



12 October 2022

By Electronic Lodgement

Market Announcements Office
ASX Ltd
20 Bridge Street
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 September 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)(ASX:AGX1)

Key Takeaways

- **Markets continued to sell off throughout September with inflation prints remaining stubbornly high and continued central bank hawkishness.**
- **Throughout the month, we saw value outperform growth due to rising rates, in a continuation of the theme observed for much of 2022.**
- **The Antipodes Global Shares (Quoted Managed Fund) outperformed the benchmark over the month (before fees) and remains ahead over the calendar-year-to-date.**

Commentary*

Global equities were down in September (-3.6%) with Healthcare, Consumer Staples and Financials outperforming whilst Information Technology, Communication Services and Utilities underperformed.

US equities were down (-3.3%) the Fed continued their Hawkish language post the Jackson Hole Economic Symposium and hiked in-line with market expectation. Core inflation data exceeded expectation, with sentiment remaining depressed as the labour market remained tight and consumer confidence dropped close to lows. European equities outperformed broader markets (-2.6%) with the ECB hiking in-line with expectation, as inflation data reached new highs. However, the discussion of energy price caps and the reporting of high natural gas stockpiles heading into the European winter provided some relief. The new UK government's fiscal policy implied budgetary deficit caused a seismic crash in UK debt, with the Pound Sterling weakening severely. This required the Bank of England to step in with short term QE to stabilise the situation shortly after increasing rates. While in Italy, the election outcome saw the right-wing coalition emerge victorious, with Giorgia Meloni set to become the next prime minister of Italy.

Asian equities underperformed (-6.1%). Chinese equities further underperformed the broader market (-6.4%) with a continuation of Covid-zero policy, weak economic data, and the property sector dragging sentiment despite ongoing support announcements. Japanese equities underperformed broader global markets (-4.4%) as the Bank of Japan maintained divergent loose monetary policy, while the Ministry of Finance intervened to strengthen the Yen.

Elsewhere, Brent Crude (-8.8% in USD) was weak, Gold (-3.0%) was down, whilst the US Dollar (+3.1%) was up.

Key contributors included:

- Healthcare cluster, notably Merck which benefitted from approval of the company's jointly formulated Ovarian cancer drug by China's National Medical

Products Administration to treat patients with a form of advanced ovarian cancer. Similarly, the Japanese Ministry of Health, Labour and Welfare approved Merck's oncology drug, Keytruda, in four instances.

- Consumer Cyclical - DM cluster, notably UniCredit whereby the chief executive noted the Italian bank will significantly improve the company's guidance for the current year, noting ample provisions to absorb new impaired loans and the ability to offset any impacts from rising rates.
- Tail Risk cluster, including Barrick Gold which benefitted from fears around a more pronounced economic slowdown and heightened geopolitical uncertainty.
- Bank Mandiri Persero within the Consumer Cyclical - Asia/EM cluster, as positive sentiment towards Indonesia continued due to strengthening commodities and the country's management of inflation with measured interest rate increases.

Key detractors included:

- Internet/Software - DM cluster, notably Meta Platforms which announced hiring freezes and further potential restructures citing the uncertain macroeconomic backdrop and the anticipation of subsequent trimming of advertising spending on key platforms.
- Hardware cluster, notably TSMC amid a report which detailed four major customers have scaled back order volumes with the order cut forcing TSMC to shut down four extreme ultraviolet lithography machines, which roll out high-end chips. Despite this, later in the month TSMC received a boost from sell-side analyst upgrades to near term price targets.
- Internet/Software - Asia/EM, notably JD.com with slower consumption recovery in China leading the company to issue lower than expected third quarter guidance.

* Illustrative only and not a recommendation to buy or sell any particular security

Net performance (%)

	Fund	Benchmark	Difference
1 month	-3.5	-3.6	0.1
3 month	-3.9	-0.3	-3.6
Year to date	-13.9	-15.9	2.0
1 year	-12.0	-10.9	-1.1
3 year p.a.	3.4	5.4	-2.0
Inception p.a.	4.3	8.1	-3.8

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	3.3
Frontier Communications	United States	3.0
Sanofi	France	3.0
Northrop Grumman	United States	2.9
SAP	Germany	2.9
Siemens	Germany	2.8
Meta Platforms	United States	2.6
Oracle	United States	2.6
Microsoft	United States	2.5
TotalEnergies	France	2.5

iNAV tickers

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

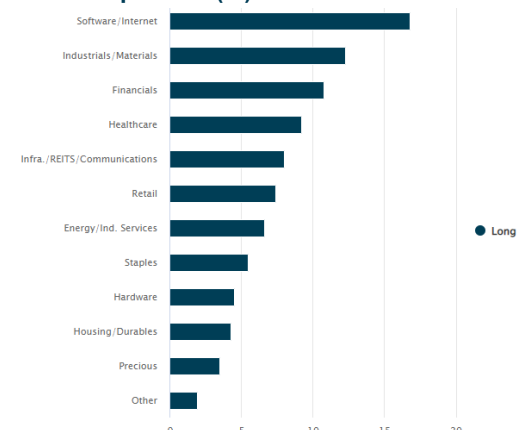
Fund facts

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
Risk/Return profile	High
Distribution	Annual, 30 June
Unit valuation	Sydney business day
Registry	Automic Pty Limited
Market Maker	Citigroup Global Markets Australia Pty Limited

Asset value

Fund AUM	\$306m
Strategy AUM	\$4.343m
Asset Value (NAV)	4.2892

Sector exposure¹ (%)

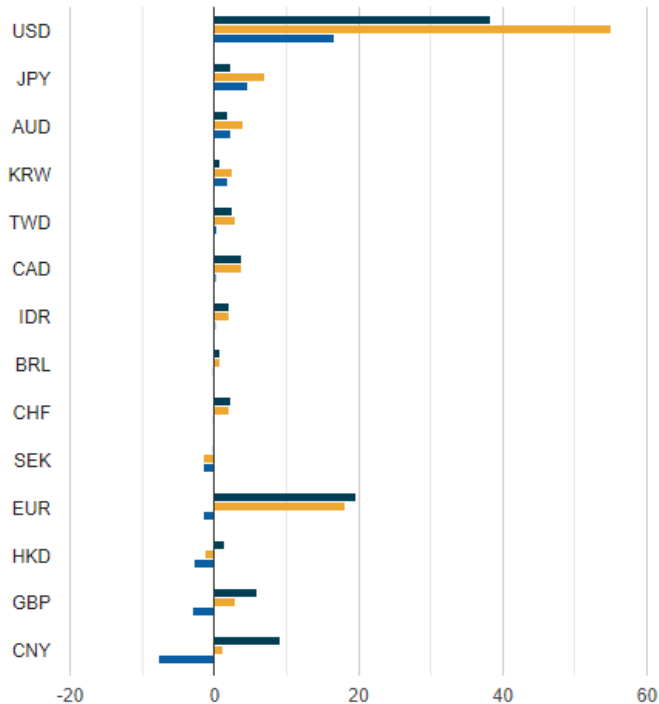


¹ Antipodes classification

Asset allocation³

	Equities - Long	Other - Long
Weight (%)	90.8	-
Count	65	-
Avg. weight (%)	1.4	-
Top 10 (%)	27.9	-
Top 30 (%)	61.7	-

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

Currency exposure^{2,3} (%)

Long equity Currency Difference

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

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

Region	Long
North America	42.1
Western Europe	27.8
- Eurozone	19.7
- United Kingdom	5.9
- Rest Western Europe	2.3
Developing Asia/EM	13.5
- China/Hong Kong	10.7
- Rest Developing Asia	2.0
- Rest Developing Asia/EM	0.9
Developed Asia	5.6
- Korea/Taiwan	3.2
- Japan	2.4
Australia	1.8
Total Equities	90.8
Cash	9.2
Totals	100.0

Market cap exposure³ (%)

Band	Long
Mega (>\$100b)	29.1
Large (>\$25b <\$100b)	30.9
Medium (>\$5b <\$25b)	25.7
Small (<\$5b)	5.1

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



Further information

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Fund features

- **Objective** – to achieve absolute returns in excess of the benchmark (before fees) 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 security during the trading day
- This product is likely to be appropriate for a consumer seeking capital growth to be used as a small allocation within a portfolio where the consumer has a minimum investment timeframe of 5 years, and a high risk/return profile.

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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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