



21 September 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 31 August 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 equity strength continued for a fifth consecutive month (+2.9%) as global growth indicators picked up and COVID-19 vaccine developments progressed. Whilst some cyclical sectors outperformed, led by Consumer Discretionary and Industrials, investors continued to exhibit a preference for growth over low multiple – or value – stocks.

US equities outperformed (+4.2%) as the Fed confirmed monetary policy will remain supportive post a shift to an average inflation target. The strength in US technology giants continued unabated as investors increasingly view the tech sector as a COVID-19 haven, despite lofty valuations. Negotiations on a new COVID-19 relief bill stalled in Washington. Japanese equities led (+4.4%), quickly regaining the ground lost at the end of July. Towards the end of the month, Prime minister Shinzo Abe announced his resignation due to a long-standing health problem.

Europe underperformed (+1.0%) given its lack of technology exposure. COVID-19 cases worsened with France and Spain entering a second wave and new travel restrictions were established across the continent. Elsewhere, global bond yields rose from record low levels as risk appetite improved. Gold halted a five month winning streak. Brent Crude (+4.0%) rallied amid the threat of tropical activity in the US Gulf Coast interrupting supply.

Key contributors to performance included:

- Consumer Cyclical Developed Markets cluster notably ING which

## Net performance (%)

|                | Fund | Benchmark | Difference |
|----------------|------|-----------|------------|
| 1 month        | 2.4  | 2.9       | -0.6       |
| 3 month        | 2.8  | 3.5       | -0.7       |
| Year to date   | -4.4 | -0.4      | -4.0       |
| 1 year         | 1.7  | 6.2       | -4.4       |
| Inception p.a. | 3.3  | 10.7      | -7.4       |
| Inception      | 6.2  | 20.4      | -14.2      |

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 |
|-----------------------|---------------|--------|
| Facebook              | United States | 3.1    |
| Microsoft             | United States | 2.9    |
| Alibaba               | China/HK      | 2.9    |
| Ping An Insurance     | China/HK      | 2.9    |
| Siemens               | Germany       | 2.8    |
| Électricité de France | France        | 2.7    |
| Roche                 | Switzerland   | 2.7    |
| Tencent Holdings      | China/HK      | 2.6    |
| Capital One Financial | United States | 2.5    |
| Merck                 | United States | 2.5    |

## iNAV tickers

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

reported a strong result with flat earnings and provisions expected to fall in 2H20. Excess capital places ING in a good position to pay dividends in 2021, valuing the stock on a 10% yield.

- Industrials cluster including Volkswagen and Siemens as the market become more constructive around reopening. Siemens reported another strong result driven by Digital Industries (automation, including hardware and software), where profitability rose thanks to software sales. Pleasingly, orders and market share also rose.
- Online Services in Developed and Emerging Markets including Facebook and Alibaba, as Facebook continues to announce new product initiatives and Alibaba announced its intention to separately list Ant Group, which operates AliPay.

Key detractors to performance included:

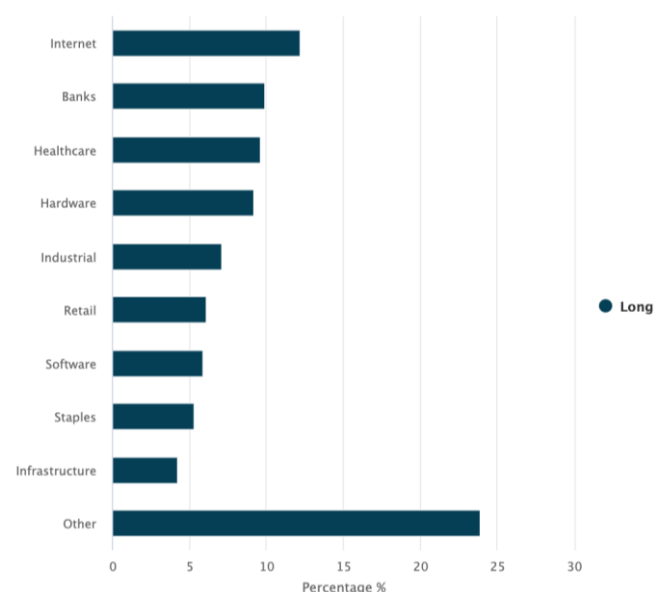
- Connectivity/Compute cluster including Samsung Electronics, TSMC and MediaTek following escalation in US-China tech tensions, preventing Huawei accessing chips designed/manufactured using US equipment, after a period of outperformance. MediaTek is temporarily affected, though we expect the three players can emerge from this transition with secular trends intact
- Newcrest as the gold price tapered, and following a period of outperformance.

## 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          | \$24m    |
| Strategy AUM      | \$2,462m |
| Asset Value (NAV) | 5.1355   |

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

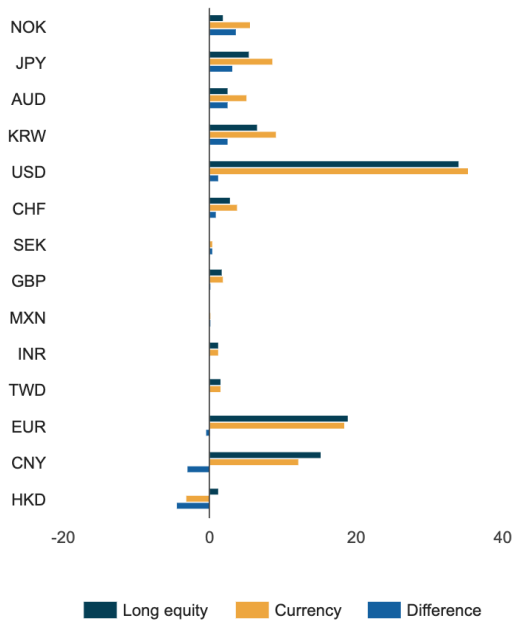


<sup>1</sup> Antipodes classification

Asset allocation<sup>3</sup>

|                | Equities - Long | Other - Long |
|----------------|-----------------|--------------|
| Weight (% NAV) | 93.4            | -            |
| Count          | 65              | -            |
| Avg. weight    | 1.4             | -            |
| Top 10 (% NAV) | 27.6            | -            |
| Top 30 (% NAV) | 64.6            | -            |

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

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

<sup>2</sup> Where possible, regions, countries and currencies classified on a look through basis.

Regional exposure<sup>1,2,3</sup> (%)

| Region                | Long  |
|-----------------------|-------|
| United States         | 34.6  |
| Western Europe        | 25.3  |
| - Eurozone            | 18.7  |
| - Rest Western Europe | 4.9   |
| - United Kingdom      | 1.8   |
| Developing Asia       | 18.3  |
| - China/Hong Kong     | 17.0  |
| - India               | 1.4   |
| Developed Asia        | 12.8  |
| - Korea/Taiwan        | 7.9   |
| - Japan               | 4.9   |
| Australia             | 2.3   |
| Total Equities        | 93.4  |
| Cash                  | 6.6   |
| Totals                | 100.0 |

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

| Band                   | Long |
|------------------------|------|
| Mega (>\$100b)         | 40.6 |
| Large (>\$25b <\$100b) | 27.8 |
| Medium (>\$5b <\$25b)  | 20.2 |
| Small (<\$5b)          | 4.8  |

### 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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