



10 November 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 October 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

- Economic data remained resilient throughout October, despite the historic pace of tightening of financial conditions observed so far in 2022.
- Markets proved similarly resilient, returning positive absolute performance whereby value outperformed growth, in a continuation of the theme observed for much of the year-to-date.
- The Antipodes Global Shares (Quoted Managed Fund) underperformed the benchmark over the month (after fees).

## Commentary\*

Global equities were higher in October (+6.6%) with Energy, Industrials and Healthcare outperforming whilst Communication Services, Consumer Discretionary and Utilities underperformed. US equities were the strongest performing market over the month (+8.5%), as hopes for a Fed pivot grew as economic data showed material slowing even whilst the labour market remained strong and CPI data remained elevated.

European equities also outperformed (+7.8%) as governments announced more detailed fiscal support to address energy concerns and natural gas stockpiles continued to grow amid milder weather. Similarly, policy pivot expectations grew in light of heightened market expectations for a likely recession in the region.

Asian equities underperformed broader global markets over the month (-2.3%). Chinese equities were weak (-13.1%) in light of continued COVID-zero lockdowns and the negativity around the 20th Party Congress announcements and formation of President Xi's Politburo. This was exacerbated by poor economic data and heightened concerns around the property sector, which furthered negative sentiment. Japanese equities were positive (+3.5%) as the Bank of Japan continued their loose monetary policy amid low inflation, despite the Ministry of Finance once again intervening to support the Yen.

Elsewhere, Brent Crude (+11.1% in USD) was strong with OPEC+ output cuts, Gold (-1.6%) was down, whilst the US Dollar (-0.5%) was down marginally. Key contributors included:

- Oracle and SAP within the Internet/Software - DM Cluster, with both companies reporting quarterly earnings exceeding analyst expectations. SAP revenues in both cloud and non-cloud sectors exceeded estimates, with the company also confirming strong guidance on its cloud business, highlighted by a sizeable order

backlog. Oracle confirmed overall revenue was up 18% year-on-year, led by the company's cloud infrastructure revenue.

- Healthcare cluster, notably Merck, which reported third-quarter results highlighting earnings-per-share and quarterly sales above analyst estimates, led by key oncology drug Keytruda where sales grew 20% year-on-year.
- Industrials cluster, notably Northrop Grumman which surged higher despite missing analyst estimates in its third-quarter earnings. The company continues to see a strong demand environment for its products despite the defence industry experiencing heightened macroeconomic volatility.

Key detractors included:

- Consumer Cyclical - Asia EM cluster, including Longfor Group and Country Garden Services Holdings as Chinese property related exposures continued to feel the effects from the downturn in the Chinese property market, with heightened concerns around liquidity and access to capital.
- Internet/Software - Asia/EM cluster, including JD.com and Alibaba, which were impacted by negative sentiment with the expectation economic activity in China will remain lacklustre and consumption will remain depressed in the short-term following President Xi's Politburo formation. Subsequently, both companies were impacted by significant foreign investor outflows.
- Meta Platforms within the Internet/Software - DM cluster, as the company reported a material decline in profits during the third quarter as advertisers reined in spending amid the global economic downturn. In addition, the company's metaverse division, Reality Labs, reported a US\$3.7bn loss over the quarter, with Meta anticipating these losses would grow significantly year-over-year in 2023.

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

## Net performance (%)

	Fund	Benchmark	Difference
1 month	3.9	6.6	-2.7
3 month	-0.8	0.8	-1.5
Year to date	-10.5	-10.3	-0.2
1 year	-8.4	-6.0	-2.4
3 year p.a.	4.7	7.5	-2.8
Inception p.a.	5.2	9.7	-4.4

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	3.8
Sanofi	France	3.4
Oracle	United States	3.3
SAP	Germany	3.0
Siemens	Germany	3.0
TotalEnergies	France	3.0
Northrop Grumman	United States	3.0
Frontier Communications	United States	2.8
Tesco	United Kingdom	2.3
Flutter Entertainment	United Kingdom	2.1

## iNAV tickers

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

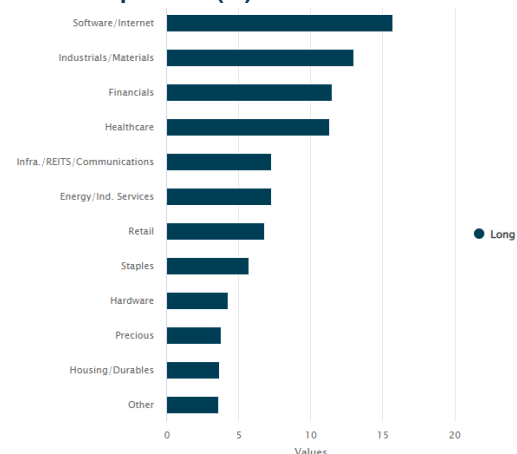
## Fund facts

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
Risk/Return profile	High
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	\$313m
Strategy AUM	\$4,643m
Asset Value (NAV)	4.4579

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

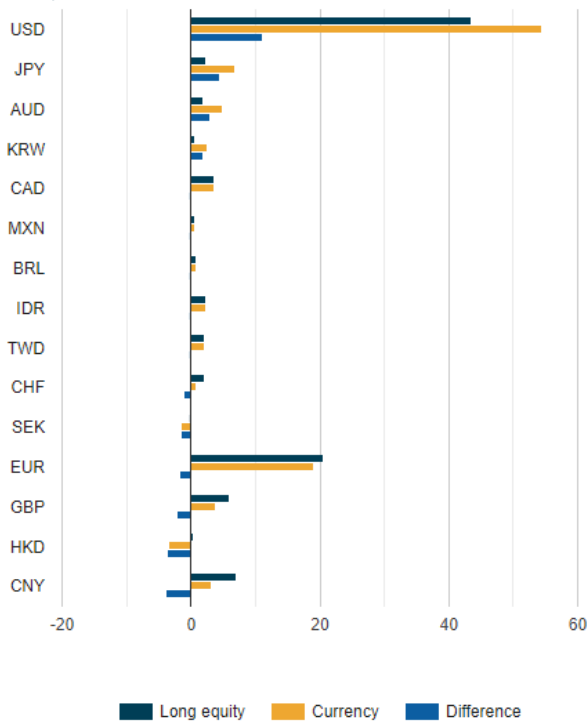


<sup>1</sup> Antipodes classification

Asset allocation<sup>3</sup>

	Equities - Long	Other - Long
Weight (%)	93.7	-
Count	65	-
Avg. weight (%)	1.4	-
Top 10 (%)	29.7	-
Top 30 (%)	63.0	-

<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
North America	47.1
Western Europe	28.6
- Eurozone	20.6
- United Kingdom	6.0
- Rest Western Europe	2.0
Developing Asia/EM	11.0
- China/Hong Kong	7.3
- Rest Developing Asia/EM	3.8
Developed Asia	5.2
- Korea/Taiwan	2.7
- Japan	2.4
Australia	1.8
Total Equities	93.7
Cash	6.3
Totals	100.0

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

Band	Long
Mega (>\$100b)	31.2
Large (>\$25b <\$100b)	34.4
Medium (>\$5b <\$25b)	22.9
Small (<\$5b)	5.2

### 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

1300 010 311

invest@antipodespartners.com

### Australia Head Office

Antipodes Partners Limited  
Level 35, 60 Margaret St  
Sydney NSW 2000  
Australia

### UK Office

Antipodes Partners Limited  
6th Floor, Nova North  
11 Bressenden Place  
London SW1E 5BY UK

### 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](mailto:service@pinnacleinvestment.com)

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