

Key Takeaways

- Global equities were down in December, with US equities underperforming broader global markets as the Fed continued to raise rates and maintained hawkish rhetoric.
- The month also saw continued policy shift in China, with significant acceleration in monetary, fiscal and regulatory easing.
- The Antipodes Global Shares (Quoted Managed Fund) outperformed the benchmark over the month, finishing calendar year 2022 meaningfully ahead.

Commentary*

Global equities were down in December (-5.1%) with utilities, healthcare and consumer staples outperforming whilst information technology, consumer discretionary and communication services underperformed.

US equities underperformed (-7.1%) as the Federal Reserve hiked rates once again and continued its hawkish stance. Economic data continued to show a tight labour market, slowing economic growth and possible inflation cooling.

European equities outperformed broader global markets over the month (-1.2%) as key central banks continued to hike rates. The ECB maintained its hawkish tone, despite data showing better than feared economic activity and inflation cooling. Concerns around energy further faded due to strong stockpiles, mild winter weather and energy price caps.

Asian equities outperformed on a relative basis (-1.3%). Chinese equities performed strongly (+2.7%) as COVID-19 restrictions were further relaxed, and additional easing was indicated in a continuation of the significant pivot in policy stance. Japanese equities also outperformed (-1.0%) as the Bank of Japan made an unexpected adjustment and tightened policy using their Yield Curve Control, as inflationary pressures gradually build.

Elsewhere, Brent Crude (+0.6% in USD) was relatively unchanged, Gold (+3.1%) rallied, whilst the US Dollar (-2.3%) weakened.

Key contributors included:

- Healthcare cluster, notably Sanofi surged on reports the company settled a claim in California surrounding the popular heartburn drug, Zantac. Investors

welcomed the ruling which could remove a large portion of potential liability linked to further litigation around the drug.

- Consumer Defensive – Asia/EM cluster, notably Wuliangye which detailed revenue and profit growth year-on-year at its annual convention. The baijiu manufacturer also benefitted from the continued easing of COVID restrictions in lead up to the Chinese New Year.
- Siemens Energy, within the Industrials cluster whereby the energy subsidiary of German industrial Siemens reported revenue and earnings which surpassed analyst expectations. This included forecasted revenue growth of 4.5% p.a. on average over the next three years.

Key detractors included:

- Internet/Software – DM cluster, notably Compass Inc. and Roku. Real estate platform Compass Inc. detracted following comments from the CEO highlighting cost cutting, and lower gross transaction values for the year ahead. Digital media company Roku was impacted by a weaker TV subscription market and continued weakness in advertising spend through 4Q22.
- Consumer Defensive – DM cluster including Farfetch, with the luxury goods platform performing poorly post its capital markets day in early December. Investors remain concerned about widening losses despite management insisting the platform would prioritise margin profitability over growth.
- Consumer Cyclical – DM cluster, including Wells Fargo which was impacted by concerns over US banks hitting peak net interest margins as liquidity conditions tighten. The bank also reached a settlement with the Consumer Financial Protection Bureau, relating to mortgage, auto loan and deposit account issues.

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

Net performance (%)

	Fund	Benchmark	Difference
1 month	-1.9	-5.1	3.2
3 month	9.0	4.1	4.9
Year to date	-6.2	-12.5	6.3
1 year	-6.2	-12.5	6.3
3 year p.a.	5.0	5.3	-0.2
Inception p.a.	6.2	8.6	-2.4

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	3.2
Sanofi	France	3.0
Siemens	Germany	2.8
TotalEnergies	France	2.7
Oracle	United States	2.6
Frontier Communications	United States	2.6
SAP	Germany	2.6
Siemens Energy	Germany	2.4
Northrop Grumman	United States	2.2
Ping An Insurance	China/HK	2.1

iNAV tickers

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

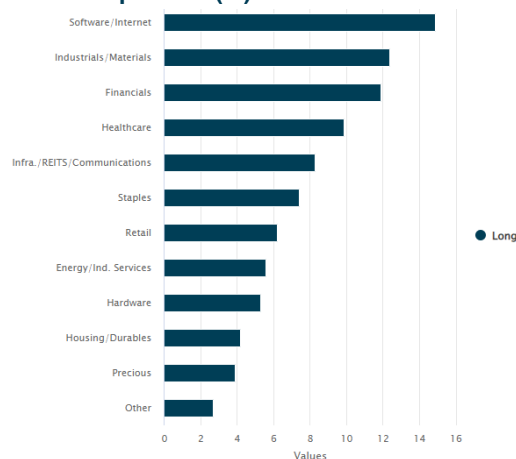
Fund facts

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	\$321m
Strategy AUM	\$4,983m
Asset Value (NAV)	4.6743

Sector exposure¹ (%)

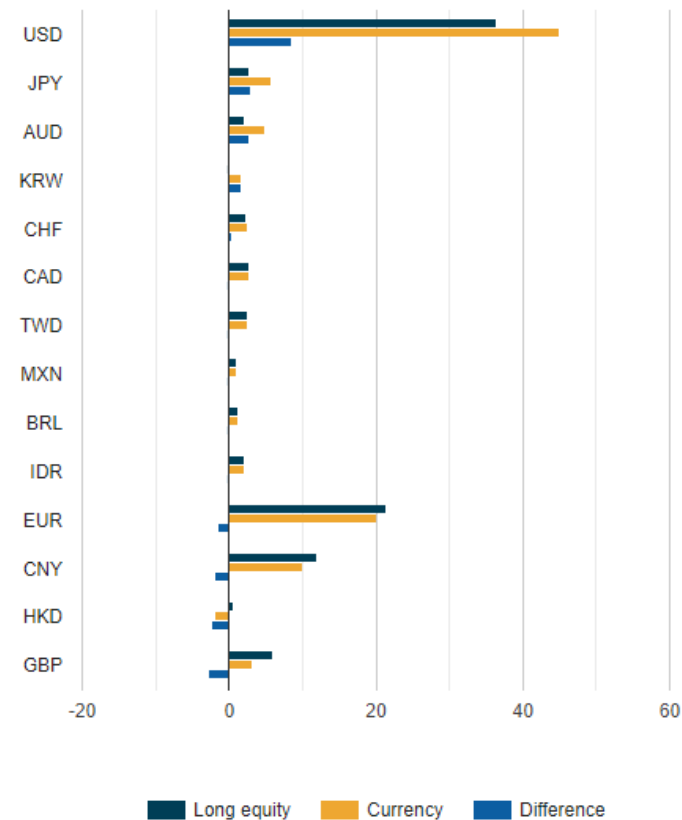


¹ Antipodes classification

Asset allocation³

	Equities - Long	Other - Long
Weight (%)	92.7	-
Count	71	-
Avg. weight (%)	1.3	-
Top 10 (%)	26.2	-
Top 30 (%)	59.8	-

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	Benchmark
North America	39.1	63.5
Western Europe	29.6	16.0
- Eurozone	21.4	7.9
- United Kingdom	5.9	3.6
- Rest Western Europe	2.2	4.4
Developing Asia/EM	16.7	9.9
- China/Hong Kong	12.7	4.7
- Rest Developing Asia/EM	4.1	5.2
Developed Asia	5.2	8.4
- Japan	2.7	5.5
- Korea/Taiwan	2.5	2.8
Australia	2.0	2.2
Total Equities	92.7	100.0
Cash	7.3	0.0
Totals	100.0	100.0

Market cap exposure³ (%)

Band	Long
Mega (>\$100b)	35.5
Large (>\$25b <\$100b)	29.4
Medium (>\$5b <\$25b)	23.4
Small (<\$5b)	4.4

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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