

Antipodes Global Investment Company Limited (ASX:APL)

ACN 612 843 517

COMPANY UPDATE AS AT 30 JUN 2017

Antipodes Partners	<ul style="list-style-type: none"> Global pragmatic value manager, long only and long-short Structured to reinforce alignment between investors and the investment team 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
Company 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) High conviction portfolio, typically 30 to 60 holdings In the absence of finding individual securities that meet minimum risk-return criteria, cash may be held Equity shorts and currency positions used to take advantage of attractive risk-return opportunities, offset specific long portfolio risks and provide some protection from negative tail risk. Derivatives may also be used to amplify high conviction ideas. Typical net equity exposure of 50 - 100% Maximum allowable gross exposure limit of 150% of NAV

COMPANY FACTS

ASX code share price	APL \$1.245
ASX code option price	APLO \$0.140
Inception date	11 October 2016
Listing date	18 October 2016
Benchmark	MSCI All Country World Net Index in AUD
Management fee	1.10% p.a. ¹
Performance fee	15% ¹ of net return in excess of benchmark
Market capitalisation	\$371m
Options outstanding	271,932,078
Options exercise price	\$1.10
Options expire	15 Oct 2018

¹ inclusive of the net impact of GST and RITC

NET TANGIBLE ASSETS (NTA)²

NTA (which includes tax provided for on realised gains)	\$1.197
NTA (which includes tax provided for on realised and unrealised gains)	\$1.161

² NTA calculations exclude Deferred Tax Assets relating to capitalised costs deductions and carried forward tax losses of \$0.008. These figures are subject to audit.

INVESTMENT MANAGEMENT | BOARD OF DIRECTORS

Investment Manager Antipodes Partners	Board of Directors Jonathan Trollip ³ (Chairman) Chris Cuffe ³
Portfolio Manager Jacob Mitchell	Lorraine Berends ³ Andrew Findlay Alex Ihlenfeldt

³ Independent Director

NET PERFORMANCE (%)

Period	Portfolio	Benchmark	Value add
1 month	-1.6%	-2.5%	0.9%
3 month	3.6%	3.7%	-0.1%
6 month	5.2%	5.2%	0.0%
Inception	13.2%	12.2%	1.0%

Past performance is not a reliable indicator of future performance. Performance is quoted in AUD net of portfolio related fees, costs and taxes.

TOP 10 HOLDINGS

Name	Country	% of Portfolio
Hyundai Motor Co.	Korea	4.0
Baidu	China/HK	3.2
Gilead Sciences	United States	2.9
KB Financial Group	Korea	2.8
Inpex Corporation	Japan	2.6
Samsung Electronics	Korea	2.6
ING Groep	Netherlands	2.5
Microsoft Corporation	United States	2.5
Office Depot	United States	2.4
Telecom Italia	Italy	2.4

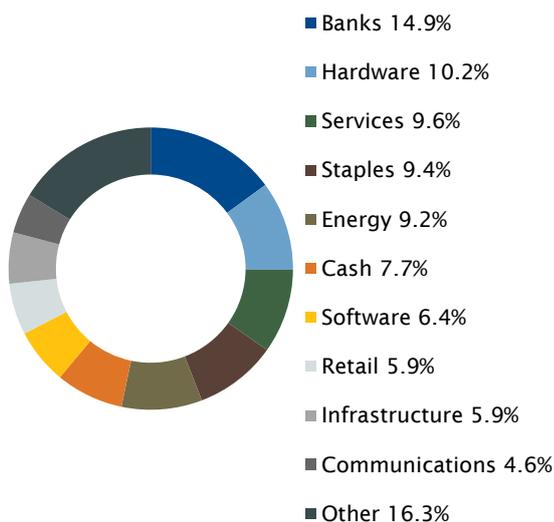
MARKET COMMENTARY

USD TOTAL RETURNS TO 30 JUN 2017

	MSCI USA	MSCI Europe	MSCI Japan	MSCI AC Asia ex JP	MSCI China A+B+H	MSCI EM ex Asia	Brent Crude (\$/bbl)	Gold (\$/ozt)	BofAML Global Govt.	BofAML Global HY.	AUD	EUR	JPY	CNY
1M	0.6%	(1.1%)	1.1%	1.6%	5.0%	(1.0%)	(3.9%)	(1.9%)	(0.4%)	0.3%	3.0%	1.4%	(1.6%)	0.6%
1Y	17.3%	21.1%	19.2%	26.7%	11.5%	13.8%	(1.9%)	(5.9%)	(5.0%)	12.4%	3.0%	2.7%	(8.7%)	(2.0%)

- During June, global equity markets rose +0.5% (USD terms, -2.5% AUD) with significant strength in China (+5.0%), followed by Japan (+1.1%) and Korea (+1.0%) whilst Europe (-1.1%) and EM ex Asia lagged.
- Global sector-wise, Financials (+4.1%), Healthcare (+2.7%), Materials (+1.3%) and Industrials (+0.7%) outperformed whilst Telecommunication Services (-2.6%), Utilities (-2.2%), Consumer Staples (-2.2%), Energy (-1.6%) and Information Technology (-1.0%) underperformed.
- The drum beats around an end to ultra-accommodative monetary policy grew louder, with the Federal Reserve (Fed), European Central Bank and Bank of England echoing in their rhetoric that inflationary forces were now replacing deflationary ones, triggering a late rally in bond yields (10Y government yields +10bp, +16bp and +21bp in the U.S., Germany and U.K. respectively) and rotation out of the low volatility, bond proxy and growth/quality trade into shorter duration cyclicals such as Banks. European currencies broadly outperformed the U.S. dollar (EUR +1.4%, GBP +0.6%, NOK +0.5%, SEK +2.9%, DKK +1.5%).
- The Fed approved dividend and buy-back plans of all U.S. banks following annual "stress tests", with payouts as a percentage of earnings expected to reach the second-highest level in 20 years. Italy stemmed systemic threats to its banking sector by facilitating the bail-outs of three troubled lenders.
- Keeping with the unpredictability of Western electoral outcomes, British Prime Minister Theresa May's call for a snap election, perceived to strengthen the U.K.'s position in Brexit negotiations, resulted in a hung parliament.
- China's manufacturing and service PMI's rose to better-than-expected levels whilst profits at industrial companies rose +17% YoY. Chinese growth sensitive equities and Commodities outperformed.
- Oil (-3.9%) declined as OPEC's agreement to extend (but not deepen) production cuts failed to offset continuing concerns around record high U.S. crude inventories and a resurgence in U.S. shale production.
- Major contributors to performance included our Financial (e.g. **ING Groep**), Retail Disruption (e.g. **Office Depot**), Japanese (e.g. **Panasonic**) and short exposures whilst our EM Consumer (e.g. **Jiangsu Yanghe Brewery**), Online Services (e.g. **Baidu**), Korean (e.g. **Hyundai Motor**) and Software Incumbent (e.g. **Microsoft**) exposures detracted.

SECTOR ALLOCATION⁴



⁴ Antipodes Partners classification. Long portfolio only

FURTHER INFORMATION

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GEOGRAPHIC ALLOCATION (%)

Region/Country ⁵	Long (%)	Net (%)	Currency (%)
United States	23.3	3.3	26.8
Developed Asia	23.0	20.0	19.9
<i>Korea</i>	11.0	11.0	7.9
<i>Japan</i>	12.0	9.0	12.0
Developing Asia	19.4	18.5	12.3
<i>China/Hong Kong</i>	17.7	16.8	10.7
<i>India</i>	1.7	1.7	1.7
Western Europe	23.4	16.9	30.8
<i>Eurozone</i>	20.9	17.8	22.4
<i>United Kingdom</i>	2.5	1.7	2.9
<i>Other</i>	-	-2.6	5.5 ⁶
Australia	1.1	-2.5	7.5
<i>Other</i>	2.1	2.1	2.7
Total Equities	92.3	58.3	-
Cash	7.7	-	-
Total	100.0	-	100.0

⁵ Includes depositary receipts ⁶ 5.1% exposure to Norwegian Krone

DISCLAIMER

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