

# Antipodes Global Investment Company Limited (ASX:APL)

ACN 612 843 517

## COMPANY UPDATE AS AT 31 DECEMBER 2016

<b>Antipodes Partners</b>	<ul style="list-style-type: none"> <li>• Pragmatic value manager of global and Asian equities</li> <li>• Structured to reinforce alignment between investors and the investment team</li> <li>• 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</li> </ul>
<b>Company features</b>	<ul style="list-style-type: none"> <li>• Objective to achieve absolute returns in excess of the benchmark over the investment cycle (typically 3-5 years)</li> <li>• High conviction portfolio, typically 30 to 60 holdings</li> <li>• In the absence of finding individual securities that meet minimum risk-return criteria, cash may be held</li> <li>• 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.</li> <li>• Typical net equity exposure of 50 - 100%</li> <li>• Maximum allowable gross exposure limit of 150% of NAV</li> </ul>

## COMPANY FACTS

ASX code   share price	APL   \$1.10
ASX code   option price	APLO   \$0.042
Inception date	11 October 2016
Listing date	18 October 2016
Benchmark	MSCI All Country World Net Index in AUD
Management fee	1.10% p.a. <sup>1</sup>
Performance fee	15% (plus GST) of net return in excess of benchmark
Market capitalisation	\$313m
Options outstanding	283,636,364
Options exercise price	\$1.10
Options expire	15 Oct 2018

<sup>1</sup> 1.1275% p.a. inclusive of the net impact of GST and RITC.

## NET TANGIBLE ASSETS (NTA)

NTA before tax	\$1.147
NTA after tax on realised gains	\$1.147
NTA after tax on realised & unrealised gains	\$1.133

## INVESTMENT MANAGEMENT | BOARD OF DIRECTORS

<b>Investment Manager</b> Antipodes Partners	<b>Board of Directors</b> Jonathan Trollip <sup>2</sup> (Chairman) Chris Cuffe <sup>2</sup> Lorraine Berends <sup>2</sup> Andrew Findlay Alex Ihlenfeldt
<b>Portfolio Manager</b> Jacob Mitchell	

<sup>2</sup> Non-Executive Director

## NET PERFORMANCE (%)

Period	Portfolio	Benchmark	Value add
1 month	4.1	4.2	-0.2
Inception	7.5	6.6	0.9

Past performance is not a reliable indicator of future performance. Performance is quoted in AUD net of portfolio related fees, costs and taxes.

## TOP 10 HOLDINGS

Name	Country	% of Portfolio
Hyundai Motor Co.	Korea	4.4
Samsung Electronics	Korea	3.2
Baidu	China/HK	3.0
Gilead Sciences	United States	2.9
KB Financial Group	Korea	2.7
Cisco Systems	United States	2.5
ING Groep	Netherlands	2.5
Telecom Italia	Italy	2.5
Mediobanca	Italy	2.5
Office Depot	United States	2.4

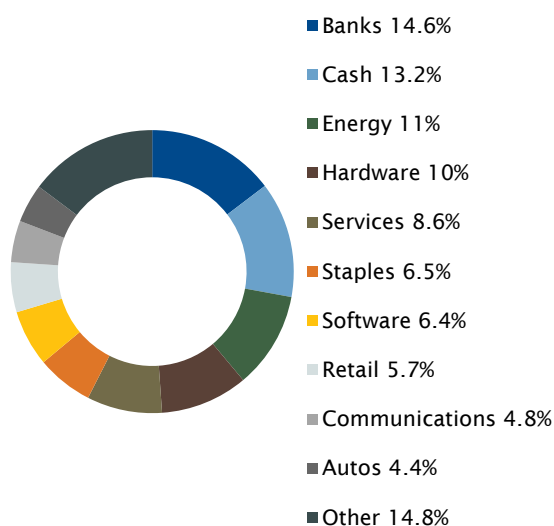
## MARKET COMMENTARY

### USD TOTAL RETURNS TO 31 DECEMBER 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	1.8%	5.2%	1.0%	(2.0%)	(6.1%)	4.3%	18.6%	(2.7%)	(0.8%)	1.7%	(2.0%)	(0.6%)	(2.3%)	(0.9%)
1Y	10.9%	(0.4%)	2.4%	5.4%	(15.3%)	24.7%	55.3%	8.1%	1.7%	14.8%	(0.5%)	(2.9%)	3.1%	(6.6%)

- During December, Global equity markets rose +2.2% (USD terms, +4.2% AUD) with European markets leading the way rising 5.2% whilst China was weak falling 6.1%.
- Global sector-wise, Telecoms (+5.0%), Utilities (+3.9%), and Energy (+3.8%) outperformed whilst Consumer Discretionary (+1.2%) Technology (+1.0%) and Industrials (+0.8%) lagged.
- The Federal Reserve tightened by 0.25% and markets continued to digest the full implications of a new US administration, pricing in the impact of potentially lower taxes, fiscal stimulus and at the same time higher interest rates. Whilst Financials fared well, some of the most oversold bond proxies also rebounded.
- The maturity of the Chinese credit binge seems to be magnifying the tightening conferred by a strengthening USD resulting in a major headwind for the Chinese/Hong Kong market. The Australian dollar declined by 2.0%, against a backdrop of stronger commodity prices, including Brent Oil (+18.6%) in response to the recently agreed OPEC production cuts.
- In the wake of Italy's much anticipated referendum and subsequent resignation of Prime Minister Renzi, Italian stocks rallied strongly over the month with **Mediobanca** (all USD terms, +14.6%), **ENI** (+12.8%) and **Telecom Italia** (+17.0%) leading the way for the portfolio.
- As the potential for new organic light emitting diode (OLED) display technology came into focus, shares in **Samsung SDI** were strong, rising 15.2%, whilst Korean counterpart **Hyundai Motors** rose 7.3% reflecting in part the boost from a weakening Korean Won (-3.2%) over the month.

### SECTOR ALLOCATION<sup>3</sup>



<sup>3</sup> Antipodes Partners classification. Long portfolio only.

### FURTHER INFORMATION

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### GEOGRAPHIC ALLOCATION (%)

Region/Country <sup>4</sup>	Long (%)	Net (%)	Currency (%)
United States	23.6	7.6	39.5
Developed Asia	21.7	18.0	18.6
Korea	14.5	14.5	11.5
Japan	7.2	4.0	7.1
Taiwan	-	-0.4	-
Developing Asia	17.8	14.6	-2.2
China/Hong Kong	15.8	13.8	0.8
India	2.0	0.8	2.0
Other	-	-	-5.0
Western Europe	21.7	15.7	30.5
Eurozone	18.8	16.1	18.5
United Kingdom	2.4	1.2	3.9
Other	0.5	-1.5	8.1 <sup>5</sup>
Australia	1.4	-1.5	12.6
Total Equities	0.7	0.7	1.0
Cash	86.8	55.1	-
Total	13.2	-	-

<sup>4</sup> Includes depositary receipts. <sup>5</sup> 8.1% exposure to Norwegian Krone.

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