



30 November 2020

By Electronic Lodgement

Market Announcements Office
ASX Ltd
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam,

**2020 Antipodes Global Investment Company Limited (ASX:
APL)(Company) Annual General Meeting – Chairman's Address**

Please find attached a copy of the Chairman's address which will be delivered at the Company's Annual General Meeting today.

Authorised by:

Calvin Kwok
Company Secretary

2020 Annual General Meeting – Chairman’s Address

[Slide 4 – Chairman’s Address Overview]

Antipodes Global Investment Company Limited, APL, was established to provide shareholders with access to a long-short global securities investment portfolio with a currency overlay.

The Company is a little over four years old and has a sizeable asset base in excess of \$500 million.

The Company’s investment portfolio is managed by Antipodes Partners Limited. As Jacob Mitchell will speak about later today in the investment manager presentation, the investment manager aims to build portfolios with a capital preservation focus, seeking to purchase securities in what it considers to be great businesses that are not valued as such.

[Slide 5 – Investment Objectives]

The Company’s two investment objectives are to:

1. provide capital growth and income through investing in a concentrated portfolio, predominantly comprised of long and short positions in international listed securities, that will be actively managed with a focus on capital preservation; and
2. achieve returns in excess of the benchmark, with reduced levels of risk,

in each case, over a full investment cycle (which the investment manager and the Company consider to be a period of typically 3 to 5 years).

[Slide 6 – Company Details]

As I introduced earlier, our Board of Directors comprises the members who have joined me in person and by teleconference. The table highlights the shares on issue, the share price and the net tangible assets (NTA) as at 31 October 2020. Things are moving quickly at the moment in global markets and based on the pre-tax NTA on 25 November 2020 of \$1.189 per share and the closing share price on that date of \$1.075 per share, APL shares are trading at a 10.0% discount to NTA.

It is worth noting:

1. that the pre-tax and post-tax NTA of the Company are currently very similar.
This is not always the case and in a normal rising market where the portfolio

has unrealised capital gains, the pre-tax NTA would be expected to be higher than the post-tax NTA;

2. that the balance of franking credits available to the Company for payment of dividends is not reflected in its NTA value. [As at 31 October 2020, that figure was 1.4 cents per share]

[Slide 7 – Dividends]

The Company has for the last two years, paid a dividend twice a year and intends to continue to do so, subject to available profits, cash flow and franking credits.

- Consistent total dividend level of 4.5 cents for the last 2 years
- Final dividend of 2.5 cents for FY20
 - 4.5 cents is equivalent to a 4.7% yield on the 31 October 2020 share price of \$0.955, or 5.7% grossed up for the fact that the dividends are 50% franked.

As at 31 October 2020, the Company's profits reserve had a closing balance of approximately 7.2 cents, and together with its franking account balance, has sufficient reserves to pay dividends at the same rate of 4.5 cents per share over the next 18 months to two years.

[Slide 8 – NTA movements since IPO]

We think it is helpful to look at the Company's performance over a longer period. This slide breaks down the change in NTA since the IPO.

NTA was \$1.10 at IPO less the 3.3 cents used to pay the offer costs of the IPO. This is the first bar on the left in orange.

From the IPO in October 2016 to 31 October 2020, a period of a little over four years.

- Portfolio performance added 31.3 cents.
- Tax paid reduced NTA by 5.2 cents.
- Company expenses had a very small impact on NTA of less than 1 cent.
- Dividends paid reduced NTA by 14 cents.
- The combined effect of the on-market buy-back, which added to NTA per share and the options exercised in 2018 which diluted NTA per share, was to reduce NTA by 8.9 cents.

This gives us the closing NTA as at 31 October 2020 of \$1.091.

[Slide 9 – Company Performance]

We acknowledge that to date, of the Company's two investment objectives:

1. the excess return objective has not yet been achieved:
 - the table on the left of this slide shows that the Company's portfolio has underperformed its benchmark by 4.8% p.a. since inception to 31 October 2020.
 - the investment manager presentation will cover the investment manager's view on why this is the case and why the investment manager believes this situation can be turned around.
2. However, it is pleasing that the capital growth objective has been met. As the same table on the left shows, the annualised return from the Company's portfolio is 6.5% p.a. since inception to 31 October 2020. This measures the change in NTA before all income taxes, adjusted for dividends paid and the dilutionary effect of options granted to shareholders upon the Company's initial listing.

The Company's annualised total shareholder return or TSR performance, which measures the change in share price adjusted for any dividends paid, for the same period from inception to 31 October 2020 was -0.1%. The Company's share price was \$0.955 on 31 October 2020 compared to an issue price of \$1.10, with dividends of 14 cents paid during the period.

Based on the pre-tax NTA on 25 November 2020 of \$1.189 per share and the closing share price on that date of \$1.075 per share, APL shares are trading at a 10.0% discount to NTA

[Slide 10 – Initiatives to close the discount to NTA]

The Company has undertaken a range of initiatives to address the NTA discount and this remains the Board's most important focus. These include:

- Transparency and communication. We implemented daily NTAs during the year, one of the few LICs to do so. We are actively stepping up our communications with you by both the Company but also by the investment manager. More on this on the next slide.
- For the second year running, the Company achieved a Highly Recommended rating by Zenith. Part of Zenith's confidence in the Company is driven by their appreciation of the NTA discount initiatives we are undertaking. Most importantly, we have proactively conducted aggressive capital management.

- This started in 2018 with payment of our maiden dividend and we have continued to provide consistent income to shareholders since then.
- The Company has deployed one of the largest LIC buy-backs on the ASX during 2019 and 2020, when the APL discount had widened substantially, making the buying back of the Company's shares an attractive use of the Company's capital.
 - Thus far, the Company has repurchased 13.5% of the Company's shares in issue at an average NTA discount in excess of 14%, increasing the NTA per share.
 - Under the current buy-back authority, approved at an EGM of the Company held on 21 April 2020, the Company has a further 39.6 million shares remaining in the buy-back. This is equivalent to 8.3% of the current shares outstanding.
- Finally and most significantly, we are now proposing a Conditional Tender Offer. This will be voted on today, and assuming it is approved will allow all shareholders an equal opportunity to sell a portion of their shares back to the Company via an off market buy-back at a price that is near NTA. I will cover this in more detail in the formal business of the meeting which deals with the resolutions being considered today.

[Slide 11 – Shareholder Engagement]

We have significantly ramped up our communication efforts over the past year. Some of our new initiatives this year are:

- Many of you would have received a Company update booklet in the mail while others would have received a link to this in our email communication about this AGM. We provided this hard copy update as over half of the Company's shareholders elect mail as their primary form of communication.
- We now produce a quarterly report which can be found on the Company's website that has a summary of the Company's results and investment performance together with articles and insights from the investment manager.

We launched a new website late last year after last year's AGM which is full of information which we hope shareholders find interesting and relevant as well as investment manager videos and insights.

Finally, we have run a 'go paperless' campaign for the last two years which has had reasonable success in encouraging shareholders to use email rather than mail for

us to communicate with them. In this regard, we do recommend that shareholders provide their email address to Boardroom to ensure they are receiving our latest updates and invitations as the vast majority of our communications are electronic.