

Antipodes Global Investment Company Limited (ASX:APL)

ACN 612 843 517

COMPANY UPDATE AS AT 31 JANUARY 2017

Antipodes Partners	<ul style="list-style-type: none"> Global pragmatic value manager, long only and long-short 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
Company features	<ul style="list-style-type: none"> Objective to achieve absolute returns in excess of the benchmark 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 code share price	APL \$1.10
ASX code option price	APLO \$0.040
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. ¹
Performance fee	15% (plus GST) of net return in excess of benchmark
Market capitalisation	\$312m
Options outstanding	283,636,364
Options exercise price	\$1.10
Options expire	15 Oct 2018

¹ 1.1275% p.a. inclusive of the net impact of GST and RITC.

NET TANGIBLE ASSETS (NTA)

NTA before tax	\$1.117
NTA after tax on realised gains	\$1.117
NTA after tax on realised & unrealised gains	\$1.112

INVESTMENT MANAGEMENT | BOARD OF DIRECTORS

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

² Non-Executive Director

NET PERFORMANCE (%)

Period	Portfolio	Benchmark	Value add
1 month	-2.5%	-2.0%	-0.5%
3 month	4.7%	6.0%	-1.3%
Inception	4.8%	4.5%	0.4%

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	4.1
Samsung Electronics	Korea	3.4
Baidu	China/HK	3.2
Gilead Sciences	United States	3.1
KB Financial Group	Korea	2.8
Mediobanca	Italy	2.5
Microsoft Corporation	United States	2.4
Cisco Systems	United States	2.4
Inpex Corporation	Japan	2.4
China Mobile Limited	China/HK	2.4

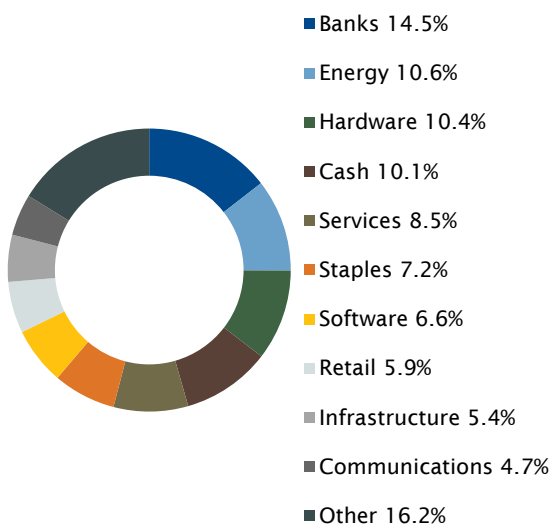
MARKET COMMENTARY

USD TOTAL RETURNS TO 31 JANUARY 2017

	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	2.0%	2.1%	3.7%	6.2%	2.7%	4.6%	0.5%	5.8%	1.1%	1.9%	4.8%	2.5%	3.6%	1.0%
1Y	19.6%	8.8%	15.7%	21.2%	13.0%	36.3%	66.7%	9.1%	1.5%	18.9%	7.3%	(0.1%)	7.5%	(6.6%)

- During January global equity markets rose +2.7% (USD terms, -2.0% AUD) with significant strength in Korea (+7.7%), Japan (+3.7%) and Emerging Markets (+5.5%) whilst Developed Markets (+2.4%) lagged.
- Global sector wise Materials (+7.3%), Information Technology (+5.2%) and Consumer Discretionary (+3.5%) outperformed whilst Healthcare (+2.2%), Consumer Staples (+1.7%), Telecommunication Services (+1.2%) and Utilities (+1.0%) underperformed.
- Global valuation dispersion continues to narrow from 30 year extremes with Value (typified by Financials and Resources) outperforming Profitability, Growth, Momentum & Volatility (typified by Bond Proxies and expensive Defensives).
- Intensifying inflationary expectations, political uncertainty and protectionist rhetoric fuelled broad based USD weakness (DXY -2.6%) and Gold strength (+5.8%).
- Whilst U.S. 10Y bond yields remained flat on the month, Eurozone yields rallied on the back of stronger macroeconomic data. Against a backdrop of weak European price action the portfolio added to its **European Recovery** exposure.
- The prospect of infrastructure biased expansionary fiscal policy, coupled with low investor positioning and a weaker USD saw continued momentum in commodity sectors. Energy (-2.3%) was the exception with concerns around a resurgence in U.S. shale production offsetting OPEC's agreement to cut production late last year.
- Major contributors to performance included our High Yield (short), High Cost Oil (short), Korean (e.g. **KB Financial**, **Samsung Electronics**) and Gold (e.g. **Barrick Gold**) exposures, whilst Online Services (e.g. **LINE**), U.S. Natural Gas (e.g. **CONSOL Energy**), European Recovery (e.g. **Telecom Italia**) and Low Cost Oil (e.g. **Inpex**) exposures detracted.

SECTOR ALLOCATION³



³ Antipodes Partners classification. Long portfolio only.

FURTHER INFORMATION

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GEOGRAPHIC ALLOCATION (%)

Region/Country ⁴	Long (%)	Net (%)	Currency (%)
United States	24.3	6.4	41.1
Developed Asia	22.8	19.5	16.2
Korea	15.3	15.3	10.2
Japan	7.5	4.8	5.9
Taiwan	-	-0.5	-
Developing Asia	18.7	16.2	2.7
China/Hong Kong	16.9	14.3	0.8
India	1.9	1.9	1.9
Western Europe	21.3	15.2	28.1
Eurozone	19.8	16.3	19.9
United Kingdom	1.0	0.4	1.0
Other	0.5	-1.6	7.2 ⁵
Australia	1.5	-1.6	10.9
Other	1.3	1.3	1.0
Total Equities	89.9	57.0	-
Cash	10.1	-	-
Total	100.0	-	100.0

⁴ Includes depositary receipts. ⁵ 7.2% exposure to Norwegian Krone.

DISCLAIMER

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