



9 April 2020

***By Electronic Lodgement***

Market 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 31 March 2020.

For further information, please contact 1300 010 311.

Authorised by:

Calvin Kwok  
Company Secretary

## Company commentary

Company performance for the month was -5.8%, outperforming the benchmark which returned -8.9% for the month. The key contributors and detractors are detailed under the Portfolio Commentary section below.

The Company has continued its accelerated on-market buy-back and as at the end of March had bought back 39.7m shares at an average price of \$0.97 per share. 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 will hold an EGM on 21 April 2020 to approve an increase in the buyback authority by 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. Shareholders are encouraged to read the notice of meeting dated 18 March and subsequent update on 2 April which are available on [asx.com.au](http://asx.com.au) under the ticker APL.

## Market commentary

Global equity markets extended the negative start to the year in March (-8.9%) as global COVID-19 containment measures hit economic activity. Low multiple - or value - stocks continued to underperform high growth and momentum stocks. Defensive sectors outperformed led by Healthcare and Consumer Staples while economically sensitive cyclical sectors such as Energy, Financials and Industrials lagged.

The threat of a global recession led to an unprecedented policy response from governments to protect wages and businesses. Central banks cut interest rates and restarted and/or expanded asset purchase programs. Notwithstanding this support, equities still suffered across the board with Emerging Markets (-23%) hit particularly hard. US equities (-8.1%) outperformed the broader market with an agreed fiscal package worth 10% of GDP. China (-1.9%) fared relatively better on hopes the country has passed peak disruption.

Elsewhere, Brent collapsed -47% (in USD) as Saudi Arabia pledged to pump more oil in the face of waning global demand and after tensions with Russia escalated. Global government bond yields fell and the US dollar strengthened due to the risk-off environment.

## Portfolio commentary

Key contributors to performance:

- Shorts protected capital in a very volatile month for global equities.
- Healthcare cluster including Gilead, Roche and Merck. Gilead's new drug Remdesivir is undergoing trials in China and the US to determine its effectiveness in treating COVID-19, while Roche's diagnostics business will benefit from the ramp up in COVID-19 testing and an existing drug has the potential to treat severely ill patients. Merck announced positive results from two new drugs, showing depth in the pipeline.

The key detractors from performance were the cyclical parts of the portfolio. Cyclical stocks were weak as the market became increasingly concerned about the spread of COVID-19 and the impact this will have on economic activity. Portfolio clusters impacted by this include:

- Consumer cyclicals including ING Groep, UniCredit, Capital One and ICICI Bank. European banks were also impacted by the ECB's directive to cut dividends. Capital One fell with the US banking sector on growth concerns and potential of a rise in credit losses.
- Industrials including GE and Siemens, with GE further impacted by concerns around a near-term hit to earnings as airlines temporarily pull capacity.
- Oil/Natural Gas including TechnipFMC and Eni, also impacted by the substantial decline in oil price following the disintegration of the OPEC + alliance.
- Infrastructure cluster, notably EDF, as the market became concerned about the demand for power as activity slows.

## Performance (%)

	Company <sup>1</sup>	Benchmark <sup>2</sup>	Difference
1 month	(5.8)	(8.9)	3.0
3 months	(5.0)	(9.7)	4.7
Year to date	(5.0)	(9.7)	4.7
1 year	1.6	3.0	(1.4)
2 years p.a.	1.1	6.8	(5.7)
3 years p.a.	5.1	9.2	(4.1)
Inception p.a.	7.1	10.4	(3.3)
Inception <sup>3</sup>	26.7	41.0	(14.3)

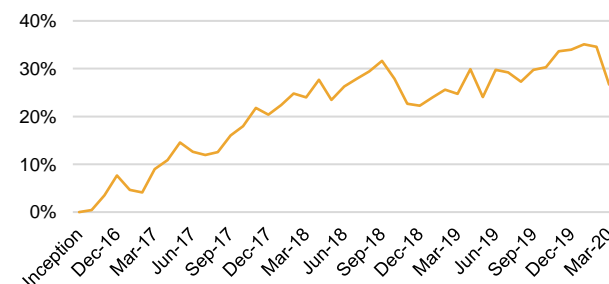
Past performance is not a reliable indicator of future performance.

<sup>1</sup> Movement in NTA before tax for the period, adjusted for dividends and income taxes paid and the dilutionary effect of share capital transactions. 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 (portfolio's benchmark).

<sup>3</sup> Inception 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>
\$1.074	\$1.101

<sup>4</sup> These figures are unaudited and approximate only. <sup>5</sup> 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. <sup>6</sup> 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.

<sup>7</sup> NTA before tax was \$1.066. This represents the NTA excluding all income tax related assets and liabilities. Company tax of \$0.002 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	3.3
Facebook	United States	3.0
Merck	United States	2.9
Alibaba	China/HK	2.9
Siemens	Germany	2.7
Roche	Switzerland	2.6
Electricite de France	France	2.6
Samsung Electronics	Korea	2.5
Ping An Insurance	China/HK	2.3
KB Financial Group	Korea	2.2

## Asset allocation

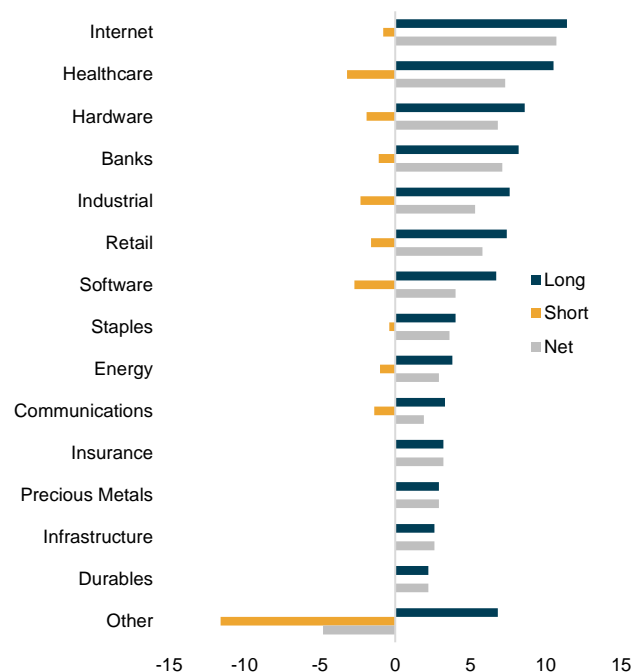
	Long		Short	
	Equities	Other <sup>8</sup>	Equities	Other <sup>8</sup>
Weight (%)	89.1		(18.5)	(8.8)
Count	66		51	7
Avg. weight (%)	1.3		(0.4)	(1.3)
Top 10 (%)	27.0		(6.7)	
Top 30 (%)	59.7		(13.9)	

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

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

Region	Long	Short	Net
<b>United States</b>	<b>34.3</b>	<b>(13.9)</b>	<b>20.4</b>
<b>Developed Asia</b>	<b>14.4</b>	<b>(4.1)</b>	<b>10.3</b>
Korea/Taiwan	7.2	(0.7)	6.5
Japan	7.3	(3.4)	3.8
<b>Developing Asia</b>	<b>16.2</b>	<b>(0.9)</b>	<b>15.3</b>
China/Hong Kong	14.9	(0.9)	13.9
India	1.3	0.0	1.3
<b>Western Europe</b>	<b>22.4</b>	<b>(2.5)</b>	<b>19.9</b>
Eurozone	16.1	(1.1)	15.0
United Kingdom	1.1	(0.8)	0.3
Rest Western Europe	5.2	(0.6)	4.6
<b>Australia</b>	<b>1.6</b>	<b>-</b>	<b>1.6</b>
<b>Rest of World</b>	<b>0.2</b>	<b>-</b>	<b>0.2</b>
<b>Total Equities</b>	<b>89.1</b>	<b>(21.5)</b>	<b>67.6</b>
<b>Other</b>	<b>-</b>	<b>(5.9)</b>	<b>(5.9)</b>
<b>Cash</b>	<b>10.9</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>100.0</b>	<b>(28.0)</b>	<b>61.4</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>	\$457m

<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 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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[antipodespartners.com/apl](https://antipodespartners.com/apl)

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