

Commentary

Global equities rebounded in December (+1.4%) with Utilities, Consumer Staples, Health Care and Materials outperforming, whilst Consumer Discretionary, Communication Services and Information Technology underperformed. US equities were up (+1.3%) with Omicron restriction fears easing, strong macro data and high inflation data, whilst the Fed continued its more hawkish messaging. European equities outperformed (+4.0%) also with Omicron restriction fears easing and high inflation data, the ECB announced policy tightening with reduced QE and balance sheet reduction while remaining accommodative.

Asian equities underperformed (-1.0%) led by weak Chinese equities (-4.0%) with ongoing headlines concerning ADR listings and regulation, while the People's Bank of China commenced policy easing. Japan underperformed (-0.6%) with higher inflation and unemployment rising slightly.

Elsewhere, Brent Crude (+12.9% in USD) rebounded, while Gold (+3.1%) rose as a safe haven and the US Dollar (DXY -0.3%) was stable.

Key contributors included:

- Consumer Cyclical - DM, notably UniCredit and Flutter Entertainment. UniCredit pushed higher over the month upon management committing to €16b of payouts from FY22-FY25, which was announced in addition to the €652m buyback that commenced in mid-December. Flutter Entertainment rebounded from a poor November for gaming stocks, announcing the purchase of Italian gaming operator, Sisal, for £1.62b late in the month. The acquisition aligns with the company's desire to increase market share in Italy and boost Flutter's presence in regulated markets.
- Mediatek in the Hardware cluster continued to benefit from its Dimensity 9000 chip, which was officially released in mid-December with the announcement that smartphone manufacturers Oppo and Xiaomi will begin to equip their new generation handsets with the chip. In addition, Mediatek also announced their new Wi-Fi and smart TV chipsets, which were positively received.

Net performance (%)

	Fund	Benchmark	Difference
1 month	0.5	1.4	-0.9
3 month	0.9	6.0	-5.1
Year to date	12.2	25.8	-13.6
1 year	12.2	25.8	-13.6
3 year p.a.	8.5	19.1	-10.6
5 year p.a.	7.9	14.3	-6.4
Inception p.a.	9.4	12.3	-2.9

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 summary¹

Average net exposure	64.9%
Upside capture ratio	72
Downside capture ratio	53
Portfolio standard deviation	8.5%
Benchmark standard deviation	10.5%
Sharpe ratio	1.13

¹ 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 contribution² (%)

	1 month
Long	0.9%
Short	-0.1%
Currency	-0.2%

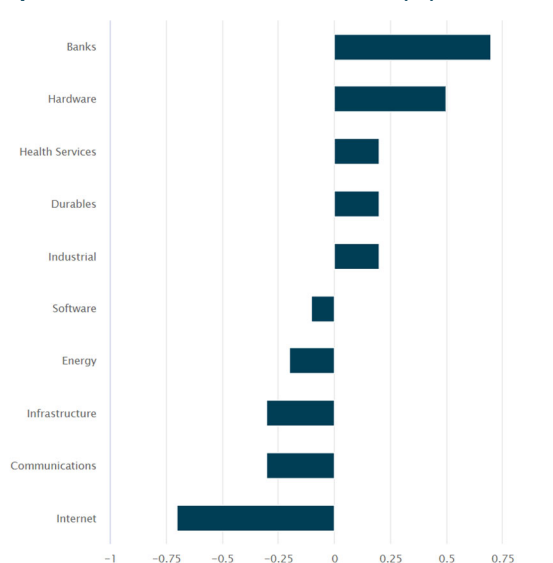
² Based on gross returns in AUD

- Industrials cluster, including both Siemens and Airbus. Siemens continued to benefit from market reappraisal of the business, supported by strong performance of listed subsidiary, Healthineers. Airbus reacted strongly on the announcement it had received a major order for 100 A320neo family aircraft from Air France-KLM, with purchase rights on 60 more aircraft, in addition to four Airbus A350F Freighters. The order supplemented a strong month for Airbus which also received commitments from Singapore Airlines to replace its freighter fleet and Qantas in replacing Boeing as the preferred aircraft for the long-term renewal of its domestic narrow-body fleet.

Key detractors included:

- Infrastructure/Property - DM, notably Frontier Communications and Électricité de France (EDF). Frontier was impacted by reports of slower than expected broadband growth by cable companies which impacted market consensus for Frontier's subscriber growth prospects. EDF was impacted by the shutdown of four nuclear reactors during the month after inspections discovered faults as part of routine maintenance to the reactors at the Civeaux plant, which also caused a precautionary shutdown of the Chooz plant in the east of France, which uses the same technology. EDF stated they believe the shutdowns would result in a loss of 1TWh or output by the end of 2021, lowering profit guidance.
- JD.com, within the Internet/Software - Asia/EM cluster amid news in late December that Tencent has filed to reduce its stake in JD.com to approximately 2.3%, down from 17% and will no longer be the largest shareholder.
- Trip.com, within the Consumer Cyclical - Asia/EM cluster detracted after reporting Q3 revenue was down 9% from the previous quarter after the re-emergence of COVID-19 in China, despite also reporting international flight reservations increased 40% from the previous quarter.

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



³ 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

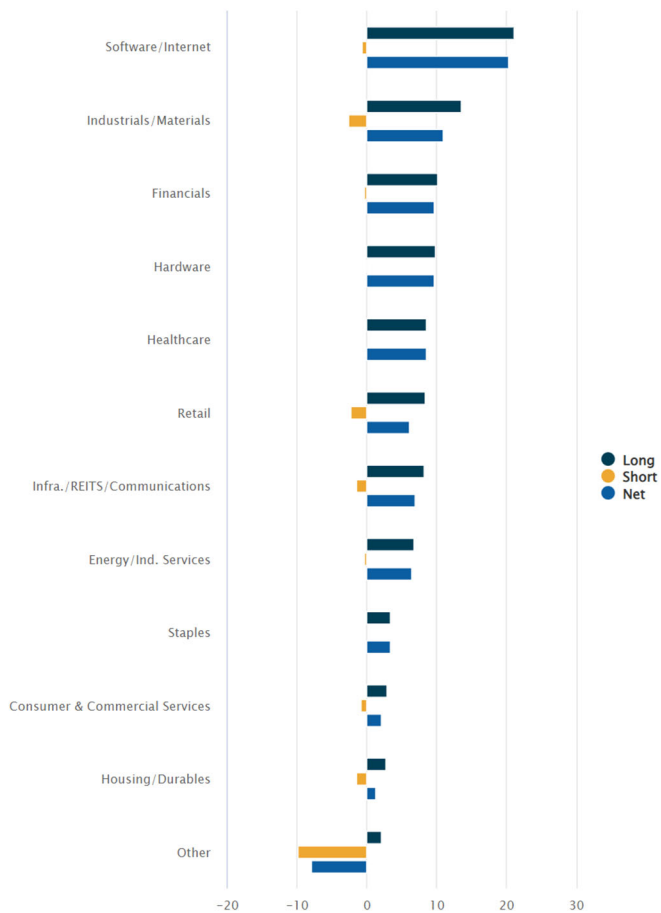
Fund AUM	\$2,984m
Strategy AUM	\$5,355m
Unit redemption price	1.8185

Asset allocation⁴

	Equities - Long	Other - Long	Equities - Short	Other - Short
Weight (%)	98.0	-	-20.2	-8.2
Count	60	-	35	4
Avg. weight (%)	1.6	-	-0.6	-2.0
Top 10 (%)	29.0	-	-12.9	-
Top 30 (%)	70.6	-	-19.5	-

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

Sector exposure^{4,5} (%)

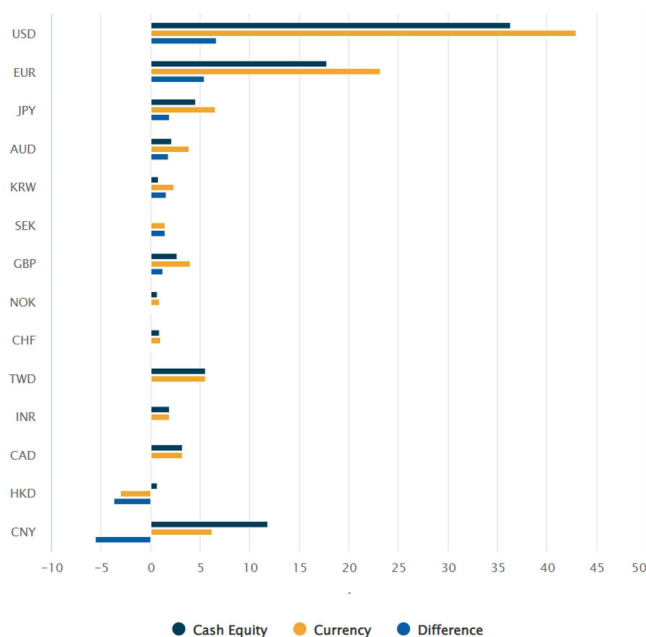


⁵ Antipodes classification

Top 10 equity longs⁴ (%)

Name	Country	Weight
Siemens	Germany	3.2
Microsoft	United States	3.1
Meta Platforms	United States	3.0
Sanofi	France	3.0
Taiwan Semiconductor	Taiwan	3.0
Frontier Communications Parent	United States	3.0
UniCredit	Italy	2.8
Tesco	United Kingdom	2.7
Tencent	China/HK	2.6
Seagate Technology Holdings	United States	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	42.5	-11.5	31.0
Western Europe	28.2	-1.9	26.3
- Eurozone	22.0	-1.9	20.1
- United Kingdom	4.6	-	4.6
- Rest Western Europe	1.6	-	1.6
Developing Asia/EM	14.4	-1.4	13.0
- China/Hong Kong	12.5	-0.7	11.8
- India	1.9	-0.7	1.2
Developed Asia	10.9	-1.5	9.4
- Korea/Taiwan	6.2	-	6.2
- Japan	4.6	-1.5	3.1
Australia	2.1	-0.2	1.9
Other equity	-	-3.7	-3.7
Total Equities	98.0	-20.2	77.8
Other	-	-8.2	-
Cash	2.0	-	-
Totals	100.0	-28.4	-

Market cap exposure⁴ (%)

Band	Long	Short	Net
Mega (>\$100b)	47.1	-12.2	34.9
Large (>\$25b <\$100b)	28.9	-4.7	24.2
Medium (>\$5b <\$25b)	19.8	-2.1	17.7
Small (<\$5b)	2.2	-1.3	1.0

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 Ratings



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 securities that meet minimum risk-return criteria, cash may be held
- Equity shorts and currency positions used to take advantage of attractive risk-return opportunities, offset specific long portfolio risks and provide some protection from negative tail risk. Derivatives may also be used to amplify high conviction ideas
- Typical net equity exposure of 50% to 100%; maximum gross exposure of 150% of NAV

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