

# APL Full Year Results FY2018

## Highlights:

FY18 profit	Portfolio performance	Maiden dividend	Dividend yield*
\$34m	+12.3%	5.0c	4.37%

- **FY18 operating profit after tax of \$34.0 million**
- **Maiden dividend of 5.0 cents per share (50% franked)**
- **APL options expire 15 October 2018**
- **Shareholder conference call on results and portfolio update**

## Summary of results

We are pleased to announce strong FY2018 results for Antipodes Global Investment Company Limited (ASX:APL or the Company), with the investment portfolio performance increasing by 12.3% for FY2018, and we are pleased to declare a maiden dividend of 5.0 cents per share (50% franked). Along with this increase in the investment portfolio performance, the Company achieved an operating profit after tax of \$34.0 million.

## Maiden dividend

The Board has declared a final dividend of 5.0 cents per share (50% franked). This is the Company's maiden dividend since listing in October 2016. The dividend will be paid to all APL shareholders as at the record date. The dividend will have a record date of 22 October 2018 and a payment date of 31 October 2018. The Company's intention is to pay a dividend to shareholders at least annually, subject to available profits, cash flow and franking credits. The Company has suspended the dividend reinvestment plan and it will not operate for this dividend.

## Options

The Company's options (ASX:APLO) will cease trading on 9 October 2018 and the last day to exercise them is 15 October 2018. We strongly encourage all APLO holders to make a decision on what to do with their options ahead of the expiry date. The options have an exercise price of \$1.10 per option. The 10 August 2018 pre-tax NTA on a fully diluted basis is \$1.208. As at 22 August 2018 the share price was \$1.145 and the options had a closing price of 4.3c per option.

All shares assigned upon exercise of the APLO options will qualify for the 5.0 cent maiden dividend.

In the interests of all shareholders, the Board has decided that the Company will not seek an underwriting for any unexercised APLO options.

\*Share price as at 22 August 2018 of \$1.145 and option price of \$0.043.

## Conference call on results and portfolio

The Board invites Company shareholders and option holders to join the upcoming Shareholder conference call on 30 August 2018 at 3:00pm. The call will provide an update on the Company's results by Director of the Company and Managing Director of the Manager (Antipodes Partners Limited), Andrew Findlay and on the portfolio from the CIO of the Manager, Jacob Mitchell. Dial in details are provided below.

## Discount to NTA

APL shares are currently trading at a material discount to the 10 August 2018 undiluted pre-tax NTA (9.3% discount on the undiluted pre-tax NTA of \$1.263 per share) and the fully diluted\* pre-tax NTA (5.2% discount on the fully diluted pre-tax NTA of \$1.208 per share).

The Board believes this uncertainty around the dilutionary impact of the exercising of options is weighing on the share price and should abate as the option expiry date approaches. The Board is hopeful that this, together with enhanced investor communication which the Company is in the process of implementing, will result in the current discount narrowing over the coming months.

\*Fully diluted NTA assumes 100% of APL options outstanding are converted to APL shares

Calvin Kwok  
 Company Secretary

23 August 2018

## APL Dividend Timetable

Declaration date	Dividend ex-date	Record date	Payment date
23 August 2018	19 October 2018	22 October 2018	31 October 2018

## Option (APLO) Timetable

Last date to trade	Last date to exercise (expiry date)
9 October 2018	15 October 2018

For more information on APLO, please visit:  
<https://antipodespartners.com/antipodes-lic/>

### Conference call details:

Please join us on 30 August at 3:00pm (Sydney time AEST) for a conference call to discuss an update on the Company's results by Director of the Company and Managing Director of the Manager (Antipodes Partners Limited), Andrew Findlay and on the portfolio from the CIO of the Manager, Jacob Mitchell.

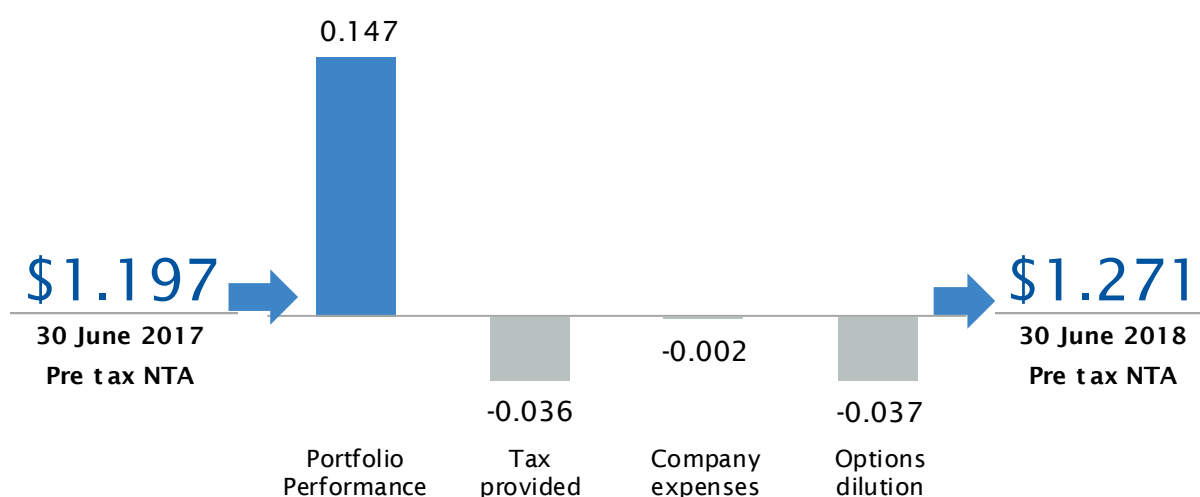
### Dial in details:

Within Australia: 1300 254 398

Outside Australia: +613 6218 0610

## Additional shareholder information

### NTA performance breakdown for FY2018



### Portfolio performance as at 30 June 2018

	6 Months	1 Year	Since inception % p.a. (Oct-16)
<b>Company*</b>	<b>0.8%</b>	<b>6.1%</b>	<b>10.7%</b>
<b>Portfolio**</b>	<b>5.0%</b>	<b>12.3%</b>	<b>14.8%</b>
<b>Benchmark***</b>	<b>5.4%</b>	<b>15.0%</b>	<b>16.0%</b>
<b>Portfolio Outperformance</b>	<b>(0.4)%</b>	<b>(2.7)%</b>	<b>(1.2)%</b>

\*Movement in Company's pre-tax NTA, which takes into account all other expenses paid and tax on earnings (including on realised gains but excluding any provision for tax on unrealised gains and capitalised share issue costs). The NTA has been affected by the exercise of options

\*\*Shows how the portfolio, for which the Manager is responsible, has performed after deducting management fees, costs and taxes and performance fees (if applicable)

\*\*\*MSCI All Country World Net Index in AUD (Manager's benchmark)

## Portfolio performance

The investment portfolio returned 12.3% over the course of 2018, the first full financial year of investment by the Company. While underperforming the benchmark by 2.7%, the portfolio exhibited strong absolute performance through favourable conditions for broader equity markets despite “value” exposures notably lagging those in “structural growth” and “quality”. The most significant contributors to performance were Online Services exposures such as Baidu, TripAdvisor and Twitter. Additional drivers were Consumer Incumbent exposures such as Jiangsu Yanghe and Ping An Insurance with further contribution coming from Software Incumbent exposures such as Microsoft, Cisco and NetApp that delivered via new product success.

## Market outlook

Recent history has seen equity markets characterised by a combination of central bank liquidity, low interest rates, fiscal stimulus and the easiest US financial conditions since the Global Financial Crisis. The Manager believes this unusually favourable goldilocks combination experienced in 2018 will not repeat. Instead, the normalisation of interest rate policy will likely upset the rhythm with more volatile and less forgiving markets. Put simply, the Manager sees two opposing scenarios, with the most recent weight of evidence supporting the second outcome:

1. Cyclical growth surprises to the upside driving greater urgency from central banks to normalise policy. To minimise disruption to short-term funding markets, tapering would likely focus on the long-end of the yield curve leading to a potentially self-reinforcing pro-growth steepening, resulting in a significant increase in bond volatility and headwinds for the crowded/expensive bond proxy and quality/growth equity exposures.
2. Cyclical growth disappoints due a US or Chinese policy error. In this scenario, credit volatility would spike triggering a major sell-off in credit sensitive equities. Conversely, the inevitable central bank reaction function would further amplify imbalances and support a continued melt-up in the quality/growth factor, led by the Internet and Software giants.

Given the divergent risks that the above two scenarios represent, investors should focus more than ever on uncovering sources of idiosyncratic alpha rather than relying on momentum or passive beta. In this sense, the Manager is encouraged by the high level of valuation dispersion within and across market regions, sectors and factors which is indicative of a broad opportunity set, both long and short.

This communication has been prepared by Antipodes Global Investment Company Limited ABN 38 612 843 517 ('APL', 'Company'). The information contained in this communication is for information purposes only. Antipodes Partners Limited (ABN 29 602 042 035, AFSL 481 580) ('Antipodes Partners', 'Antipodes', 'Manager') is the investment manager of the Antipodes Global Investment Company Limited. While APL and Antipodes Partners believe the information contained in this communication is based on reliable information, no warranty is given as to its accuracy and persons relying on this information do so at their own risk. Subject to any liability which cannot be excluded under the relevant laws, Antipodes Partners and APL disclaim all liability to any person relying on the information contained in this communication in respect of any loss or damage (including consequential loss or damage), however caused, which may be suffered or arise directly or indirectly in respect of such information. Any opinions and forecasts reflect the judgment and assumptions of Antipodes Partners and its representatives on the basis of information at the date of publication and may later change without notice. Disclosure contained in this communication is for general information only and was prepared for multiple distribution. The information is not intended as a securities recommendation or statement of opinion intended to influence a person or persons in making a decision in relation to investment. Past performance is not a reliable indicator of future performance. The information in this communication has been prepared without taking account of any person's objectives, financial situation or needs. Persons considering action on the basis of information in this communication are to contact their financial adviser for individual advice in the light of their particular circumstances. Unauthorised use, copying, distribution, replication, posting, transmitting, publication, display, or reproduction in whole or in part of the information contained in this communication is prohibited without obtaining prior written permission from APL and Antipodes Partners.