

Antipodes Global Investment Company Limited (ASX:APL)

ACN 612 843 517

COMPANY UPDATE AS AT 31 OCTOBER 2016

Antipodes Partners	<ul style="list-style-type: none"> • Pragmatic value manager of global and Asian equities • Structured to reinforce alignment between investors and the investment team • We take advantage of irrational extrapolation, identify great businesses that are not valued as such and build high conviction portfolios with a capital preservation focus
Investment strategy	<ul style="list-style-type: none"> • Absolute return objective over the investment cycle (typically 3-5 years) • High conviction portfolio, typically 30 to 60 holdings • 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 - 100% • Maximum allowable gross exposure limit of 150% of NAV

COMPANY FACTS

ASX share code	APL
ASX option code	APLO
Inception date¹	11 October 2016
Benchmark	MSCI All Country World Net Index in AUD
Management fee	1.10% p.a. ²
Performance fee	15% (plus GST) of net return in excess of benchmark
Market capitalisation	\$299m
Share price	\$1.05
Option price	\$0.037 (exp. 15 Oct 2018)

¹ Listing date 18 October 2016

² 1.1275% inclusive of the net impact of GST and RITC.

NET TANGIBLE ASSETS (NTA)

NTA after tax on realised gains	\$1.068
NTA after tax on realised & unrealised gains	\$1.067

NET PERFORMANCE (%)

Period	Portfolio	Benchmark	Value add
1 month³	0.1	-1.5	1.6
Inception	0.1	-1.5	1.6

³ 11 - 31 October 2016

Past performance is not a reliable indicator of future performance. Returns are in AUD net of applicable fees, costs and taxes.

TOP 10 HOLDINGS

Name	Country	% of Portfolio
Hyundai Motor Co.	Korea	4.2
Baidu	China/HK	3.5
Samsung Electronics	Korea	3.3
ING Groep NV	Netherlands	2.9
KB Financial Group	Korea	2.9
Gilead Sciences	United States	2.8
ICICI Bank	India	2.7
RWE AG	Germany	2.7
Telecom Italia	Italy	2.5
Cisco Systems	United States	2.5

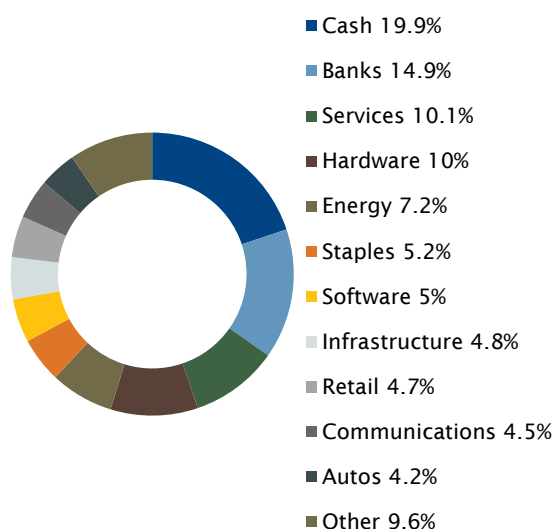
MARKET COMMENTARY

USD TOTAL RETURNS TO 31 OCTOBER 2016

	MSCI USA	MSCI Europe	MSCI Japan	MSCI AC Asia ex JP	MSCI China A+B+H	MSCI EM ex Asia	Brent Crude (\$/bbl)	Gold (\$/ozt)	BofAML Global Govt.	BofAML Global HY.	AUD	EUR	JPY	CNY
1M	(1.9%)	(3.3%)	1.3%	(1.5%)	0.5%	4.4%	(4.2%)	(3.8%)	(3.5%)	(0.2%)	(0.6%)	(2.5%)	(3.6%)	(1.5%)
YTD	5.2%	(3.3%)	3.9%	10.8%	(12.2%)	29.4%	26.2%	20.0%	7.7%	14.0%	4.6%	0.9%	14.5%	(4.1%)

- Global equity markets declined -1.7% (USD terms, -1.1% AUD) in October with Korea (-3.7%), Europe (-3.3%) and the US (-1.9%) lagging. EM ex Asia (+4.4%), Japan (+1.3%) and China (+0.5%) outperformed.
- The USD was stronger against all major currencies reflecting a relatively resilient economy, tight money markets (rising US Libor) and the likelihood of an impending official US rate rise.
- With the moderate back-up in global bond yields, markets continued to rotate towards Financials (+2.2%) whilst traditionally defensive sectors such as Health Care (-6.8%), Telecommunication Services (-4.0%) and Consumer Staples (-3.3%) all underperformed.
- Not surprisingly, the key performers included Financials such as **Mediobanca** (Italy), **ICICI Bank** (India), **ING Groep** (Northern Europe) and **KB Financial** (South Korea).
- Health Care has been relatively weak year to date (-8.1%) reflecting US price and formulary pressures driven by consolidation within the US healthcare system (18% of GDP) as well as political prerogatives to address drug pricing. Holding **Gilead Sciences** hasn't been immune to the sell-off.
- **LINE** corrected post its quarterly result as rising expectations following an acceleration in advertising growth proved difficult to beat.
- The reversal of the post Brexit gap down in yields was enough to spook bond proxies, evidence of investor crowding. The shorting of expensively valued Infrastructure, Consumer Staples and "concept" stocks with multiple ways of losing proved profitable.

SECTOR ALLOCATION⁴



⁴ Antipodes Partners classification. Long portfolio only.

FURTHER INFORMATION

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GEOGRAPHIC ALLOCATION (%)

Region/Country ⁵	Long (%)	Net (%)	Currency (%)
United States	20.5	7.5	38.6
Developed Asia	22.1	21.0	10.6
Japan	8.5	8.0	-0.1
Korea	13.6	13.6	10.6
Taiwan	-	-0.7	0.1
Developing Asia	16.6	13.6	2.6
China/Hong Kong	13.9	13.1	4.8
India	2.7	1.5	2.7
Other	-	-1.0	-4.9
Western Europe	20.1	13.7	34.2
Eurozone	16.8	13.4	20.4
United Kingdom	3.3	2.4	6.4
Other	-	-2.1	7.6 ⁶
Australia	0.8	-3.2	13.9
Total Equities	80.1	52.6	-
Cash	19.9	-	-
Total	100.0	-	100.0

⁵ Includes depositary receipts. ⁶ 6.2% exposure to Norwegian Kroner.

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