



19 June 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 May 2020.

For further information, please contact 1300 010 311.

Authorised by:

Calvin Kwok  
Company Secretary

## Company commentary

Company performance for the month was 0.7%, underperforming the benchmark which returned 2.9% for the month. The key contributors and detractors are detailed under the Portfolio Commentary section below.

The Company continues its accelerated on-market buy-back and as at the end of May had bought back \$54.3m of shares at an average price of \$0.96 per share. The APL discount to NTA as at 29th May 2020 was 10.8%.

The Company has stepped up the pace of the on-market buyback and, on average, bought in excess of 50% of the average daily volume in APL during the month of May.

On 5th May 2020 the Company provided an update to shareholders (available on the Company's website [antipodespartners.com/apl](http://antipodespartners.com/apl) and the ASX) about the range of initiatives the Company's Board had considered to close the NTA discount. The Board intends to continue with the aggressive on-market share buyback which it believes is having an impact in reducing the NTA discount but has no intention of altering the current structure of the Company as a closed-end LIC.

## Market commentary

Global equities continued to rebound in May (+2.9%) amidst growing optimism over the re-opening of the global economy post the COVID-19 related shutdown. As a result, cyclical sectors such as Industrials, Materials and Consumer Discretionary were among the best performers. Despite this, investors continued to exhibit a preference for momentum and growth stocks over low multiple - or value - stocks. Technology remained the strongest sector, while Financials, Energy and Consumer Staples lagged.

Stimulus remains a key driver of equity performance. Japanese equities (+4.5%) outperformed as the Bank of Japan announced a fiscal stimulus package amounting to about 5% of GDP. It also fared well in the pandemic relative to other countries. European equities (+3.1%) were supported as the European Commission proposed a €750bn recovery fund inclusive of grants to countries hardest hit by the virus.

US equities outperformed (+3.7%) as almost all states relaxed their lockdown orders to some degree. Chinese equities (-2.3%) lagged as the US announced stripping Hong Kong's special administrative region (SAR) status due to the introduction of the National Security Law.

Elsewhere, oil bounced back strongly from deeply oversold levels and gold remained resilient given continued demand for safe haven assets.

## Portfolio commentary

Key contributors to performance included:

- Industrials cluster, including Siemens, which reported a solid result driven by Digital Industries thanks, in part, to the recurring nature of software revenue, and pleasingly orders continue to increase.
- Consumer Cyclical in Developed Markets, notably Lowe's and ING. Lowe's reported a strong result with low-teens same store sales growth, which accelerated into April and May. Likewise, ING reported a solid result on steady net interest revenue and mid-teens growth in fee income.
- Online Services, including Facebook and Uber. Facebook's resilience continues with usage at all-time highs and advertising rates in the US

back near pre-COVID levels. Uber's ride hailing business is showing signs of recovery, while revenue from Eats grew more than 50% in 1Q and accelerated further in April.

Key detractors to performance included:

- Shorts, which can act as a headwind in strong upward moving markets such as the rebound experienced in May.
- Consumer Cyclical in Emerging Markets, notably ICICI Bank which reported 1Q loans grew low double digit (from 20%+) but core operating profits rose 25% yoy and non-performing assets are well provided for.
- Technip (Oil/Natural gas) as 1Q profits were impacted by COVID-related disruptions to supply chain and installations in the subsea business. Pleasingly the E&C business remained resilient.

## Performance (%)

	Company <sup>1</sup>	Benchmark <sup>2</sup>	Difference
1 month	0.7	2.9	(2.2)
3 months	(5.4)	(2.9)	(2.5)
Year to date	(4.6)	(3.8)	(0.8)
1 year	2.6	10.0	(7.4)
2 years p.a.	1.5	8.9	(7.4)
3 years p.a.	3.6	9.3	(5.7)
Inception p.a.	6.9	11.8	(5.0)
Inception <sup>3</sup>	27.3	50.2	(22.9)

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>
\$1.088	\$1.102

<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 \$1.070. 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 (%)
Siemens	Germany	3.9
Electricite de France	France	3.1
Microsoft	United States	3.1
Facebook	United States	3.0
Alibaba	China/HK	2.7
Merck	United States	2.6
Samsung Electronics	Korea	2.6
Ping An Insurance	China/HK	2.5
Capital One Financial	United States	2.5
Yum China	China/HK	2.4

## Asset allocation

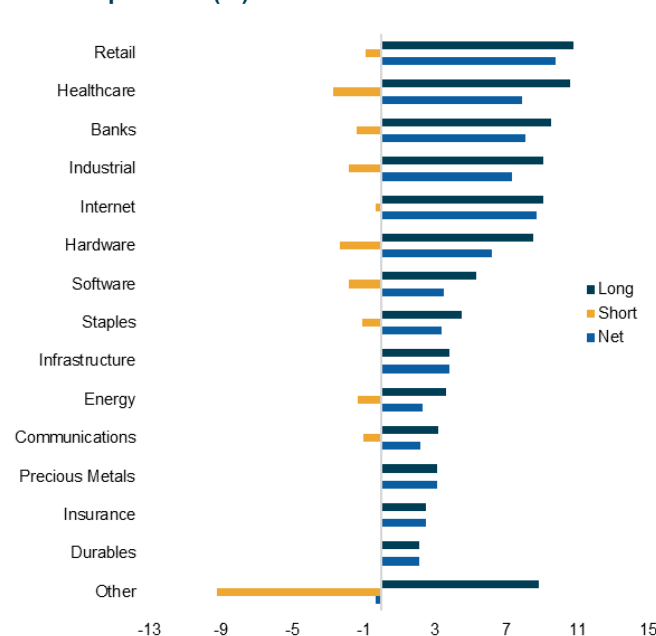
	Long		Short	
	Equities	Other <sup>8</sup>	Equities	Other <sup>8</sup>
Weight (%)	94.5	-	(18.7)	(5.1)
Count	65	-	46	7
Avg. weight (%)	1.5	-	(0.4)	(0.7)
Top 10 (%)	28.5	-	(6.4)	-
Top 30 (%)	63.8	-	(14.5)	-

<sup>8</sup> Non-equity derivatives.

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

Region	Long	Short	Net
<b>United States</b>	<b>35.3</b>	<b>(11.7)</b>	<b>23.6</b>
<b>Developed Asia</b>	<b>13.9</b>	<b>(3.5)</b>	<b>10.4</b>
Korea/Taiwan	7.1	(0.6)	6.5
Japan	6.8	(2.9)	3.9
<b>Developing Asia</b>	<b>15.6</b>	<b>(0.6)</b>	<b>15.0</b>
China/Hong Kong	14.4	(0.6)	13.8
India	1.2	0.0	1.2
<b>Western Europe</b>	<b>27.5</b>	<b>(2.9)</b>	<b>24.6</b>
Eurozone	21.2	(1.2)	20.0
United Kingdom	1.0	(0.9)	0.0
Rest Western Europe	5.3	(0.7)	4.6
<b>Australia</b>	<b>2.0</b>	<b>0.0</b>	<b>2.0</b>
<b>Rest of World</b>	<b>0.2</b>	<b>0.0</b>	<b>0.2</b>
<b>Total Equities</b>	<b>94.5</b>	<b>(18.7)</b>	<b>75.9</b>
<b>Other</b>	<b>-</b>	<b>(5.1)</b>	<b>-</b>
<b>Cash</b>	<b>5.5</b>	<b>-</b>	<b>-</b>
<b>Totals</b>	<b>100.0</b>	<b>(23.8)</b>	<b>-</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

✉ invest@antipodespartners.com

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