

**SHINING A LIGHT ON THE.....
Antipodes Global Long Fund**

AT A GLANCE

Investment Objective	
The aim of the Fund is to achieve absolute returns in excess of the MSCI All Country World Net Index in USD (the Index) over the investment cycle (typically 3-5 years).	

Inception Date	23 rd January 2018
Fund Factsheet Link	https://www.morningstar.co.uk/uk/funds/snapshot/snapshot.aspx?id=F00001089C

Management	
Manager Name	Start Date
Jacob Mitchell	23 rd January 2018

FUND PERFORMANCE

Performance from 23rd January 2018 to 30th April 2022:

	2018	2019	2020	2021	2022
Antipodes Global Long Fund	-10.90%	12.61%	12.89%	10.05%	-1.01%
MSCI ACWI NR USD	-6.10%	21.71%	12.67%	19.63%	-6.07%

Performance over 12 months, 3 years and since launch:

	1 year	3 years	Since launch
Antipodes Global Long Fund	0.26%	26.77%	23.40%
MSCI ACWI NR USD	4.28%	36.01%	44.69%

You should note that past performance is not a reliable indicator of future returns and the value of your investments can fall as well as rise. The total return reflects performance without sales charges or the effects of taxation but is adjusted to reflect all on-going fund expenses and assumes reinvestment of dividends and capital gains. If adjusted for sales charges and the effects of taxation, the performance quoted would be reduced.

Tracking Error	Active Share	Upside Capture Ratio	Downside Capture Ratio	Batting Average	Beta	Alpha	Equity Style
6.07	88.88	79.39	81.72	33.33	0.94	(1.89)	Blend/Large

Volatility Measurements	
3-Yr Std Dev (volatility)	13.60%
3-Yr Mean Return (average)	8.23%

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Investment Style Details	
Giant	38.78%
Large	36.31%
Medium	13.03%
Small	6.59%
Micro	0.00%

Top 5 Holdings – 62 Equity Holdings		
EQT Corp	Energy	3.23%
Merck & Co Inc	Healthcare	3.11%
Frontier Communications Parent Inc	Communication Services	2.94%
Coterra Energy Inc Ordinary Shares	Energy	2.91%
Sanofi SA	Healthcare	2.90%

Top 5 Sectors	
Technology	16.35%
Consumer Cyclical	15.79%
Communication Services	11.45%
Financial Services	10.74%
Healthcare	10.06%

Top 5 Regions	
United States	40.49%
Eurozone	21.79%
Asia – Emerging	13.94%
Asia – Developed	6.91%
Canada	6.11%

UPDATE....

This was our first introduction to the fund and team. The company was founded in 2015 by Jacob Mitchell. He previously worked at Platinum Asset Management for 14 years before setting up Antipodes Partners in 2015. The company started with six people and now has 41 staff. In terms of performance the strategies they manage did well up to mid-2018 but since then their style of investing has been challenged.

This really leads onto one of the challenges all asset allocators have now. We know what has done well in the past, we just don't know what will do well moving forward. They view this strategy as pragmatic value. This looks across three areas:

Business resilience – there are multiple ways of winning which include competitive dynamics, product cycle, regulatory, management/financial/ESG and macro/style

Starting valuation – this comes across a margin of safety which considers attractive valuation relative to history and peers, and seeks absolute returns and at least 10% better than relevant sector/region

Manage portfolio risk – limit correlated alpha clusters

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The overall aim is to deliver absolute returns in excess of the benchmark over a 3-to-5-year cycle at below market levels of risk.

Examples of holdings which fall under this include:

Microsoft – this lends itself to pragmatic value where it would be hard for any business to challenge this

Toyota – the assumption is that Tesla will be the only name in town, but this assumes that all the knowledge built up by Toyota over 60 plus years is destroyed overnight. Auto's is cyclical and although Tesla have made significant inroads into the auto space their technology is being superseded by the incumbents (GM as an example), it is losing market share in Europe and China and companies like VW have turned their businesses around significantly. Toyota as a holding accepts the cyclical aspect but also reflects this is one of the best auto manufacturers in the world and its price doesn't reflect this

RWE – is the leader in the German power industry but has around 30% of revenues from coal. The market has priced it down assuming it can't transition. However, if it cannot transition then neither can Germany as a nation as the two are interlinked, so there is significant value within this

Other examples include Airbus on the re-opening trade and its position as a monopoly, and Siemens as an infrastructure play.

The view of "value" are old world companies, that are heavily indebted and needing some catalyst for change. Across the holdings there are well known companies which don't fit this view – the likes of TSMC, Tencent, JD. Com, Amazon, Microsoft, and Merck are all examples.

They like companies that are on the improvement path, whether it be governance or decarbonisation, because in the world of ESG these are the companies that really offer value. VW is often ignored due to diesel gate, but a lot has changed since then, and RWE is another example of a changing company. The value comes from investing early and actively engaging for change to happen whether through direct engagement or voting.

They look to invest in around 60 companies and are benchmark agnostic. They don't invest in heavily indebted companies unless that offers an opportunity. They believe with high interest rates and inflation the days of companies being bid up are over. Technology changes are here to stay but there are many incumbents who can take this forward.

The challenge as they admit with this is that the last few years have been about growth at any price, but they don't believe this can continue. Microsoft from its peak in 2000 took 15 years to regain that share price. The company also changed a lot during this time. They are patient investors and believe they are seeing signs that things are changing in their favour.

In summary, this is a pragmatic value fund. There are some who believe that companies that fall under this can never grow their share value. If investors are in that camp then then this fund is not for them. However, if there is any doubt then this could act as a counterbalance to some of the more growth at any price strategies. We still need to do more work on this but believe it is one we will watch with the potential to add to our watchlist in the future.

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The source of information in this note has been provided by Antipodes and is correct as of May 2022. These are notes from meeting the fund manager or representative and should not be seen as a recommendation to purchase any fund mentioned. Any reference to shares is not a recommendation to buy or sell. Should you wish to make a decision based on these notes we cannot take responsibility for this, and you should carry out your own research before making a decision. We would also recommend that you receive advice before following up on any decision.