



# **A Pragmatic value approach to Global SMID Caps**

Pinnacle Insights Series – Small Caps

April 2025

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# Antipodes Global Opportunities



The opportunity in SMID Cap equities



Natural extension of Antipodes' industry-led research approach



Demonstrated track record of alpha since strategy since inception

## Do radio show hosts need a RG146?

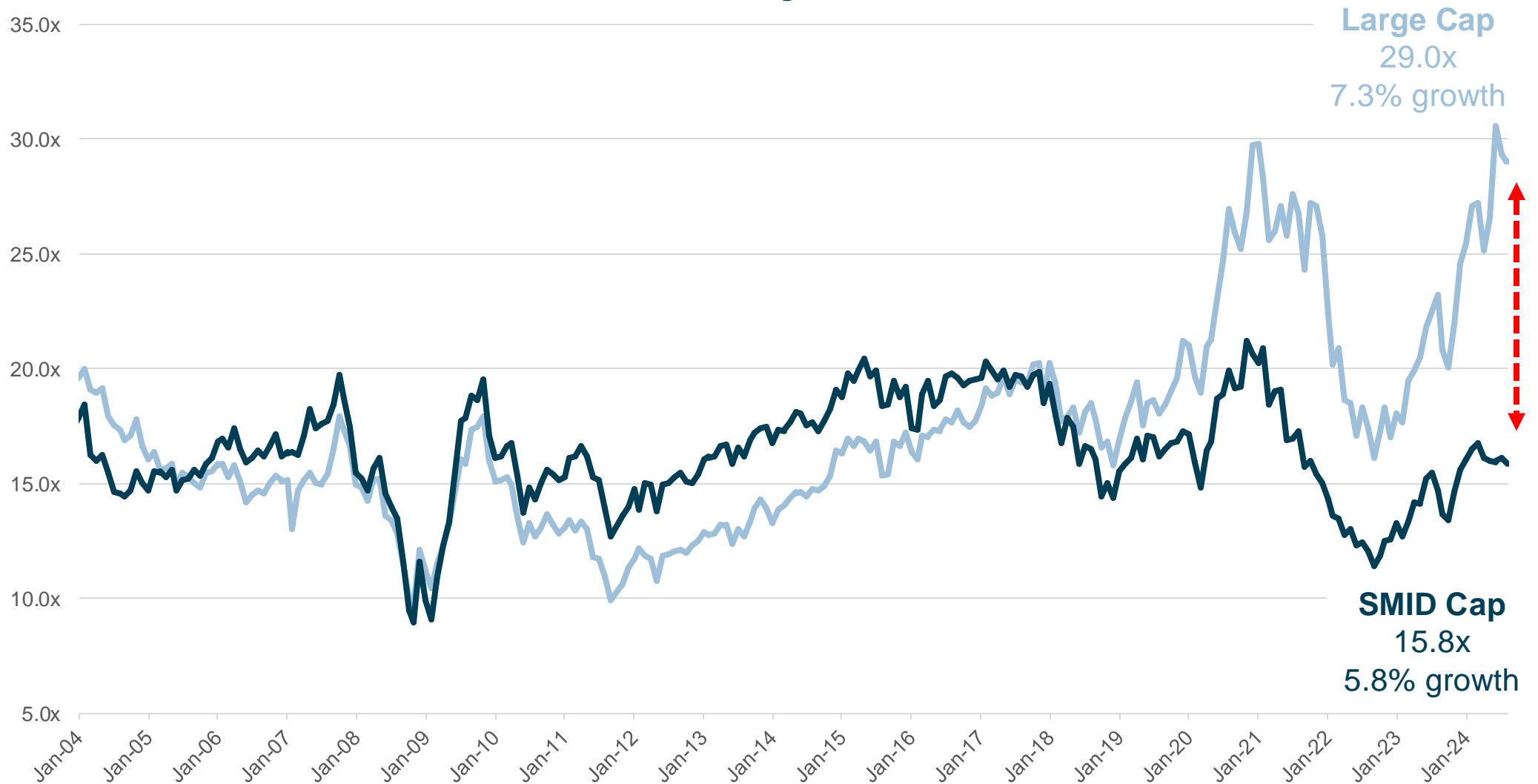




## Why SMID Caps?

# SMID companies at record ~50% discount to large caps, yet similar growth

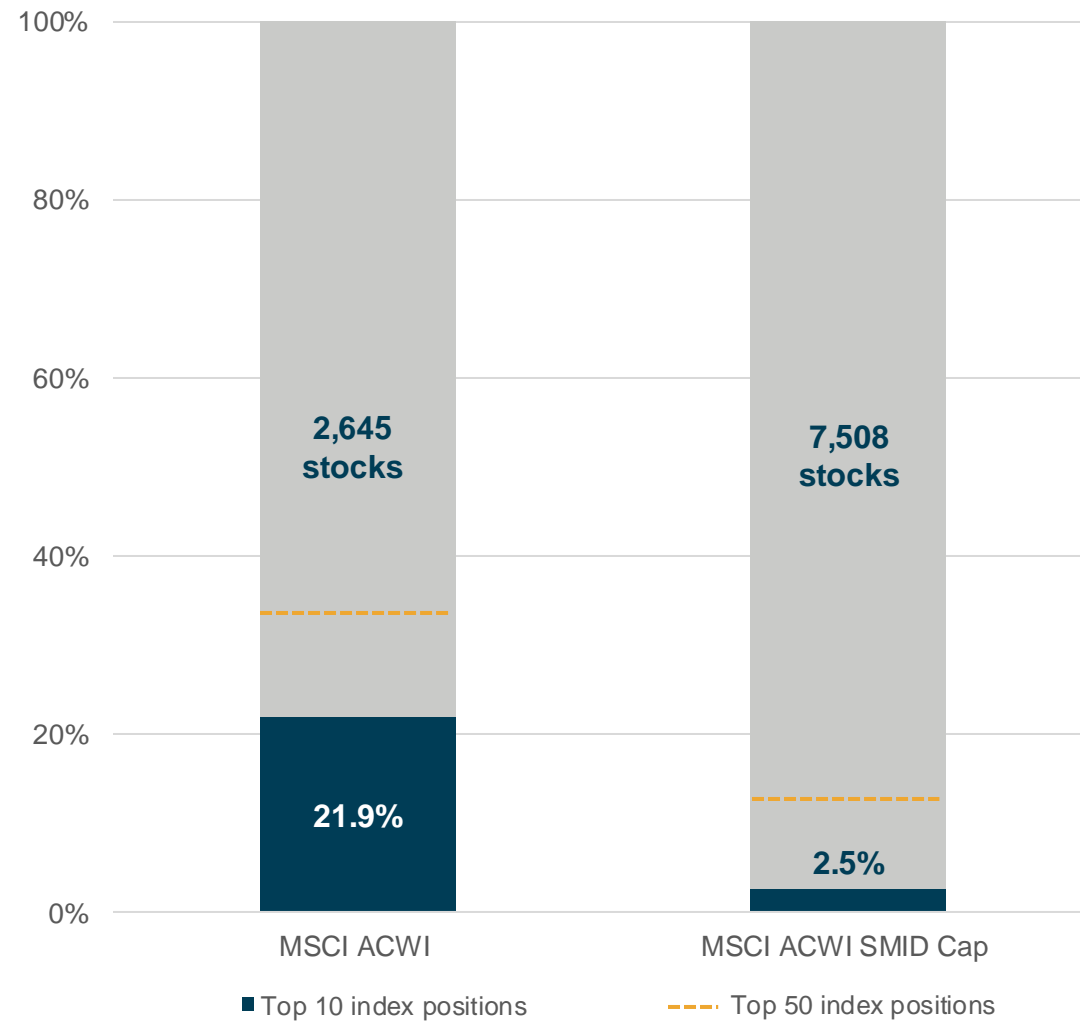
Trailing P/E



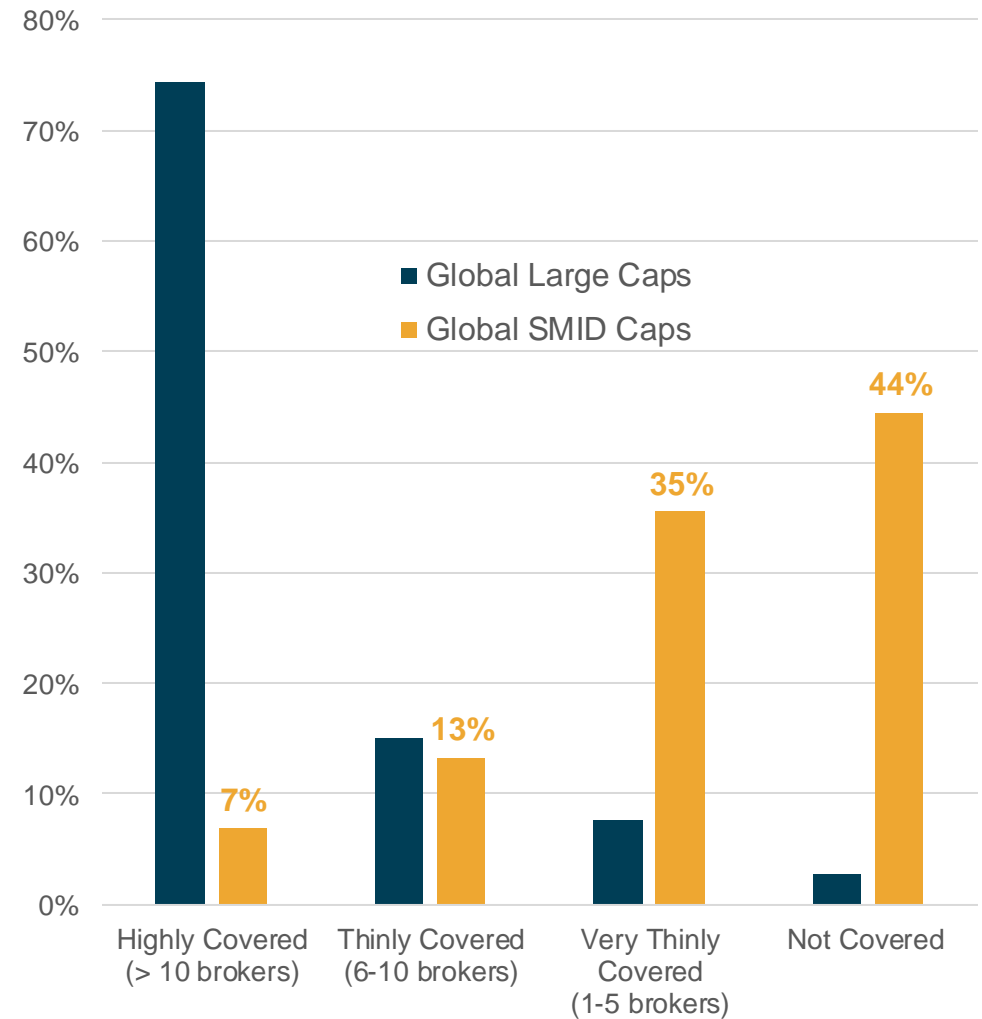
Source: FactSet, Antipodes,  
Growth defined as 7-year trailing & 3-year forward estimates

# Opportunities remain uncovered

Top 10 positions (% of Index)



Broker Coverage  
Large Cap vs. SMIDs



Source: MSCI, as at February 2025

Large cap defined as traded stocks with a market cap >US\$5b  
SMID defined as all traded stocks with market caps between US\$100M - \$5b  
Source: Bloomberg Finance L.P., Factset and J.P. Morgan

## **An industry-led approach to uncovering SMID cap opportunities**



# Alpha generation comes from a deep understanding of change within an industry



**Cyclical change**



**Structural change**

## **Why mispriced**

- Scars of the downturn
- Non-linear change not recognized

## **Buy**

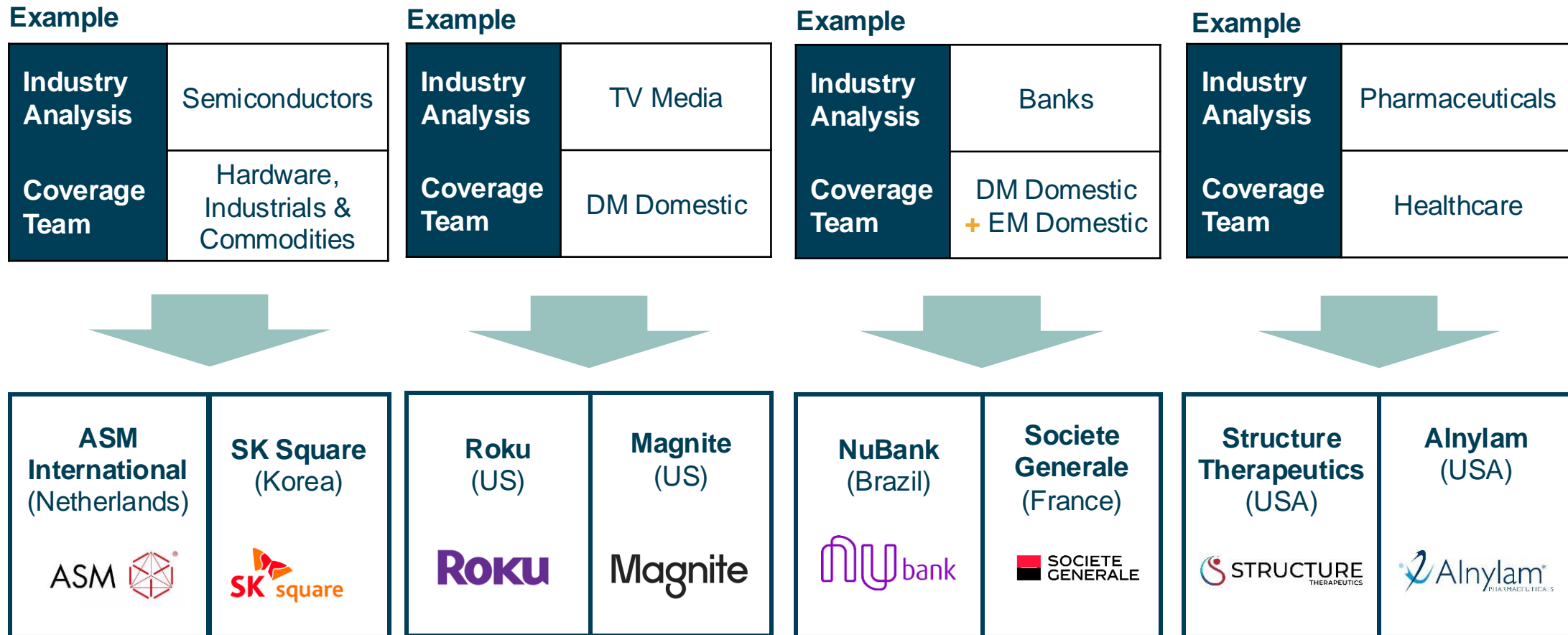
- Incumbents entering a recovery
- Structural grower early in adoption cycle

## **Avoid**

- **Value traps**
- **Growth traps**

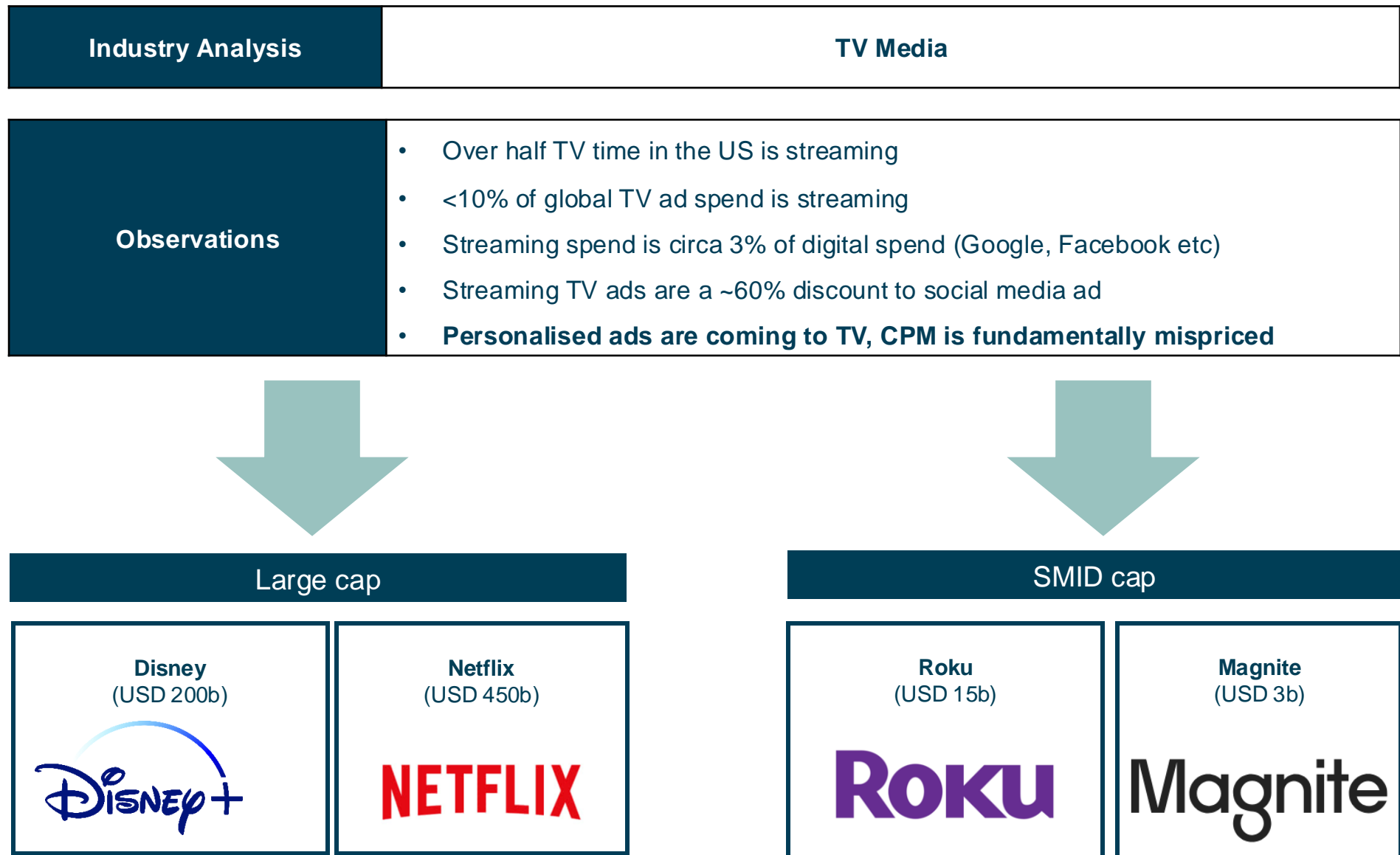
# Leveraging Antipodes' 30-strong investment team

Industry-led research identifies the winners and losers across the industry value chain



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

# Industry-led research identifies winners and losers across the industry value chain



## The operating system for streaming TV



Source: Antipodes, Company Data  
Illustrative only and not a recommendation to buy or sell any particular security

	Leading US Market share
	The best operating system product for streaming
	The Roku Channel TV channel is growing time spent 85% p.a. and has more time spent than any legacy TV streaming service
	Early days of disruption with growth opportunities via time spent, ad load and ad pricing
	Priced at 15x PE on terminal margins

# Pragmatic value

Seeking mispriced opportunities relative to underlying business resilience and growth



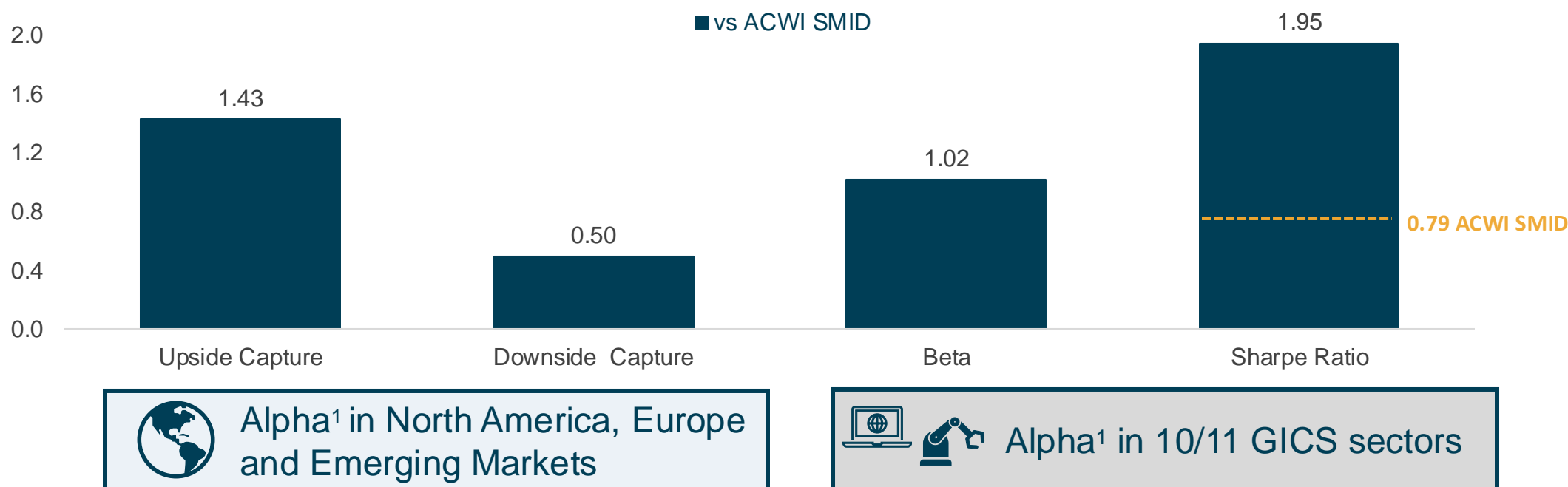
Source: Antipodes

# Performance



# Delivering risk-adjusted returns

Net Returns	3 months	6 months	Year to date	1 year	2 years (p.a.)	Since inception <sup>2</sup> (p.a.)
<b>Global Opportunities</b>	<b>8.9%</b>	<b>27.0%</b>	<b>6.5%</b>	<b>37.0%</b>	<b>26.0%</b>	<b>27.9%</b>
MSCI ACWI SMID <sup>1</sup>	0.5%	9.4%	0.7%	13.5%	14.4%	14.0%
<b>Excess</b>	<b>+8.4%</b>	<b>+17.7%</b>	<b>+5.8%</b>	<b>+23.5%</b>	<b>+11.6%</b>	<b>+13.8%</b>



Source: Antipodes. Past performance is not a reliable indicator of future performance. Performance based on net returns to Feb-25, in AUD.

<sup>1</sup> MSCI All Country World Small Mid Index (Net div., AUD)

<sup>2</sup> Inception 2 November 2022

Risk Metrics are based on gross of fee returns in AUD terms since inception

## Strong peer relative track record since inception

Peer comparison	3 months	6 months	1 year	2 years (p.a.)	Common inception <sup>2</sup> (p.a.)
<b>Antipodes Global Opportunities</b>	<b>8.9%</b>	<b>27.0%</b>	<b>37.1%</b>	<b>26.0%</b>	<b>27.9%</b>
Ophir Global Opportunities	2.2%	19.2%	34.6%	26.4%	22.9%
Fairlight Global Small & Mid	0.8%	7.2%	7.3%	19.3%	18.0%
Bell Global Emerging Companies	2.8%	8.6%	9.5%	11.7%	10.0%
<i>MSCI ACWI SMID (net div.)</i>	<b>0.5%</b>	<b>9.4%</b>	<b>13.5%</b>	<b>14.4%</b>	<b>13.6%</b>

### Ranking within sector (p.a.)

Ranking within Sector

Inception

Fund Ranking

1 / 31



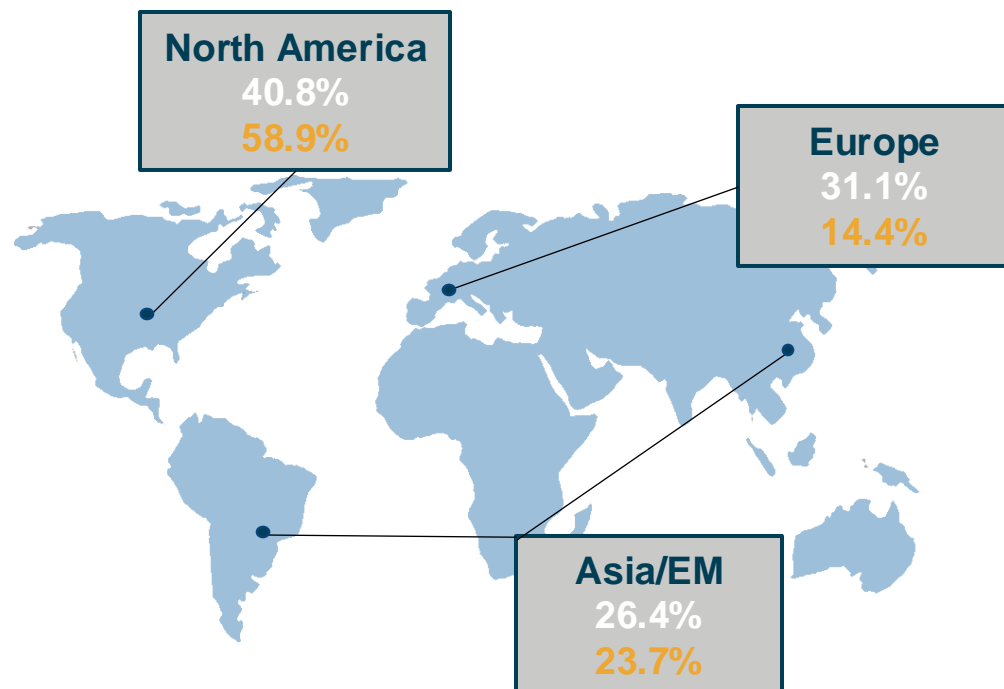
Source: Morningstar Direct, Zenith November 2024

<sup>1</sup> Since Inception, Nov-22

<sup>2</sup> Net returns in AUD. First full month since Inception, Dec-22

# Portfolio positioning takeaways

## Region



**Antipodes Global Opportunities**  
**MSCI ACWI SMID**

## Thematic Exposure

**Cyclical**  
 24.1%

- Yield sensitive
- COVID rebound
- Real Estate
- Energy supply



**Structural**  
 56.5%

- Consumer
- Energy Transition
- Cloud / AI monetisation



**Defensive**  
 18.8%

- Biotech & Healthcare
- Consumer defensives
- Gold, defence & tail risk



As at January 2025

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