



11 March 2020

By Electronic Lodgement

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

Dear Sir/Madam,

Antipodes Global Investment Company Limited (ASX: APL) – Monthly Investment Update

Please find attached a copy of the investment update for the month ending 29 February 2020.

For further information, please contact 1300 010 311.

Yours faithfully,

Calvin Kwok
Company Secretary

Company commentary

Company performance for the month was -0.4%, outperforming the benchmark which returned -4.6% for the month. The key contributors and detractors are detailed under the Portfolio Commentary section below.

The Company has accelerated its on-market buy-back and as at 28th February had bought back 29.0m shares, out of an authorised buyback capacity of 53.9m shares. In addition, the Company, as part of the H12020 results release on 27 February, announced an EGM for 21 April to approve a further increase in the buyback authority to an additional 10% of shares on issue. If approved, the total buyback will be in excess of \$100m, one of the largest ASX LIC buybacks to date. The buyback has added 0.3c accretion to the NTA in the period to 31 December 2019. This accretion is expected to increase given the acceleration of the buyback and the attractive current discount to NTA at which the Company is buying its shares back.

The Company also announced an interim dividend for FY20 of 2c per share, consistent with the interim dividend in the prior year. Together with the FY2019 final dividend of 2.5c per share this equates to a dividend yield of 4.3% (based on share price of \$1.05 as at 31 December 2019).

Market commentary

Global equities fell (-4.6%) in what was a volatile month in markets. The realisation toward the end of February that coronavirus had spread from its Asian epicentre to a global pandemic resulted in the S&P 500 correcting in record time, falling 9.9% (-12.4% USD) in six days as the market became concerned about the broader implications for economic growth. Economically sensitive sectors such as Energy, Transport, Industrial and Consumer Services were the worst-performing sectors in developed markets, while Health Services (defensive) & Internet (secular growth) outperformed.

US equities underperformed (-4.7%), while Emerging Markets fared relatively better (-1.6%) as they had already begun to price in the impact of coronavirus in January.

Expectations for economic growth were lowered as reports of the virus spreading escalated, and this was reflected across asset classes. The yield on the US 10-year bond hit record lows of 1%, credit spreads widened, oil fell 13% to under \$45/barrel and the AUD fell almost 3%, briefly trading below 65 cents versus the USD.

We will remain tactical with our exposure as central banks and policy makers inevitably respond and thus trigger relief rallies.

Portfolio commentary

Key contributors to performance included:

- Infrastructure Developed Markets, notably Electricite de France. The company's latest results beat the market's expectations, reporting a greater exposure to the market power price.
- Consumer Defensive Asia/Emerging Markets, notably Yum China. Channel checks suggest store expansion in lower tier cities is progressing, and KFC continues to build on its already strong online presence.

- Short positions contributed in a volatile month. The portfolio is short companies at risk of being unable to meet the market's lofty expectations, often highly geared and priced at a premium.
- Currency

Key detractors from performance included:

- Industrials, including Siemens and General Electric, as the market became increasingly concerned about the spread of coronavirus and implications for global economic activity.
- Consumer Cyclical clusters in Developed and Emerging Markets, including ING and KB Financial which similarly fell on the spread of coronavirus as the market sold economically sensitive exposures.
- Oil/Natural Gas cluster including Eni and TechnipFMC, as the oil price declined on concerns of a slowdown in economic activity and the impact this will have on oil demand.

Performance (%)

	Company ¹	Benchmark ²	Difference
1 month	(0.4)	(4.6)	4.2
3 months	0.7	(1.3)	1.9
Year to date	0.9	(0.9)	1.8
1 year	7.1	14.6	(7.5)
2 years p.a.	3.8	11.6	(7.7)
3 years p.a.	8.9	13.4	(4.5)
Inception p.a.	9.2	13.8	(4.6)
Inception ³	34.6	54.7	(20.2)

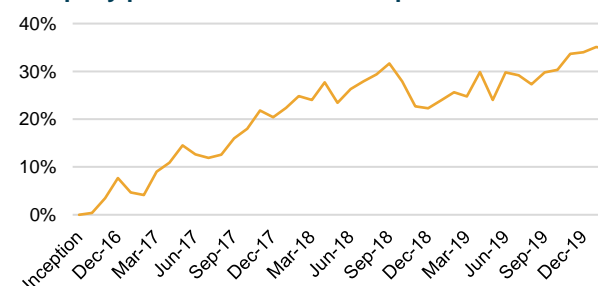
Past performance is not a reliable indicator of future performance.

¹ Movement in NTA before tax for the period, adjusted for dividends and income taxes paid and the dilutionary effect of share capital transactions. This figure incorporates underlying portfolio performance net of portfolio related fees and costs, less administration costs of the Company.

² MSCI All Country World Net Index in AUD (portfolio's benchmark).

³ Inception is 11 October 2016.

Company performance since inception^{1,3}



Net tangible assets (NTA)^{4,7}

Pre-tax NTA ⁵	Post-tax NTA ⁶
\$1.164	\$1.146

⁴ These figures are unaudited and approximate only. ⁵ Pre-tax NTA includes provision for tax on realised gains/losses and other earnings, but excludes any provision for tax on unrealised gains/losses and any deferred tax assets relating to capitalised issue costs and income tax losses. ⁶ Post-tax NTA includes tax on both realised and unrealised gains/losses and other earnings, and includes deferred tax assets relating to capitalised issue costs and income tax losses.

⁷ NTA before tax was \$1.164. 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	2c	05/03/20	06/03/20	27/03/20	50%
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 (%)
Microsoft	United States	3.1
Electricite de France	France	2.9
Facebook	United States	2.9
Alibaba	China/HK	2.6
Siemens	Germany	2.6
General Electric	United States	2.5
Ping An Insurance	China/HK	2.5
Merck	United States	2.4
Honda Motor	Japan	2.4
Roche	Switzerland	2.3

Asset allocation

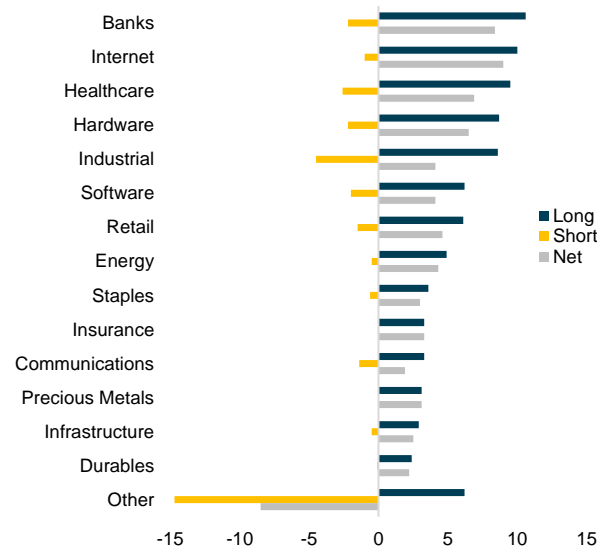
	Long		Short	
	Equities	Other ⁸	Equities	Other ⁸
Weight (%)	88.5	0.9	(22.7)	(11.3)
Count	67	1	58	6
Avg. weight (%)	1.3	0.9	(0.4)	(1.4)
Top 10 (%)	26.2		(6.8)	
Top 30 (%)	61.4		(15.9)	

⁸ Index futures and other non-single stock derivatives.

Regional exposure^{9,10} (%)

Region	Long	Short	Net
United States	34.4	(18.5)	15.9
Developed Asia	14.2	(3.2)	11.0
Korea/Taiwan	7.0	(0.8)	6.2
Japan	7.2	(2.4)	4.8
Developing Asia	15.0	(2.3)	12.7
China/Hong Kong	13.3	(1.3)	12.0
India	1.6	(1.0)	0.6
Western Europe	23.0	(3.4)	19.6
Eurozone	17.5	(2.1)	15.4
United Kingdom	0.8	(0.5)	0.3
Rest Western Europe	4.7	(0.8)	3.9
Australia	1.7	(0.1)	1.5
Rest of World	0.2	-	0.2
Total Equities	88.5	(27.6)	60.9
Other	0.9	(6.4)	(5.5)
Cash	10.6	-	-
Totals	100.0	(33.9)	55.5

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

Sector exposure¹⁰ (%)

Characteristics

Investment manager	Antipodes Partners Limited
ASX code	APL
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. ¹¹
Performance fee	15% of net return in excess of benchmark
Market capitalisation	\$492m

¹¹ 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 the Manager



Jacob Mitchell
Chief Investment Officer
Lead Portfolio Manager

Antipodes Partners Limited 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 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.



Further information

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✉ invest@antipodespartners.com

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Disclaimer

Antipodes Partners Limited (ABN 29 602 042 035, AFSL 481 580) ('Antipodes Partners', 'Antipodes') is the investment manager of Antipodes Global Investment Company Limited ABN 38 612 843 517 ('APL' or the 'Company').

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