



9 September 2022

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 2022.

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)

Key Takeaways

- August saw a reversal of the trends which drove the July equity rally, with bond yields rising and the market questioning how soon central banks are likely to pivot away from the current tightening cycle.
- Global markets finished down for the month, with Value outperforming Growth, extending the trend seen in the first half of the year.
- The Antipodes Global Shares (Quoted Managed Fund) outperformed the benchmark over the month and remains ahead over the calendar-year-to-date.

Distribution Notification for Unitholders

Unitholders of AGX1 received their final distribution for the FY22 year of \$0.827 per unit on 14th July. The AGX1 dividend history can be found on the fund's website [here](#) and the ASX announcement relating to this final distribution can be found [here](#). Your distributions will be subject to the DRP and will be automatically reinvested in new units in the Fund unless you make an election to the contrary. Importantly, this is a change from the default divided setting for the Antipodes Global Investment Company (ASX:APL). Your distribution preference, if you were previously an APL shareholder, will NOT have carried across to your holding in AGX1 units. If you would like to change your DRP preference to cash distribution, this can be done at the Automatic investor portal [here](#). Unitholders can retrieve their distribution advice statement for this distribution from the same Automatic investor portal.

Commentary

Global equities were down in August (-2.5%) with utilities, financials and energy outperforming whilst healthcare, information technology and industrials underperformed.

US equities were also down over the month (-2.2%) as the Federal Reserve sounded a hawkish tone and reiterated its intention to bring inflation under control. US macroeconomic data showed a slowing economy but less so than feared supported by a strong jobs market, whilst many commodity prices were lower, helping to ease inflation concerns. European equities underperformed (-4.6%) as increasing energy/natural gas prices heading into winter weighed on sentiment, with the European Central Bank sounding a similarly hawkish tone. The Bank of England hiked rates again and reiterated increasingly gloomy economic forecasts.

Asian equities outperformed broader global markets (+0.9%). Chinese equities also outperformed (+0.1%) as the Central Bank and Government continued to offer support, however macroeconomic data failed to inspire the embattled real estate sector and a major drought continuing to act as headwinds. Japanese equities again outperformed but were negative in absolute terms (-0.8%) helped by a weak currency due to the Bank of Japan's dovish path of divergent supportive policy.

Elsewhere, Brent Crude (-5.7% in USD) was weak, Gold (-3.1%) was down, whilst the US Dollar (+2.6%) was up.

Key contributors included:

- Consumer Cyclical – DM cluster, notably Flutter Entertainment which reported strong 1H22 results, driven by both the US and ex-US businesses (notably Australia), with results showing no discernible signs of a consumer slow down. Flutter provided guidance for both the US and ex-US businesses broadly in line with expectations ahead of the commencement of the NFL season.

- Materials cluster, notably Teck Resources which announced record earnings for the fourth consecutive quarter as the diversified miner continues to benefit from heightened resources demand across its commodity portfolio, including metallurgical coal, copper, gold and silver.
- Internet Software – Asia/EM cluster, notably KE Holdings despite reporting a 41% percent drop in revenue in 1H22 relative to 1H21. The Chinese Real estate platform surged despite a cooling property market, as its home decoration and furnishings business reported promising growth, in addition to benefitting from sell side upgrades to consensus estimates.

Key detractors included:

- Healthcare cluster, including Sanofi which slumped amid announcement of the discontinuation of clinical trials for Amcenestrant, previously considered to have significant potential against breast cancer. This compounded similar losses amid litigation concerns over an alleged cancer-causing effect of heartburn drug Zantac. There is no change to Antipodes thesis, with any impending settlement likely immaterial to our valuation for Sanofi.
- Hardware cluster, including Seagate Technology and Sonos. Data storage company Seagate downgraded earnings expectations late in the month, citing weaker economic trends in certain Asian regions, amplifying customer inventory corrections, supply chain disruptions and cautious buying behaviour. Similarly, home audio brand Sonos reported a notable drop in sales over the last quarter.
- Internet/Software – DM cluster, notably US real estate platform Compass Inc. after the company missed revenue growth estimates in its second-quarter earnings report and issued weaker guidance for the remainder of the calendar year.

Net performance (%)

	Fund	Benchmark	Difference
1 month	-1.1	-2.0	0.9
3 month	-5.8	-1.3	-4.5
Year to date	-10.8	-12.8	2.0
1 year	-9.9	-10.3	0.4
3 year p.a.	5.4	7.4	-2.0
Inception p.a.	5.4	9.3	-3.9

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

Top 10 equity longs (%)

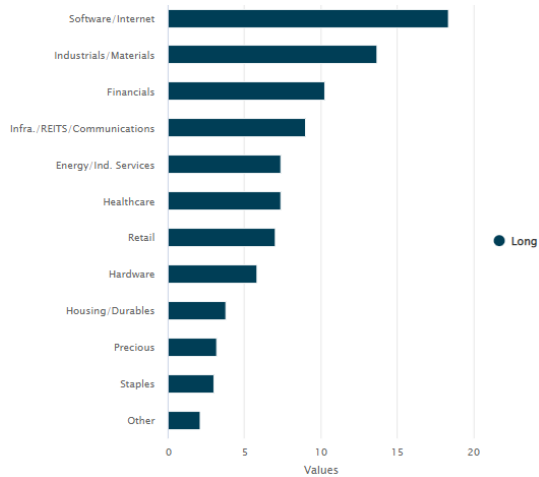
Name	Country	Weight
Merck	United States	3.2
Frontier Communications	United States	3.0
EQT	United States	3.0
Sanofi	France	2.9
Northrop Grumman	United States	2.9
SAP	Germany	2.7
Meta Platforms	United States	2.7
Siemens	Germany	2.6
Oracle	United States	2.5
TotalEnergies	France	2.4

iNAV tickers

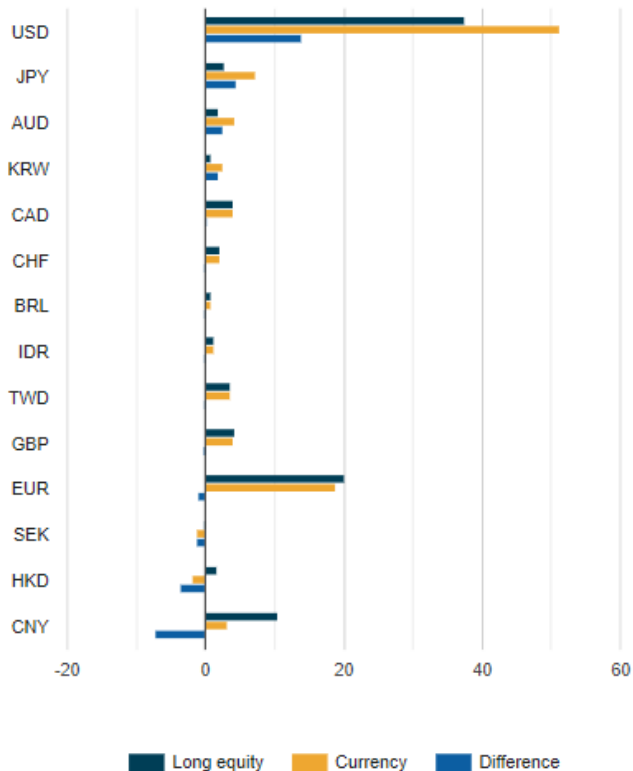
	Unit Price	iNAV
Bloomberg	AGX1.AU Equity	AGFLIV Index
Thomson Reuters	AGX1.AX	AGFLOFV-SOLA
IRESS	AGX1.AXW, AGX1.CXA	AGXIIV

Fund facts

Characteristics	
Investment manager	Antipodes Partners
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
Registry	Automatic Pty Limited
Market Maker	Citigroup Global Markets Australia Pty Limited
Asset value	
Fund AUM	\$321m
Strategy AUM	\$4,122m
Asset Value (NAV)	4.4437

Sector exposure¹ (%)¹ Antipodes classificationAsset allocation³

	Equities - Long	Other - Long
Weight (%)	91.0	-
Count	62	-
Avg. weight (%)	1.5	-
Top 10 (%)	27.9	-
Top 30 (%)	62.6	-

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
North America	41.5
Western Europe	26.3
- Eurozone	20.0
- United Kingdom	4.3
- Rest Western Europe	2.0
Developing Asia/EM	14.4
- China/Hong Kong	12.2
- Rest Developing Asia	1.3
- Rest Developing Asia/EM	0.9
Developed Asia	7.1
- Korea/Taiwan	4.3
- Japan	2.8
Australia	1.8
Total Equities	91.0
Cash	9.0
Totals	100.0

Market cap exposure³ (%)

Band	Long
Mega (>\$100b)	32.2
Large (>\$25b <\$100b)	26.9
Medium (>\$5b <\$25b)	27.3
Small (<\$5b)	4.6

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)
- **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

Further information

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Link to [Product Disclosure Statement](#)

Link to [Target Market Determination](#)

For historic TMD's please contact Pinnacle client service Phone 1300 010 311 or Email service@pinnacleinvestment.com

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