



**Antipodes Global Investment Company Limited**  
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5 March 2020

***By Electronic Lodgement***

The Manager  
Company Announcements Office  
ASX Ltd  
20 Bridge Street  
SYDNEY NSW 2000

Dear Shareholder,

**Shareholder webinar reminder and presentation on half-year results**

Please join us this morning from 10.30am to 11.00am (Sydney time) for a shareholder webinar to hear an update on the Company's results from 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.

The presentation slides are available below.

Shareholders are invited to register for the webinar at the following link:

[https://pinnacleinvestment.zoom.us/webinar/register/WN\\_-XarVzHNSdGnVqc-isKqwx](https://pinnacleinvestment.zoom.us/webinar/register/WN_-XarVzHNSdGnVqc-isKqwx)

Authorised by:

**Calvin Kwok**  
Company Secretary



# **Antipodes Global Investment Company Limited (ASX: APL)**

Half-year FY2020 results

Portfolio update

# Disclaimer

**Note:** Past performance is not a reliable indicator of future performance.

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## Agenda

Company results

Portfolio update

Questions

# Half-year FY2020 highlights

## Antipodes Global Investment Company (ASX: APL)

1HFY20 profit	Company performance <sup>1</sup>	Interim dividend	Yield <sup>2</sup>
\$12.1m	+ 2.8%	2.0c	4.3%

### Dividend

- Interim dividend of 2.0c (franked as to 50%), taking annual yield including FY19 final dividend to 4.3%<sup>2</sup>
- Dividend Reinvestment Plan will be operative for interim dividend payment

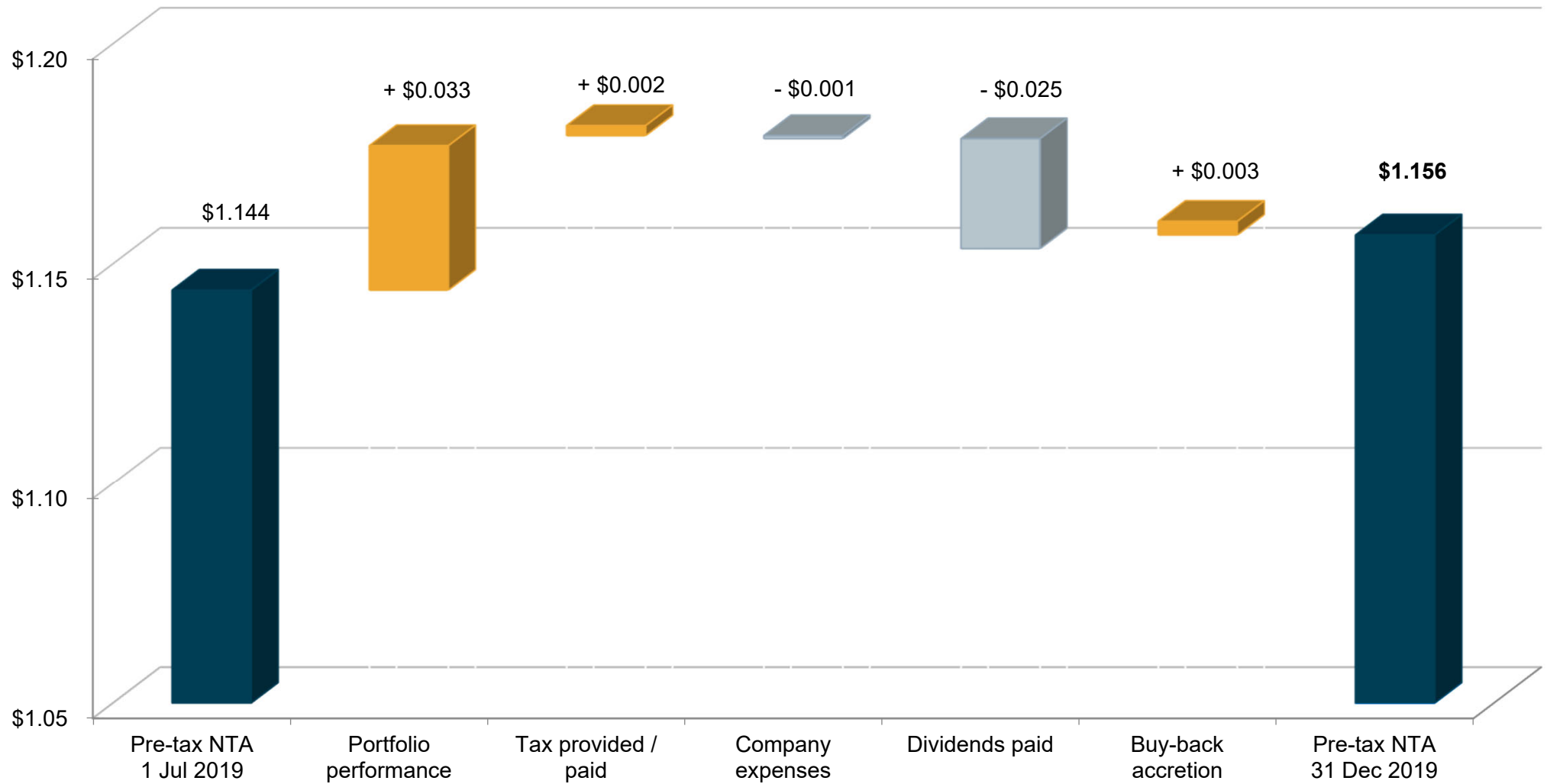
### NTA discount

#### Initiatives to close discount to NTA

- On-market buyback of up to 10% of shares continues
- EGM to approve additional 10% on-market buy-back authority
- Manager and staff commitment through purchase of > 8 million shares (a top 10 holder)
- Moved to daily NTA for greater transparency & ramped up shareholder communications

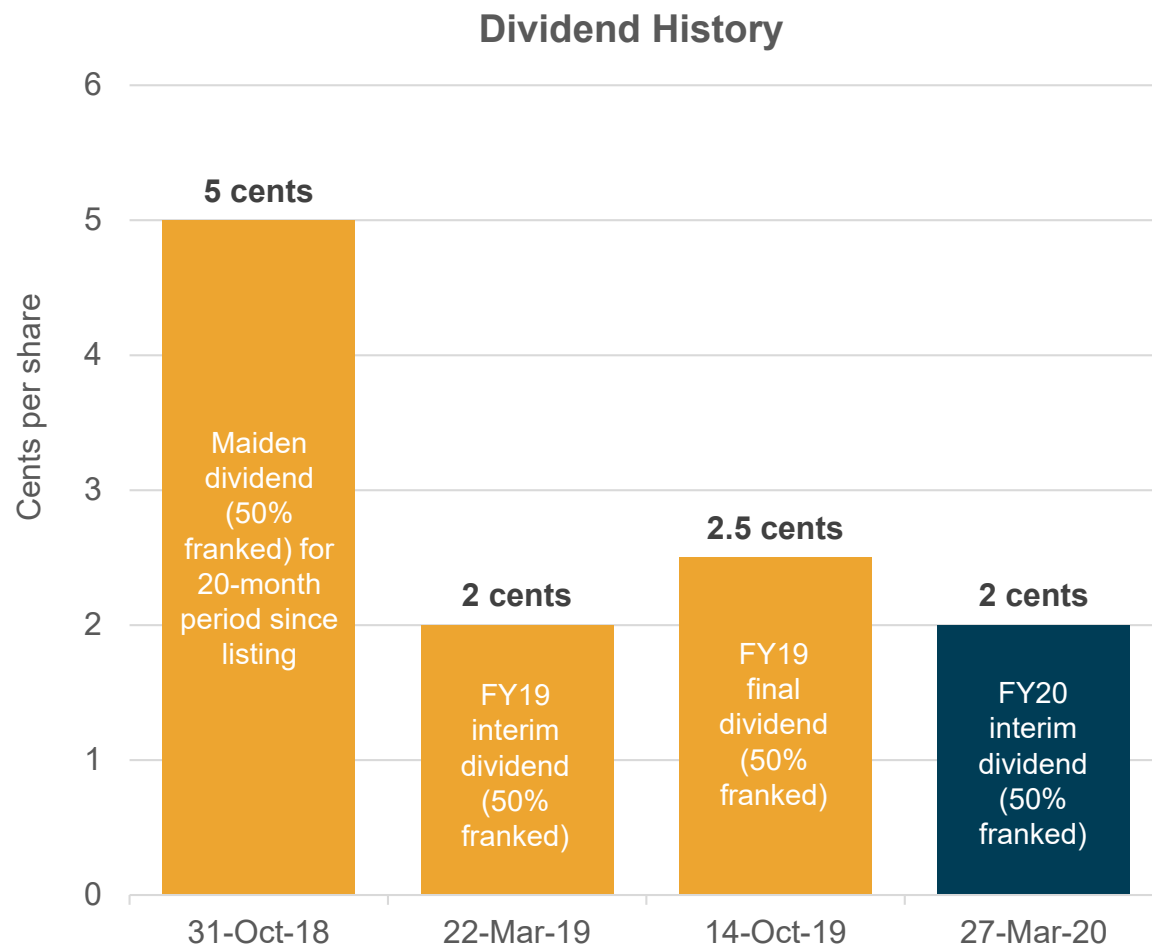
# NTA breakdown

## Pre-tax NTA per APL share



# Dividends

## Dividend Reinvestment Plan (DRP) operative for interim dividend payment

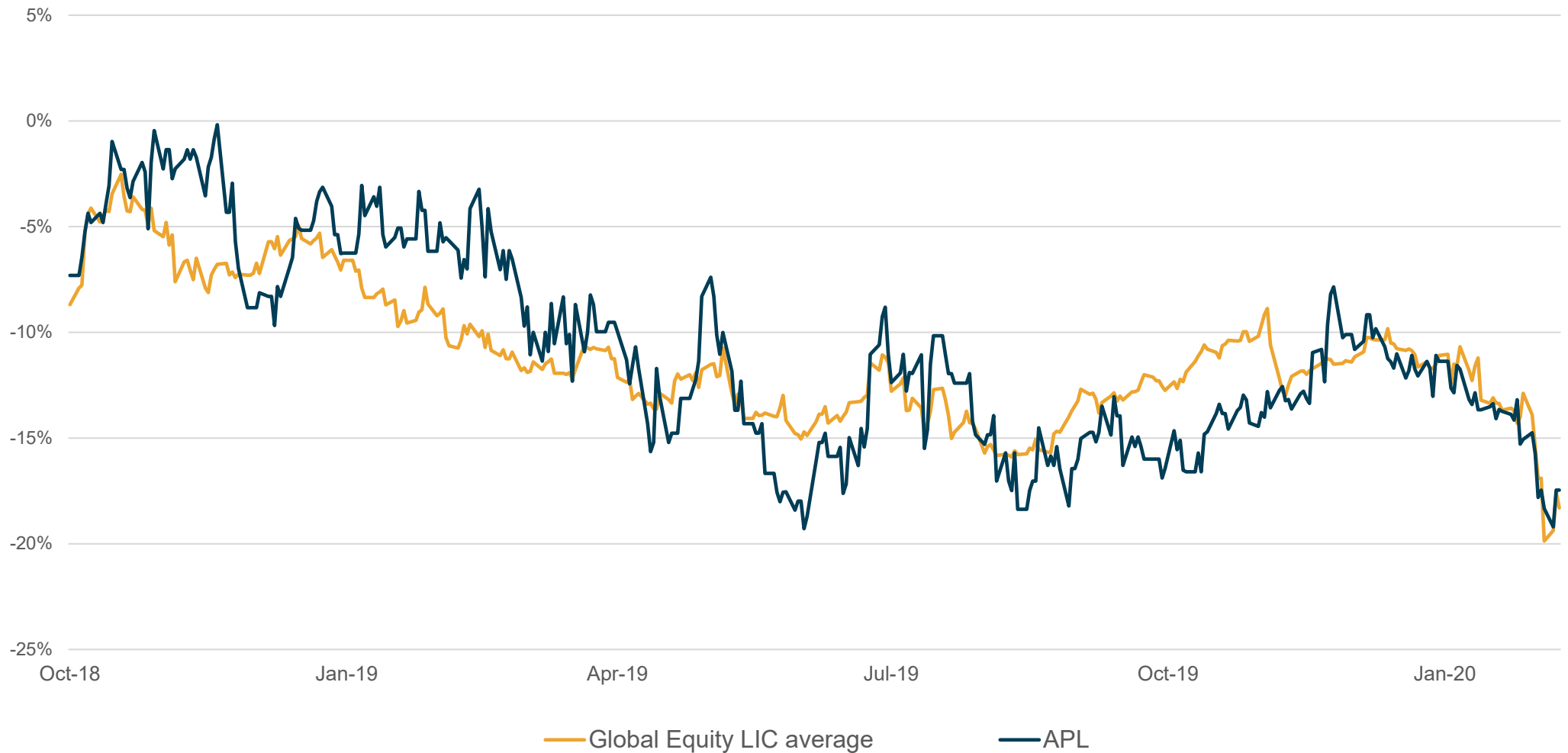


### 1H FY20 Interim Dividend

Amount	2.0 cents per share
Ex-dividend Date	5 March 2020
Dividend Record Date	6 March 2020
Dividend Payment Date	27 March 2020

# Global equity LICs

## APL vs Global Equity LIC average discount to NTA





# Initiatives to close the discount to NTA

The Board acknowledges the current discount to NTA and is concerned about this unsatisfactory position and remains committed to addressing the discount to NTA.

## Capital management

On-market share buy-back

## Shareholder alignment

Increased ownership by  
Manager & staff > 8  
million shares

## Transparency & communication

Daily NTA  
Increased shareholder  
communication

## Market support

Independent research  
Coverage by LIC broker  
research teams

# On-market share buy-back update

## Current buy-back authority

- On 19 July 2019 the Company announced an on-market share buy-back to repurchase up to 10% of the Company's shares from 1 August 2019 – 31 July 2020
- In November 2019, the Company more than doubled the daily volume of the on-market share buy-back and continues with an accelerated buy-back within its current authority
- As at 26 February 2020, 28.5m shares have been repurchased under the current buy-back authority

## Extraordinary General Meeting (EGM) to approve additional 10% buy-back authority

- The Company will seek authority from shareholders to repurchase up to 20% (i.e. an additional 10% above the existing authority)
- EGM to be held on 21 April 2020, further details to come



**Portfolio update**

# Portfolio attribution

## Half year (to 31 Dec 19)

Performance	Portfolio <sup>1</sup>	Benchmark <sup>2</sup>	Alpha
Long	5.2%	8.7%	(3.5%)
Short	(1.7%)	-	(1.7%)
Currency/Other <sup>3</sup>	(0.1%)	-	(0.1%)
Total	3.5%	8.7%	(5.3%)

Top Five	Contribution to alpha <sup>4</sup>
LINE	0.7%
Alibaba	0.5%
Tiffany & Co	0.4%
Sony	0.4%
Samsung Electronics	0.4%

Bottom Five	Contribution to alpha <sup>4</sup>
Apple (no position)	(1.0%)
Tapestry	(0.4%)
Alphabet (no position)	(0.3%)
TechnipFMC	(0.3%)
Expedia	(0.3%)

## Calendar YTD (to 29 Feb 20\*)

Performance	Portfolio <sup>1</sup>	Benchmark <sup>2</sup>	Alpha
Long	(0.7%)	(0.9%)	0.2%
Short	1.4%	-	1.4%
Currency/Other <sup>3</sup>	0.4%	-	0.4%
Total	1.1%	(0.9%)	2.0%

Top Five	Contribution to alpha <sup>4</sup>
EDF	0.8%
Uber	0.6%
Short (Index - DM)	0.3%
Barrick	0.2%
Short (Index - Asia/EM)	0.2%

Bottom Five	Contribution to alpha <sup>4</sup>
TechnipFMC	(0.5%)
KB Financial	(0.4%)
ING Groep	(0.3%)
Eni	(0.3%)
Siemens	(0.3%)

<sup>1</sup> Based on gross of fees returns.

<sup>2</sup> Benchmark for Global Long-Short is the MSCI ACWI Net Index

<sup>3</sup> Other offsets the impact of expenses, payables/receivables, cash flows and intraday trading, among other accounting elements.

<sup>4</sup> Contribution to alpha measures over/underperformance relative to the iShares MSCI ACWI ETF in AUD

\* February 2020 monthly returns based on preliminary figures

- Long duration stocks are priced for perfection
- Beware growth and profitability traps
- Coronavirus to force response from policy makers, triggering relief rallies
- Central bank failure/populism leads to fiscal stimulus
- Europe and China have the firepower to stimulate, while domestic facing businesses are priced for a recession
- A world that may decarbonise - generational investment cycle

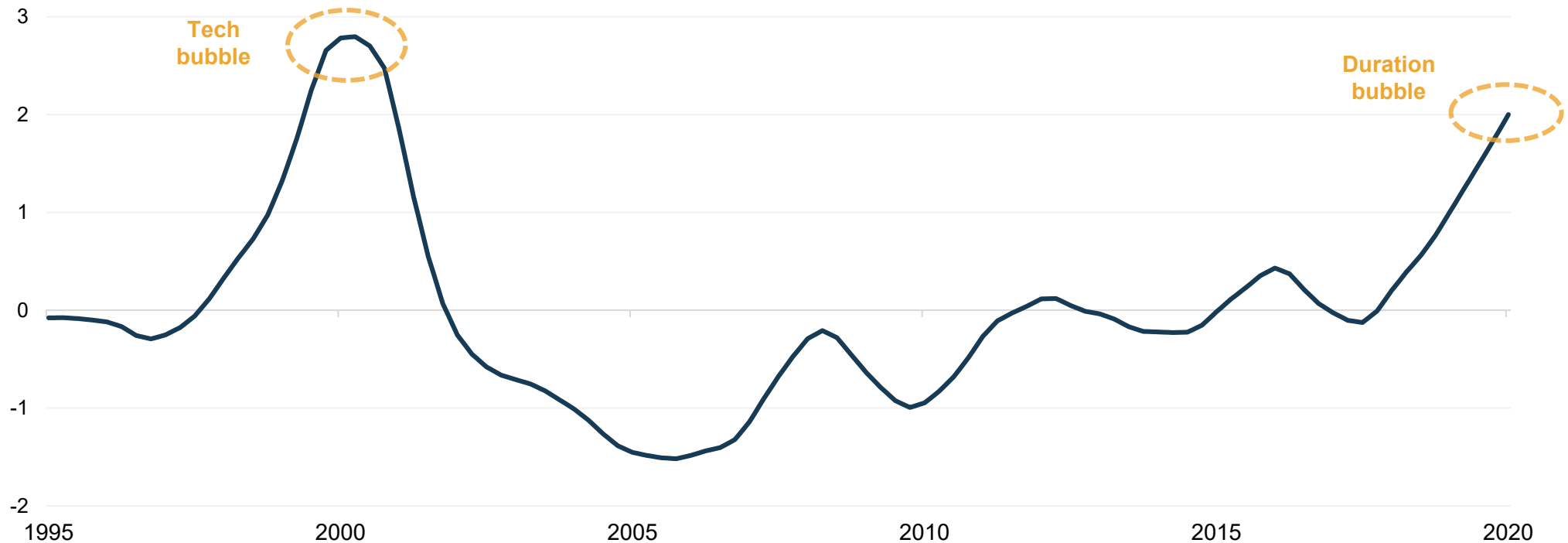
**Look for quality and growth in less obvious parts of the market**

# The preference for duration is extreme

On a sector neutral basis, multiple dispersion is high

## RELATIVE VALUATION OF EXPENSIVE TO CHEAP STOCKS

Standard deviations from trend, sector neutral



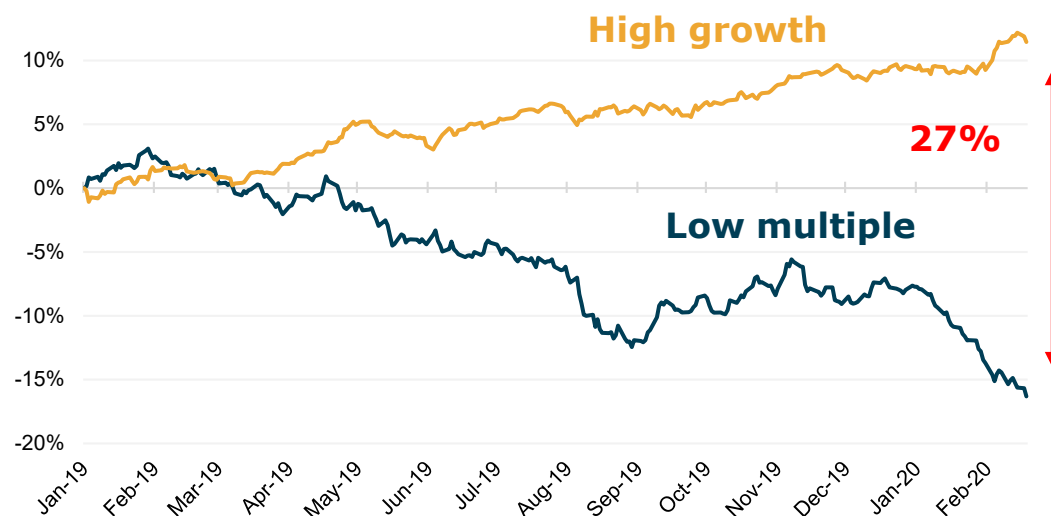
# Global factors: performance and valuation

## Global factor performance\*

Factors	2020 YTD <sup>1</sup>	Q4 2019	2019	2017-19 p.a.	2015-19 p.a.	2010-19 p.a.
Value	(9.3%)	0.9%	(7.0%)	(3.1%)	1.4%	(0.5%)
Growth	(1.9%)	1.8%	8.0%	9.4%	6.5%	0.8%
Profitability	2.1%	3.3%	11.0%	11.1%	7.9%	5.0%
Resilience	(-1.4)%	1.7%	(2.0%)	1.3%	0.2%	(0.4%)
Momentum (12m)	9.8%	(5.4%)	(4.0%)	5.1%	(1.4%)	3.6%

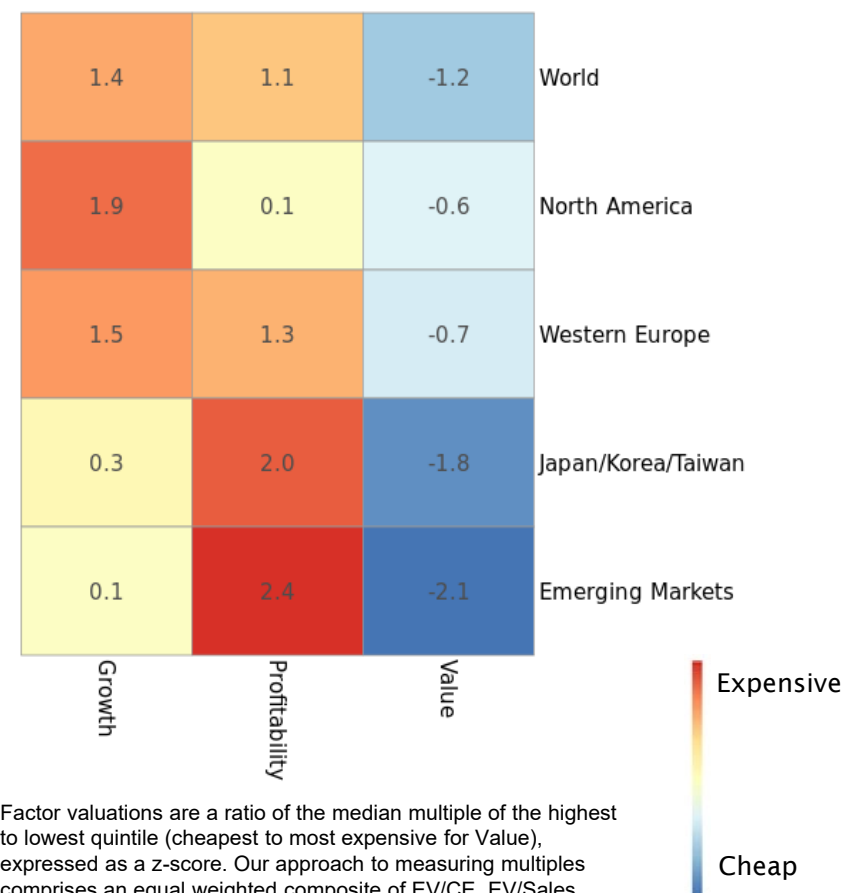
Factors returns measure global price performance of the highest to lowest quintile (cheapest to most expensive for Value).

<sup>1</sup> As at Feb 18<sup>th</sup> 2020.



\*Cumulative price performance of long low multiple/high growth and short high multiple/low growth strategies. Common currency terms.

## Composite valuation (30Y z-score)

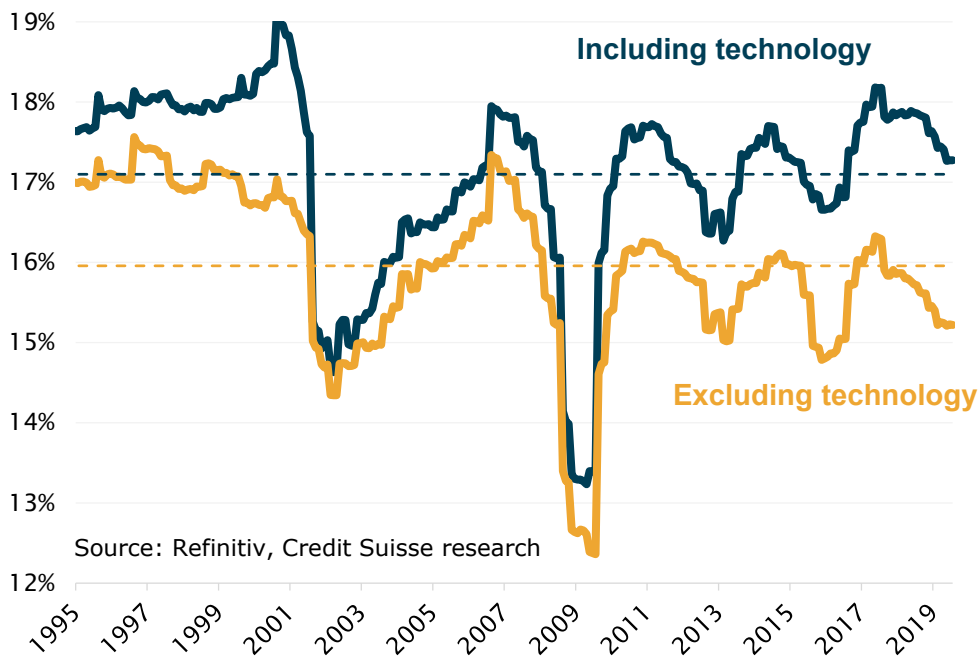


Factor valuations are a ratio of the median multiple of the highest to lowest quintile (cheapest to most expensive for Value), expressed as a z-score. Our approach to measuring multiples comprises an equal weighted composite of EV/CE, EV/Sales, forward PE and EV/normalised EBIT. As at Dec 2019.

# Disruptive pressures building

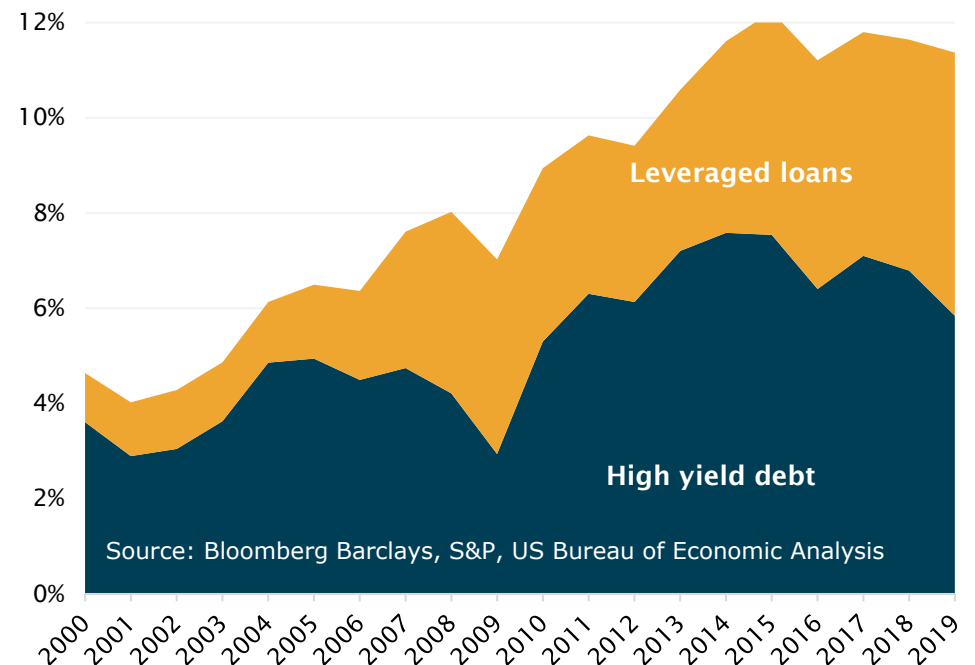
## Private equity buyer of last resort ...

US NON-FINANCIALS EBITDA MARGIN



Outside of the large software-internet stocks, US corporates have struggled to lift profit margins in the current cycle. Almost all improvement in return on equity since 2009 has resulted from lower interest rates, higher leverage and lower tax rates – all of which have arguably reached their structural limit

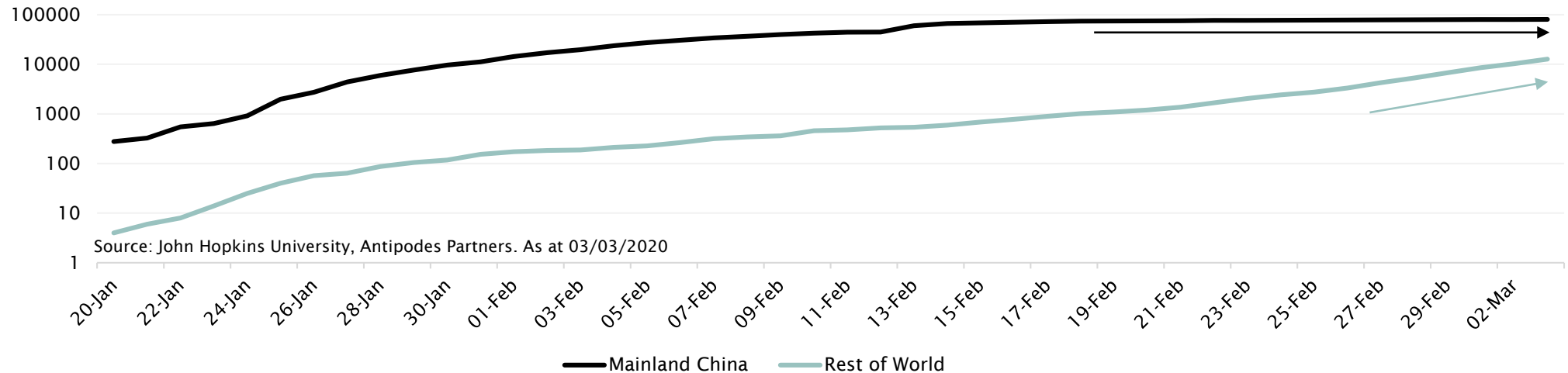
US JUNK DEBT AS % OF GDP





# Coronavirus

## TOTAL CASES (LOG SCALE)



## MARKIT CDX NORTH AMERICA HIGH YIELD INDEX (SPREAD)

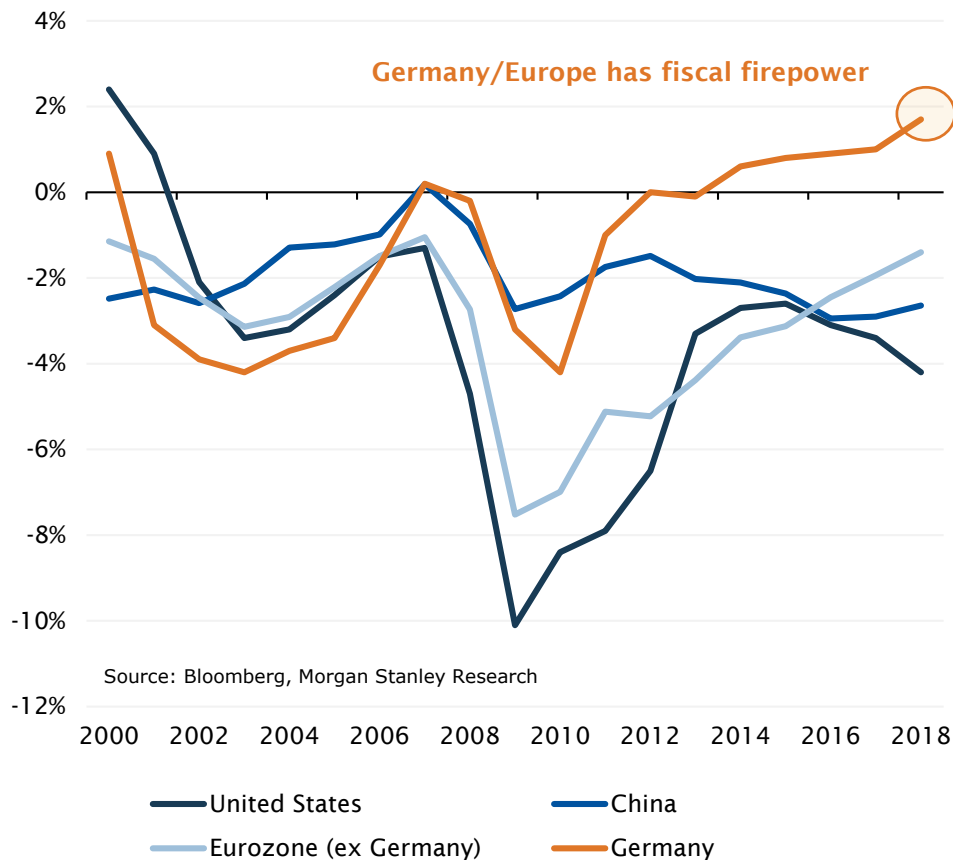


# Monetary policy failure?

## Fiscal policy takes centre stage, Europe/China have the most dry powder

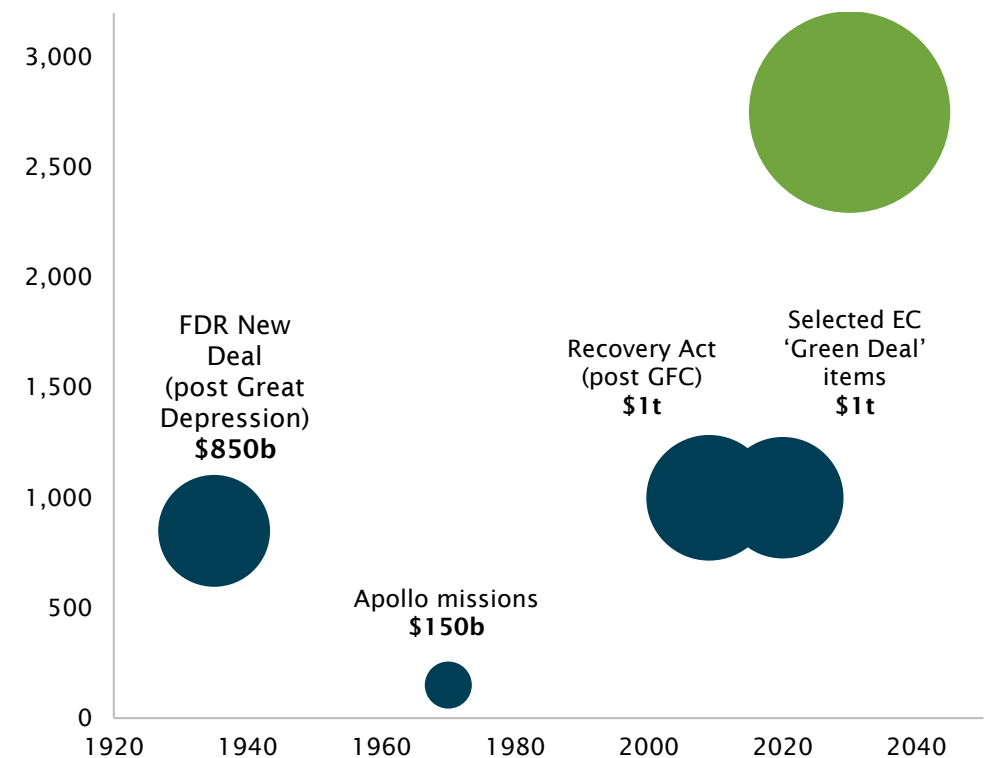
### FISCAL SURPLUS

% of gross domestic product



### STIMULUS PACKAGES IN PERSPECTIVE

In today's dollars



# Antipodes Global Portfolio

## Social commerce

Uber  
Alibaba  
Facebook

## Incumbent software platforms

SAP  
Microsoft

## Enabling the future

ST Micro  
Qualcomm  
Samsung Electronics

## Secular industrials

GE  
Continental  
Norsk Hydro

## Cleaner energy

EDF  
Siemens

## Pharma with pipeline

Merck  
Roche

## Consumer incumbents

Ping An  
Yum China  
Coke & Pepsi

## Strong retail banks

ING  
ICICI  
CapitalOne

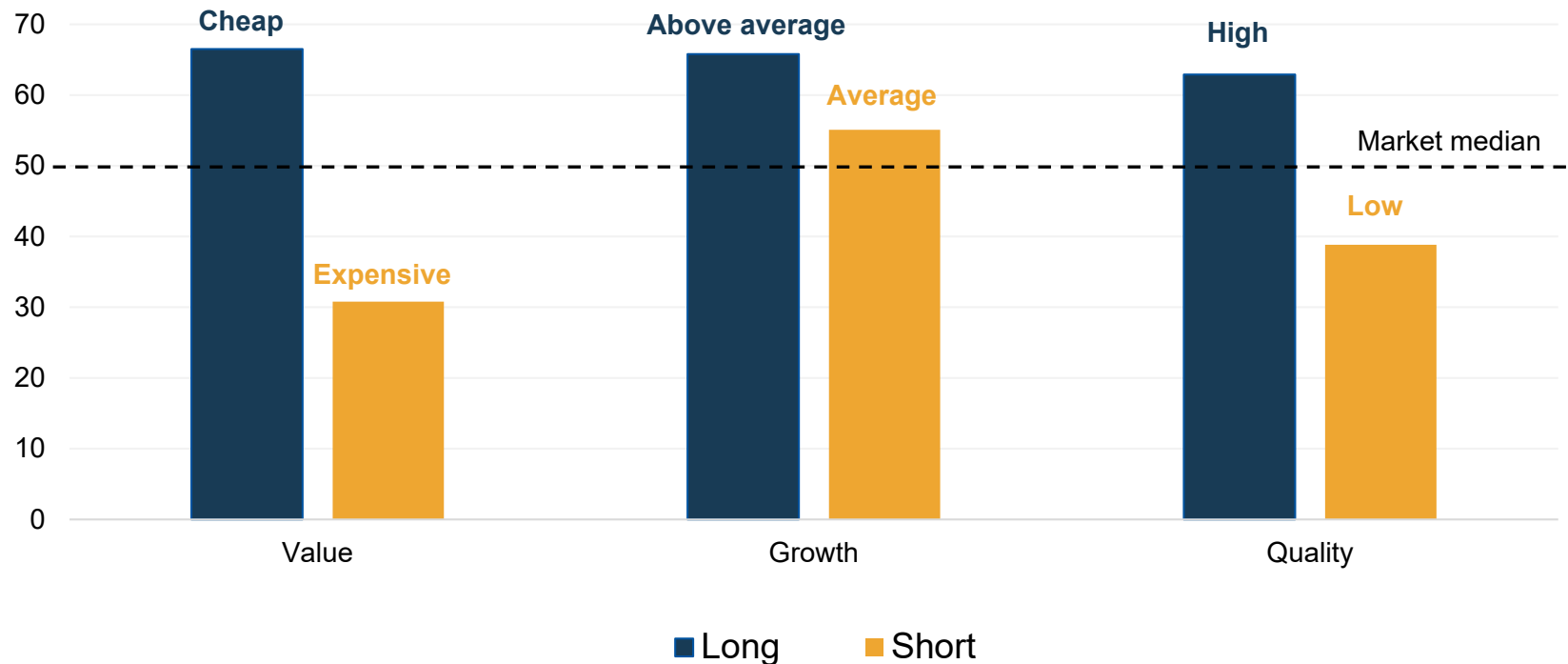
## Tail risk protection

Newcrest  
Barrick Gold  
Credit Protection

# Cheap exposure to quality and growth

## Style exposures

Percentile score of fully invested long and short books (50 = market median)





**Questions**