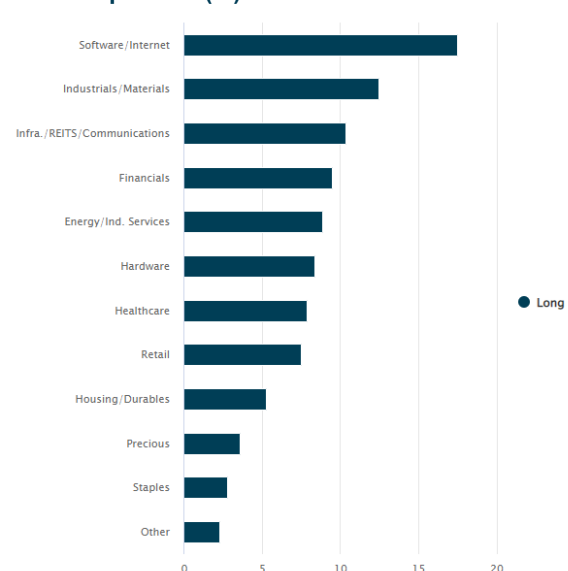
Key detractors included:

- Internet/Software – DM cluster, notably Amazon and Compass Inc. Amazon reported its first quarterly loss since 2015, with online sales slipping 3% as pandemic induced goods consumption faded. Despite this, growth in other parts of the business, including cloud computing and advertising, remains strong. Amid a robust real estate environment in the US, real estate broker Compass Inc. detracted upon weaker investor sentiment.
- Hardware cluster, notably TSMC, with the recent pullback reflecting heightened investor concerns of a broader economic slowdown impacting the semiconductor industry. TSMC's earnings momentum and improving outlook however, continues to outperform industry peers in absolute price performance terms.
- Consumer Cyclical – DM cluster, including Flutter Entertainment who reported solid US market share gains during the month. Despite this, poorer sentiment around US based competitors weighed on the company. In addition, the company's UK and Ireland markets reported weaker revenue due to stronger gambling measures, highlighting contractions relative to pandemic comparative levels.

## Fund facts

| Characteristics       |  |
|-----------------------|--|
| Investment manager    | Antipodes Partners   |
| Inception date        | 25 July 2018   |
| Benchmark             | MSCI All Country World Net Index (NZD)   |
| Base Currency         | NZD  |
| Domicile              | New Zealand  |
| Legal Structure       | A New Zealand unit trust which has elected to be a Portfolio Investment Entity (PIE) |
| Dealing Frequency     | Daily each NZ business day (T settlement)  |
| Dealing deadline      | 11:00am (NZST) on T  |
| Asset value           |  |
| Fund AUM              | \$12m  |
| Strategy AUM          | \$3,639m   |
| Unit redemption price | 1.2168   |

## Sector exposure<sup>2</sup> (%)



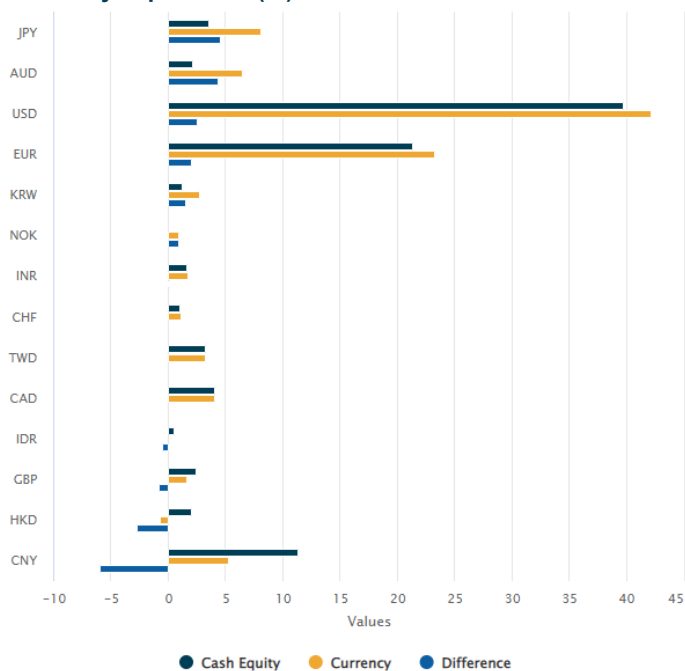
<sup>2</sup> Antipodes classification

**Asset allocation<sup>3</sup>**

|                 | Equities - Long | Other - Long |
|-----------------|-----------------|--------------|
| Weight (%)      | 96.5            | -            |
| Count           | 61              | -            |
| Avg. weight (%) | 1.6             | -            |
| Top 10 (%)      | 28.6            | -            |
| Top 30 (%)      | 67.9            | -            |

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

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



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

**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

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

| Region                 | Long         |
|------------------------|--------------|
| North America          | 43.8         |
| Western Europe         | 27.2         |
| - Eurozone             | 22.4         |
| - United Kingdom       | 3.8          |
| - Rest Western Europe  | 1.0          |
| Developing Asia/EM     | 15.4         |
| - China/Hong Kong      | 13.3         |
| - India                | 1.6          |
| - Rest Developing Asia | 0.5          |
| Developed Asia         | 8.0          |
| - Korea/Taiwan         | 4.4          |
| - Japan                | 3.5          |
| Australia              | 2.1          |
| <b>Total Equities</b>  | <b>96.5</b>  |
| Cash                   | 3.5          |
| <b>Totals</b>          | <b>100.0</b> |

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

| Band                   | Long |
|------------------------|------|
| Mega (>\$100b)         | 35.8 |
| Large (>\$25b <\$100b) | 26.0 |
| Medium (>\$5b <\$25b)  | 30.9 |
| Small (<\$5b)          | 3.8  |

**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 overview**

| Unit Class                             | Units NZD (Accumulating)                  |
|--|---|
| Bloomberg ticker                       | ANGLNZU:NZ                                |
| Currency                               | NZD                                       |
| Dealing frequency                      | Daily each NZ business day (T settlement) |
| Dealing deadline                       | 11:00am (NZST) on T                       |
| Minimum initial amount                 | NZ\$25,000                                |
| Minimum subsequent investments         | NZ\$5,000                                 |
| Investment management fee <sup>4</sup> | 1.25%                                     |
| Performance fee <sup>5</sup>           | 15%                                       |
| Buy / sell spread <sup>6</sup>         | 0.075%                                    |
| Distribution policy                    | Accumulating                              |
| Status                                 | Open                                      |
| Inception date                         | 25 July 2018                              |
| Registered in                          | New Zealand                               |

<sup>4</sup> As a percentage of the net asset value of the Fund per annum (Fee rate **includes GST**). <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 above has a 'high water mark'. This means it is calculated on a cumulative basis relative to the Benchmark Index so that any performance under the Benchmark Index in a particular period must first be recovered in following periods before performance fees are paid. <sup>6</sup> When you enter or leave a Fund, any buy or sell spreads applicable at that time will be a cost to you. The buy spread is added to the Unit price on entry to the Fund, and the sell spread is deducted from the Unit price on exit from the Fund. The buy/sell spreads belong to the Fund and the purpose of buy/sell spreads is to make sure that any transaction costs incurred as a result of an investor entering or leaving the Fund are borne by that investor, and not by other investors in the Fund. There is no GST charged on buy/sell spreads.

For further information regarding the Antipodes Global Fund – Long (PIE), please refer to the Product Disclosure Statement (PDS). The PDS is available from <https://iisolutions.co.nz/fund-hosting/documents-and-reporting-2/> or [www.antipodespartners.com](http://www.antipodespartners.com).

**Further information**

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**Disclaimer**

THIS FUND FACT SHEET PERTAINS TO THE FOLLOWING:

Antipodes Global Fund – Long (PIE) (the "Fund")

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