



24 July 2020

By Electronic Lodgement

Market Announcements Office
Australian Securities Exchange Limited
Sydney NSW 2000

Dear Sir/Madam,

Antipodes Global Shares (Quoted Managed Fund) (ASX:AGX1) – Monthly Investment Update

Please find attached a copy of the investment update for the month ending 30 June 2020.

For further information, please contact 1300 010 311.

Authorised by:

Calvin Kwok
Company Secretary

Pinnacle Fund Services Limited as responsible entity of Antipodes Global Shares (Quoted Managed Fund)

Commentary

Global equities continued to rebound in June (+3.2% in USD, -0.5% in AUD following strength in AUD) as global economic data improved as COVID-19 restrictions eased. Cyclical sectors such as Consumer Discretionary, Materials and Financials performed well in response to re-opening. Persistent growth in US infections from mid-June, however, saw investors rotate back into growth over low multiple – or value – stocks. Consequently, Technology remained the strongest sector, whilst Utilities, Healthcare and Energy lagged.

Regional government response to the virus spread was the key driver of equity performance. Asian equities (+1.2%) outperformed with EM Asia (+4.4%), supported by the weaker US dollar. Chinese equities (+5.4%) led as activity normalised with a backdrop of ongoing policy support. European equities rose (+0.3%) as the region successfully contained the virus spread and the European Central Bank delivered further easing.

US equities underperformed (-1.4%) despite improving economic data, as the relaxed lockdown measures and nationwide protests led to a pickup in infections. Joe Biden took the lead over Donald Trump in the polls ahead of the November 2020 elections.

Elsewhere, Oil rose 9% on better demand prospects. Gold reached levels not seen since 2012 given central bank policy.

Key contributors to performance included:

- Infrastructure/Property Developed Markets (DM) cluster notably Simon Property Group on malls reopening, strong retail sales and traffic approaching pre-COVID levels. SPG guided a full year cash dividend equivalent to ~8% yield versus peers paying stock dividends.
- Online Services Emerging Markets (EM) cluster, notably Tencent on strong mobile gaming revenue, a deep pipeline of games for release, e-commerce initiatives and a potential deal with an online video platform which could see Tencent dominate long form video.
- Connectivity/Compute cluster including Samsung Electronics and Qualcomm as the market takes a constructive view on 2021 handset demand which is positive for memory and semiconductor demand/prices.

Key detractors to performance included:

- Healthcare cluster, including Merck and Medtronic. Concerns over Keytruda concentration should be offset by progress in Merck's vaccine business, expanding drug pipeline and animal health optionality. While accelerating infections may impact elective procedures, Medtronic's pipeline growth and critical procedures exposure are offsets.
- Uber (Online Services DM) as the merger with Grubhub did not proceed. Despite this, Uber Eats remains a leading food delivery business and ride hailing alone justifies Uber's valuation.

Net performance (%)

	Fund	Benchmark	Difference
1 month	-0.4	-0.5	0.1
3 month	4.0	6.0	-2.0
Year to date	-7.4	-4.3	-3.1
1 year	-2.5	4.1	-6.5
Inception p.a.	1.7	9.2	-7.5
Inception	2.9	15.7	-12.9

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

Top 10 equity longs (%)

Name	Country	Weight
Microsoft	United States	3.4
Siemens	Germany	3.0
Alibaba	China/HK	3.0
Ping An Insurance	China/HK	2.9
Facebook	United States	2.8
Roche	Switzerland	2.7
Merck	United States	2.7
Électricité de France	France	2.7
Sanofi	France	2.5
Samsung Electronics	Korea	2.4

iNAV tickers

	Unit Price	iNAV
Bloomberg	AGX1AU Equity	AGFLIV Index
Thomson Reuters	AGX1AX	AGFLOFV-SOLA
IRESS	AGX1AXW, AGX1CXA	AGX1IV

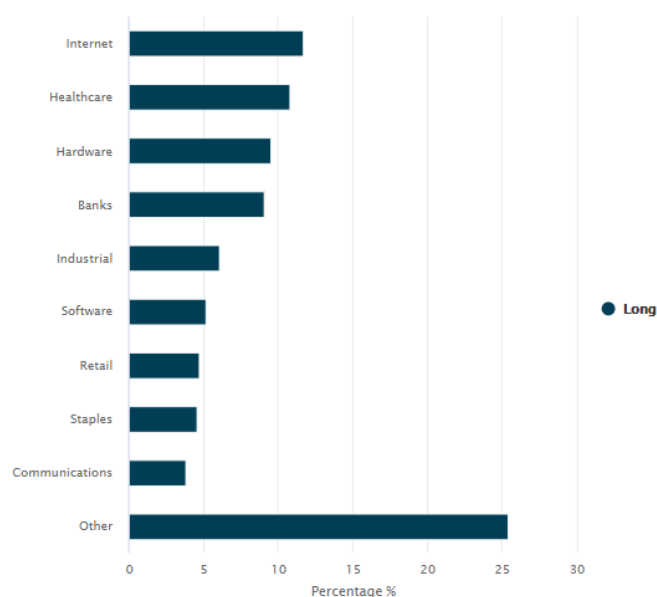
Fund facts

Characteristics	
Investment manager	Antipodes
Inception date	5 November 2018
Benchmark	MSCI All Country World Net Index in AUD
Management fee	1.10% p.a.
Performance fee	15% of net return in excess of benchmark
Distribution	Annual, 30 June
Unit valuation	Sydney business day

Asset value

Fund AUM	\$23m
Strategy AUM	\$2,115m
Unit redemption price	4.9757

Sector exposure¹ (%)

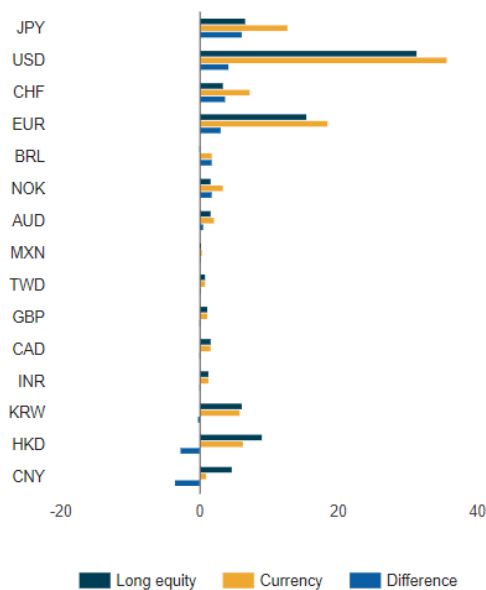


¹ Antipodes classification

Asset allocation³

	Equities - Long	Other - Long
Weight (% NAV)	90.7	0.7
Count	66.0	1
Avg. weight	1.4	0.7
Top 10 (% NAV)	28.1	-
Top 30 (% NAV)	63.8	-

³ Call (put) options represented as the current option value (delta adjusted exposure)

Currency exposure^{2,3} (%)

² Where possible, regions, countries and currencies classified on a look through basis.

Regional exposure^{1,2,3} (%)

Region	Long
United States	35.4
Western Europe	23.7
- Eurozone	17.8
- Rest Western Europe	5.0
- United Kingdom	0.9
Developing Asia	16.1
- China/Hong Kong	15.1
- India	1.1
Developed Asia	13.2
- Korea/Taiwan	7.6
- Japan	5.6
Australia	2.3
Total Equities	90.7
Other	0.7
Cash	8.6
Totals	100.0

Market cap exposure³ (%)

Band	Long
Mega (>\$100b)	37.6
Large (>\$25b <\$100b)	29.0
Medium (>\$5b <\$25b)	19.6
Small (<\$5b)	4.5

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

Fund features

- **Objective** – to achieve absolute returns in excess of the benchmark over the investment cycle (typically 3-5 years)
- **Global diversification** – Access to 30+ global companies via a single trade
- **Alignment of interests** – proportion of each team member's remuneration is invested into Antipodes funds. Antipodes also has a significant investment alongside unitholders
- **Simple access** – being exchange traded, investors can buy or sell AGX1 like a regular share during the trading day

Fund Ratings



Further information

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