

Key Takeaways

- Higher government bond yields and an increase in geopolitical tensions in the Middle East resulted in risk-off sentiment in global equities over the month.
- Asian equities were lower over the month, led by Japanese equities, whilst Chinese equities were also lower despite positive data and signs of more fiscal support.
- The Antipodes Global Fund – Long underperformed the benchmark over the month, however remains ahead over 12 months.

Commentary*

The combination of higher government bond yields and an increase in geopolitical tensions in the Middle East resulted in a risk off move in October. Global equities were negative for the month in USD/AUD terms, however were higher in NZD due to exchange rate impacts (-3.0%). Utilities, information technology and consumer staples outperformed whilst consumer discretionary, industrials and energy underperformed. US equities outperformed (-2.3%) with macroeconomic data highlighting resilience within the economy despite a higher-for-longer rate environment. Further, US treasury bonds fell due to fears of a forecast increase in treasury issuance. European equities underperformed as macroeconomic data disappointed (-3.7%) and central banks reinforced a higher-for-longer scenario.

Asian equities underperformed (-4.1%). Chinese equities were lower (-3.8%) despite positive economic data and more fiscal support. Continued property sector overhang in addition to the tighter US restrictions on firms exporting AI chips to China weighed on investor sentiment. Japanese equities underperformed globally and regionally (-4.5%) as the Bank of Japan tightened monetary policy in line with increasing inflationary data.

Elsewhere, Brent Crude (-8.3% in USD) was volatile but ended lower, Gold (+7.3%) was higher benefiting from a flight to safety, whilst the US Dollar (+0.5%) saw a marginal appreciation.

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

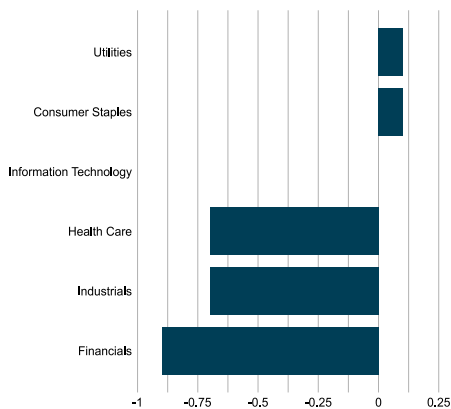
USD performance (%)

	1 month	3 month	CYTD	1 year	3 year p.a.	5 year p.a.	Inception p.a.
Fund	(4.1)	(11.1)	4.5	16.4	7.5	6.1	8.2
Benchmark	(3.0)	(9.6)	6.7	10.5	6.7	7.5	7.0
Difference	(1.1)	(1.5)	(2.3)	5.9	0.8	(1.3)	1.3

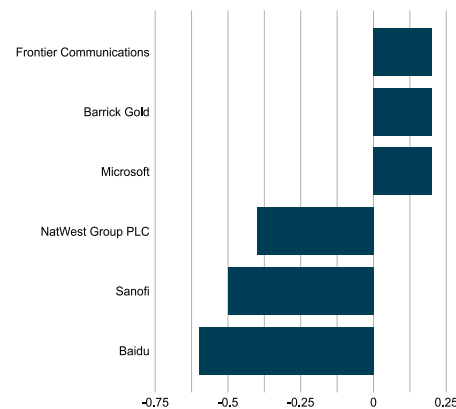
Strategy is based on the Australian Unit Trust. This is a representative USD account only. The account is managed in AUD and converted USD. Returns are quoted in USD and gross of applicable fees.

All p.a. returns are annualised. Past performance is not a reliable indicator of future performance.

Top & bottom sector contribution^{1,2} (%)



Top & bottom stock contribution (%)



Market cap exposure³ (%)

Band	Weight	Benchmark
Mega (>\$100b)	33.0	48.0
Large (>\$25b <\$100b)	39.0	30.9
Medium (>\$5b <\$25b)	14.7	19.7
Small (<\$5b)	5.5	1.5

Sector exposure² (%)

Sector	Long	Benchmark
Consumer Discretionary	13.0	11.0
Financials	12.4	15.6
Information Technology	12.3	22.1
Health Care	12.0	11.7
Consumer Staples	9.3	7.2
Communication Services	7.5	7.5
Industrials	7.0	10.2
Energy	6.4	5.2
Materials	5.9	4.5
Utilities	4.8	2.7
Real Estate	1.6	2.2

Regional exposure^{3,4,5} (%)

Region	Long	Benchmark
North America	36.2	65.6
Western Europe	34.6	15.2
- Eurozone	23.3	7.8
- United Kingdom	7.5	3.3
- Rest Western Europe	3.7	4.1
Developing Asia/EM	16.9	9.0
- China/Hong Kong	11.0	3.9
- Rest Developing Asia/EM	5.9	5.0
Developed Asia	4.4	8.3
- Korea/Taiwan	2.9	2.9
- Japan	1.5	5.5
- Oceania	0.0	1.9
Total Equities	92.1	100.0
Cash	7.9	0.0
Totals	100.0	100.0

Top 10 equity longs³ (%)

Name	Country	Weight
Merck	United States	3.9
TotalEnergies	France	3.6
Sanofi	France	3.1
Oracle	United States	2.9
Diageo	United Kingdom	2.8
Microsoft	United States	2.7
American Electric Power Co	United States	2.5
Barrick Gold	United States	2.5
Tesco	United Kingdom	2.5
Alibaba	China/HK	2.3

Fund facts

Characteristics	
Investment manager	Antipodes Partners
Inception date	1 July 2015
Benchmark	MSCI All Country World Next Index in AUD
Asset value	
Strategy AUM	\$3,349m

Further information

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¹ Based on gross returns in USD

² GICS classification

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

⁴ Antipodes classification

⁵ Where possible, regions, countries and currencies classified on a look through basis

⁶ All metrics are based on gross of fee returns in USD terms since inception. The upside/downside capture ratio is the percentage of benchmark performance captured by the fund during months that the benchmark is up/down. Standard deviation is a measure of risk with a smaller figure indicating lower return volatility. The Sharpe ratio measures returns on a risk adjusted basis with a figure > 1 indicating a higher return than the benchmark for the respective levels of return volatility.

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Performance & risk summary⁶

	Portfolio	Benchmark
Standard deviation	15.8%	15.4%
Sharpe ratio	0.43	0.36
Information ratio	0.21	-
Beta	0.95	-
Stock count (long)	63	-
Average net exposure	89.5%	-
Upside capture ratio	97	-
Downside capture ratio	88	-

Fund features

- Objective to achieve absolute returns in excess of the benchmark (after fees) over the investment cycle (typically 3-5 years)
- In the absence of finding securities that meet minimum risk-return criteria, cash may be held
- Flexibility to hedge for risk management purposes:
 - Currency exposure of the underlying stock position (net short currency position not permitted)
 - Equity market exposure via exchange traded derivatives (limited to 10% of NAV)
 - Leverage not permitted