



13 May 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 30 April 2020.

For further information, please contact 1300 010 311.

Authorised by:

Calvin Kwok  
Company Secretary

## Company commentary

Company performance for the month was -0.3%, underperforming the benchmark which returned 3.5% 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 47.5m shares at an average price of \$0.96 per share. The APL discount to NTA as at 30th April 2020 was 11.0%

The Company held an EGM on 21st April to approve a further increase in the buyback authority to an additional 10% of shares on issue. This resolution was approved by 99.1% of shareholders who voted. In total, since inception of the buyback in July 2019, the Company on-market buyback will be equivalent to 20% of the Company's shares, in excess of \$100m, one of the largest LIC buybacks in history.

## Market commentary

Global equities staged a strong rebound in April (+3.5%) thanks to unprecedented fiscal and monetary support to reduce the economic damage caused by the COVID-19 shutdown. Low multiple - or value - stocks underperformed high growth stocks. Software and Internet outperformed over the month, while Financials were a key underperformer.

US equities (+5.7%) outperformed. The benchmark index had its best month since January 1987. US technology mega-caps led the rally as consumers and businesses in lockdown make even greater use of their services. In addition to the significant fiscal stimulus announced (equivalent to around 10% of GDP), the US Federal Reserve broadened its asset purchase programme to include investment grade corporate credit and provide support to the junk bond market. All other major developed markets lagged. European leaders struggled to finalise plans to launch a coordinated recovery fund (European equities -1.0%).

Elsewhere, oil futures traded negative for the first time ever on demand and storage issues, and gold continued to strengthen (+5.8%).

## Portfolio commentary

Key contributors to performance included:

- Gold cluster including Barrick Gold and Newcrest. Both companies retained full year production guidance and are priced at attractive valuations given the resilience in the gold price.
- Consumer Cyclical Developed Markets (DM), notably Capital One Financial and Lowe's. Capital One has substantial capital buffer post provisioning and consumer stimulus measures provide some backstop offsetting concerns around credit costs, while Lowe's (home improvement) has proven resilient during lockdown.
- Online Services DM, notably Facebook which reported its largest additional subscribers at 106m over 1Q, and 3 billion users across the family of apps. Pleasingly the company indicated April revenue has stabilised (flat year-on-year).

Key detractors to performance included:

- General Electric (Industrials cluster), as the market remains concerned about the potential of a more protracted downturn in air travel, and the subsequent impact on the earnings and balance sheets of companies in the aerospace sector.
- Shorts, which provide protection in down-markets but can act as headwind in very strong upward moving markets as experienced in April (global equities +10.7% in USD).
- Currency, notably the holding in USD which reversed some of the strength experienced in the 1Q.

## Performance (%)

|                        | Company <sup>1</sup> | Benchmark <sup>2</sup> | Difference |
|------------------------|----------------------|------------------------|------------|
| 1 month                | (0.3)                | 3.5                    | (3.8)      |
| 3 months               | (6.5)                | (10.0)                 | 3.5        |
| Year to date           | (5.3)                | (6.5)                  | 1.2        |
| 1 year                 | (2.7)                | 2.2                    | (4.9)      |
| 2 years p.a.           | (0.5)                | 7.3                    | (7.8)      |
| 3 years p.a.           | 4.4                  | 9.2                    | (4.8)      |
| Inception p.a.         | 6.8                  | 11.2                   | (4.4)      |
| Inception <sup>3</sup> | 26.3                 | 45.9                   | (19.6)     |

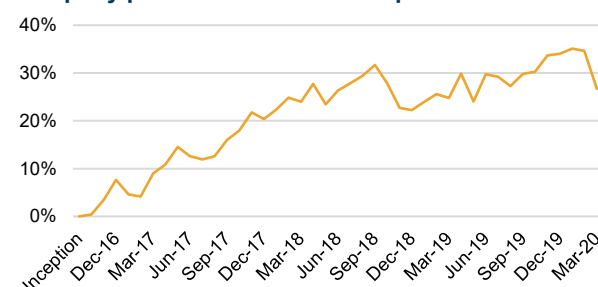
Past performance is not a reliable indicator of future performance.

<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> |
|--------------------------|---------------------------|
| \$1.073                  | \$1.096                   |

<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 \$1.060. 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 (%) |
|-----------------------|---------------|------------|
| Facebook              | United States | 3.4        |
| Siemens               | Germany       | 3.1        |
| Microsoft             | United States | 3.1        |
| Alibaba               | China/HK      | 2.8        |
| Samsung Electronics   | Korea         | 2.8        |
| Electricite de France | France        | 2.7        |
| Ping An Insurance     | China/HK      | 2.6        |
| Merck                 | United States | 2.6        |
| Capital One Financial | United States | 2.4        |
| Yum China             | China/HK      | 2.3        |

## Asset allocation

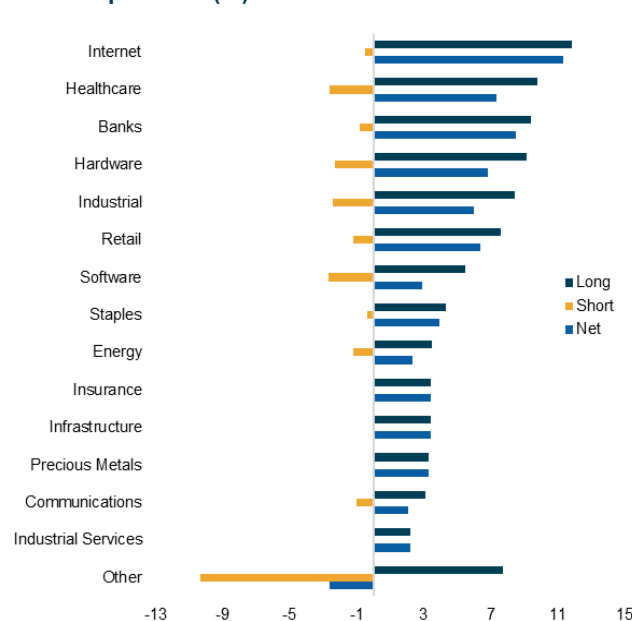
|                 | Long     |                    | Short    |                    |
|-----------------|----------|--------------------|----------|--------------------|
|                 | Equities | Other <sup>8</sup> | Equities | Other <sup>8</sup> |
| Weight (%)      | 92.1     | 0.4                | (15.7)   | (9.6)              |
| Count           | 63       | 1                  | 45       | 12                 |
| Avg. weight (%) | 1.5      | 0.4                | (0.3)    | (0.8)              |
| Top 10 (%)      | 27.9     | -                  | (5.2)    | -                  |
| Top 30 (%)      | 62.8     | -                  | (12.3)   | -                  |

<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>35.1</b>  | <b>(12.7)</b> | <b>22.4</b>  |
| <b>Developed Asia</b>  | <b>15.5</b>  | <b>(3.4)</b>  | <b>12.1</b>  |
| Korea/Taiwan           | 7.8          | (0.6)         | 7.2          |
| Japan                  | 7.8          | (2.8)         | 4.9          |
| <b>Developing Asia</b> | <b>16.2</b>  | <b>(0.7)</b>  | <b>15.5</b>  |
| China/Hong Kong        | 14.6         | (0.7)         | 13.9         |
| India                  | 1.6          | 0.0           | 1.6          |
| <b>Western Europe</b>  | <b>23.8</b>  | <b>(1.9)</b>  | <b>21.9</b>  |
| Eurozone               | 17.7         | (0.7)         | 17.0         |
| United Kingdom         | 1.0          | (0.6)         | 0.4          |
| Rest Western Europe    | 5.0          | (0.6)         | 4.4          |
| <b>Australia</b>       | <b>1.8</b>   | <b>0.0</b>    | <b>1.8</b>   |
| <b>Rest of World</b>   | <b>0.2</b>   | <b>0.0</b>    | <b>0.2</b>   |
| <b>Total Equities</b>  | <b>92.6</b>  | <b>(18.7)</b> | <b>73.8</b>  |
| <b>Other</b>           | <b>0.0</b>   | <b>(6.6)</b>  | <b>(6.6)</b> |
| <b>Cash</b>            | <b>7.4</b>   | <b>-</b>      | <b>-</b>     |
| <b>Totals</b>          | <b>100.0</b> | <b>(25.3)</b> | <b>67.3</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> | \$481m                                   |

<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

☎ 1300 010 311

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