

### Company commentary

Company performance for the month was +0.4%, while the benchmark returned +6% for the month. The key contributors and detractors are detailed under the Portfolio Commentary section below.

During the month the Company continued its on-market buy-back of the Company's shares, stepping up the daily volume purchased under the buyback from 11 November 2019 due to the attractive discount between the share price and the Company's NTA. As at 19 November, the Company had purchased 10.52 million shares.

The Company has moved from weekly to daily disclosure of its NTA from 21 November 2019 to provide additional transparency.

The Company held their AGM on 6 November 2019 which was well attended compared to prior years. We appreciate all those shareholders who were able to attend in person. If you weren't able to make it, the replay video can be viewed along with the presentation material on the Company website

<https://www.antipodespartners.com/antipodes-lic/>

The Company would like to thank all those shareholders who provided us with their email address during our mail outreach campaign in October. This will enable us to better communicate with you. Those that want to change their preferred method of communication to email can do so at <https://www.investorserve.com.au/>

### Market commentary

Global equity markets gained in October (+0.6% in AUD) with Healthcare and Information Technology outperforming whilst Energy and Consumer staples underperformed. Investors exhibited a preference for value and growth whilst momentum lagged.

US equities hit record highs as the US Federal Reserve cut rates for the third time this year and indicated the bar for further action would be high. A more constructive tone from US-China trade talks, with the two sides agreeing to the outline of a partial deal, boosted the cyclical-value segments of the market. This also helped trade sensitive regions such as Korea and Taiwan outperform. China underperformed as economic data releases disappointed verses expectations.

Japan was the best performing market globally, boosted by the cyclical rally, as the Bank of Japan indicated that it would not buy debt with maturities of more than 25 years, steepening its yield curve. Meanwhile, European equities underperformed despite the probability of a no deal Brexit receding with the EU agreeing to an extension to the 31st January 2020 to allow for an election in the UK to take place in December.

### Portfolio commentary

Key contributors:

- Industrials cluster, including GE and Siemens, due to an easing in US-China trade tensions and an expectation that global economic data had bottomed.
- Consumer Defensive Developed Markets, notably jeweller Tiffany & Co which rose +30% during October following a takeover offer from LVMH Group. Discussions between the companies are ongoing.

Key detractors:

- Gold cluster, notably Barrick Gold, as the gold price retreated over the month.
- Electricite de France due to nuclear component issues (affecting <10% of fleet and not requiring immediate replacement). Construction delays at a new nuclear plant in the UK also weighed on sentiment.

### Performance (%)

	Company <sup>1</sup>	Benchmark <sup>2</sup>	Difference
1 month	0.4	0.6	-0.2
3 months	0.8	2.5	-1.6
CYTD	6.7	22.0	-15.3
1 year	2.0	15.8	-13.9
2 years p.a.	5.2	11.7	-6.4
Inception p.a.	9.2	14.2	-5.1
Inception <sup>3</sup>	30.8	50.2	-19.4

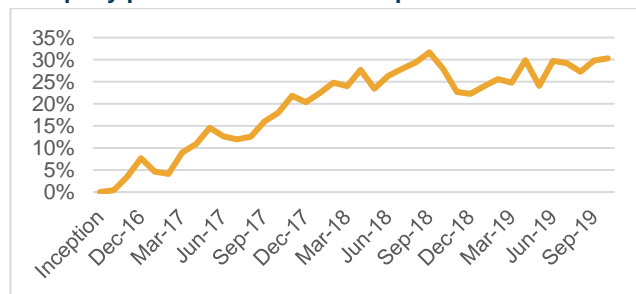
Past performance is not a reliable indicator of future performance.

<sup>1</sup> Movement in NTA before tax for the period, adjusted for dividends and income taxes paid and the dilutionary effect of options granted to shareholders upon the Company's initial listing. This figure incorporates underlying portfolio performance net of portfolio related fees and costs, less administration costs of the Company.

<sup>2</sup> MSCI All Country World Net Index in AUD (underlying portfolio benchmark).

<sup>3</sup> Inception date of the portfolio is 11 October 2016.

### Company performance since inception<sup>1,3</sup>



### Net tangible assets (NTA)<sup>4,7</sup>

Pre-tax NTA <sup>5</sup>	Post-tax NTA <sup>6</sup>
\$1.126	\$1.119

The NTA values shown above are after the 2019 final dividend of 2.5 cents per share payable on 14 October 2019. The ex-date of the dividend was 6 September 2019. <sup>4</sup> NTA calculations exclude Deferred Tax Assets relating to capitalised cost deductions of \$0.003 per share. <sup>5</sup> Pre-tax NTA includes tax on realised gains/losses and other earnings, but excludes any provision for tax on unrealised gains/losses. <sup>6</sup> Post-tax NTA includes tax on realised and unrealised gains/losses and other earnings. <sup>7</sup> NTA before tax was \$1.119 as at 31 October 2019. This represents the NTA excluding all income tax related assets and liabilities. Company tax of \$0.004 per share was paid during the month.

### Dividend history

	Dividend per share	Ex date	Record date	Payable	% franked
APL	2.5c	06/09/19	09/09/19	14/10/19	50%
APL	2c	07/03/19	08/03/19	22/03/19	50%
APL	5c	19/10/18	22/10/18	31/10/18	50%

### Top 10 equity longs

Name	Country	Weight (%)
Facebook	United States	3.1
Microsoft	United States	2.9
Siemens	Germany	2.7
Alibaba	China/HK	2.7
Ping An Insurance	China/HK	2.7
Samsung Electronics	Korea	2.6
Roche	Switzerland	2.5
KB Financial	Korea	2.5
Merck	United States	2.5
ING Groep	Netherlands	2.4

## Asset allocation

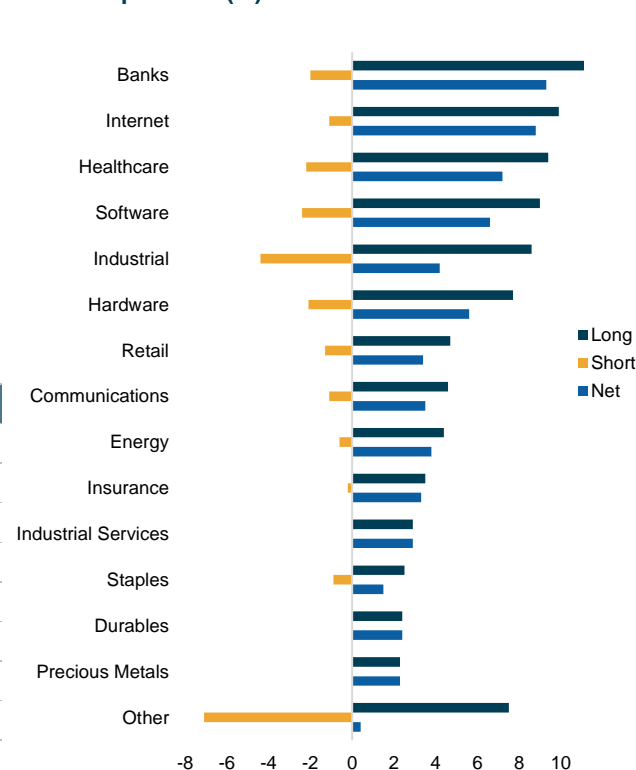
	Long		Short	
	Equities	Other <sup>8</sup>	Equities	Other <sup>8</sup>
Weight (%)	89.8	0.9	-21.9	-3.6
Count	63.0	1.0	52.0	9.0
Avg. weight (%)	1.4	0.9	-0.4	-0.4
Top 10 (%)	26.5	-	-6.6	-
Top 30 (%)	63.8	-	-15.5	-

<sup>8</sup> Index futures and other non-single stock derivatives.

Regional exposure<sup>9,10</sup> (%)

Region	Long	Short	Net
<b>North America</b>	<b>33.6</b>	<b>-15.2</b>	<b>18.4</b>
<b>Developed Asia</b>	<b>19.9</b>	<b>-3.1</b>	<b>16.8</b>
Korea/Taiwan	8.0	-0.7	7.3
Japan	11.9	-2.4	9.5
<b>Developing Asia</b>	<b>12.5</b>	<b>-0.9</b>	<b>11.6</b>
China/Hong Kong	11.1	-0.9	10.2
India	1.5	0.0	1.5
<b>Western Europe</b>	<b>22.1</b>	<b>-3.2</b>	<b>18.9</b>
Eurozone	18.1	-1.7	16.3
United Kingdom	0.3	-0.8	-0.5
Rest Western Europe	3.7	-0.7	3.0
<b>Australia</b>	<b>1.3</b>	<b>0.0</b>	<b>1.3</b>
<b>Rest of World</b>	<b>0.3</b>	<b>0.0</b>	<b>0.3</b>
<b>Total equities</b>	<b>89.8</b>	<b>-22.5</b>	<b>67.3</b>
<b>Other</b>	<b>0.9</b>	<b>-3.1</b>	<b>-2.2</b>
<b>Cash</b>	<b>9.3</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>100.0</b>	<b>-25.6</b>	<b>65.2</b>

<sup>9</sup> Where possible, regions, countries and currencies classified on a look through basis. <sup>10</sup> Antipodes classification.

Sector exposure<sup>10</sup> (%)

## Characteristics

<b>Investment manager</b>	Antipodes Partners Limited
<b>ASX code</b>	APL
<b>Inception date</b>	11 October 2016
<b>Listing date</b>	18 October 2016
<b>Benchmark</b>	MSCI All Country World Net Index in AUD
<b>Management fee</b>	1.10% p.a. <sup>11</sup>
<b>Performance fee</b>	15% of net return in excess of benchmark
<b>Market capitalisation</b>	\$511m

<sup>11</sup> Inclusive of the net impact of GST and RITC.

## Company features

- Aims to achieve absolute returns in excess of the benchmark over the investment cycle (typically 3-5 years).
- 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% to 100%; maximum allowable gross exposure limit of 150% of NAV.

## About Antipodes



**Jacob Mitchell**  
Chief Investment Officer  
Lead Portfolio Manager

Antipodes is an award-winning global asset manager offering a fundamental, value-focused investment approach founded in 2015 by Jacob Mitchell, formerly Deputy Chief Investment Officer of Platinum Asset Management, together with a number of former colleagues and like-minded value investors.

Antipodes is majority owned by its 26 person investment team and its performance culture is underpinned by sensible incentives, a focused offering and the outsourcing of non-investment functions to minority partner Pinnacle Investment Management Limited to maximise its focus on investing.



## Further information

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