

Antipodes Global Shares (Quoted Managed Fund) (ASX:AGX1)

ARSN 625 560 269

UPDATE AS AT 31 DECEMBER 2018

Antipodes Partners	<ul style="list-style-type: none"> Global pragmatic value manager We take advantage of the market's tendency for <i>irrational extrapolation</i>, identify investments that offer a high <i>margin of safety</i> and build portfolios with a <i>capital preservation</i> focus
Fund features	<ul style="list-style-type: none"> 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 Proven track record – Strategy has outperformed 2.7% p.a. since inception on 1 July 2015¹ 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

PORTFOLIO COMMENTARY

- Global equity markets continued their decline in December (-7.0% USD, -3.6% AUD) as investors expressed a stylistic preference for quality at any price through ongoing cross asset volatility. With the Federal Reserve (Fed) raising its target rate amidst slowing growth in Europe and China, cyclical stocks underperformed and credit spreads widened as markets continued to price a deceleration in global growth.
- US equities declined -9.1% (USD), with investor confidence waning as the Fed raised rates against a backdrop of moderating corporate earnings and weaker than expected US housing, manufacturing and consumer confidence data. Chinese equities (-4.9% USD) underperformed following a contraction in export and manufacturing data and the absence of any meaningful progress on trade. Japanese equities also retreated, with easing global demand and a stronger Yen putting pressure on exporters. Oil (-9.5% USD) continued its slide amidst growing concerns around demand, whilst Gold (+7.7% USD) benefitted from the broader flight to safety.
- The portfolio outperformed its benchmark. The major contributor to performance was our Gold exposure, whilst our Natural Gas, Online Services, Software Incumbent and Consumer Incumbent exposures detracted.

FUND FACTS

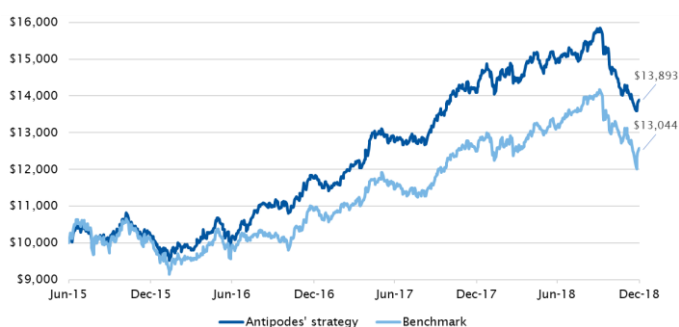
Investment manager	Antipodes Partners
Inception date	5 November 2018
Benchmark	MSCI All Country World Net Index in AUD
Management fee	1.10% p.a.
Performance fee	15% of net return in excess of benchmark
Distribution	Annual, 30 June
Net Asset Value (NAV)	\$4.7288
Unit valuation	Sydney business day
Fund AUM	\$19m
Strategy AUM	\$1,874m

NET PERFORMANCE (%)

	AGX1	Benchmark	Difference
1 month	-2.2	-3.6	1.4
3 months	-	-	-
YTD	-5.4	-4.6	-0.8
1 year	-	-	-
Inception	-5.4	-4.6	-0.8

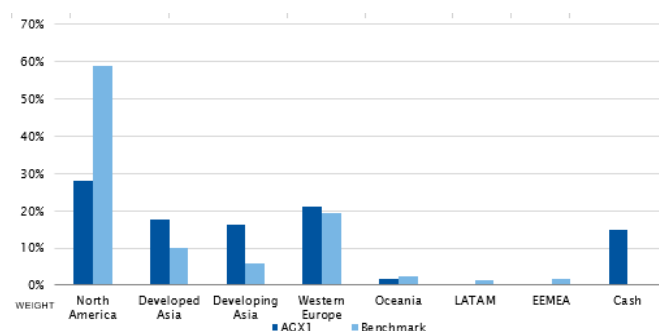
Past performance is not a reliable indicator of future performance
 Returns are quoted in AUD and net of applicable fees, costs and taxes

PERFORMANCE OF THE INVESTMENT STRATEGY¹



¹ Growth of \$10,000 invested in the Global Long strategy since inception on 1 July 2015 to 31 December 2018

DIFFERENTIATED REGIONAL EXPOSURE²



² Regional exposure of the Antipodes Global Shares (Quoted Managed Fund) vs. the Benchmark as at 31 December 2018. Exposures use iShares MSCI ACWI ETF in AUD as benchmark proxy

ASSET ALLOCATION

	Long
Weight (% NAV)	85.2
Count	60
Avg. weight	1.4
Top 10 (% NAV)	25.0
Top 30 (% NAV)	60.3

TOP 10 EQUITY LONGS (%)

Name	Country	Weight
KT Corporation	Korea	2.6
Electricite de France	France	2.6
Microsoft Corporation	United States	2.6
Baidu	China/HK	2.5
Cisco Systems	United States	2.5
China Mobile	China/HK	2.5
China Telecom	China/HK	2.5
Tapestry	United States	2.5
KB Financial	Korea	2.4
Qualcomm	United States	2.4

CURRENCY EXPOSURE³ (%)

ISO	Long equity	Currency	Difference
JPY	8.5	16.4	7.9
USD	28.1	35.8	7.8
CHF	3.5	9.8	6.4
SEK	0.0	2.5	2.5
NOK	0.0	2.1	2.1
AUD	1.6	3.4	1.8
HKD	0.0	1.3	1.3
GBP	0.0	1.0	1.0
MXN	0.4	0.4	0.0
INR	0.6	0.6	0.0
EUR	17.8	13.9	-3.9
KRW	9.2	5.0	-4.2
CNY	15.5	7.7	-7.8

³ Where possible, regions, countries and currencies classified on a look through basis

SECTOR EXPOSURE⁴ (%)

Sector	Long
Banks	10.9
Communications	9.1
Software	8
Hardware	7.5
Internet	7.1
Industrial	6
Healthcare	5.8
Energy	5.4
Precious Metals	4.6
Other	20.8

⁴ Antipodes Partners classification

REGIONAL EXPOSURE^{3,4} (%)

Region	Long
North America	28.1
Developed Asia	17.7
<i>Korea</i>	9.2
<i>Japan</i>	8.5
Developing Asia	16.1
<i>China/Hong Kong</i>	15.5
<i>India</i>	0.6
Western Europe	21.2
<i>Eurozone</i>	17.8
<i>Rest Western Europe</i>	3.5
Australia	1.6
Rest of World	0.4
Total Equities	85.2
Cash	14.8
Totals	100.0

MARKET CAP EXPOSURE (%)

Band	Long
Mega (>\$100b)	22.9
Large (>\$25b <\$100b)	29.7
Medium (>\$5b <\$25b)	25.4
Small (<\$5b)	7.3

FURTHER INFORMATION

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