

Antipodes Global Investment Company Limited (ASX:APL)

ACN 612 843 517

UPDATE AS AT 31 JANUARY 2019

COMPANY PERFORMANCE

- The Company's NTA before all taxes⁵ increased by 1.4%, while the benchmark increased by 4.2%.

PORFOLIO COMMENTARY

- The portfolio underperformed its benchmark. Major contributors to performance included our Global Cyclical, Online Services, Consumer Incumbent, Low Cost Oil, Natural Gas, Software Incumbent and Healthcare exposures, whilst our Connectivity, Telecommunication Incumbent and short exposures detracted.
- Global equity markets rebounded 4.2% (AUD) in January as fears around global growth abated. Global cyclical and technology stocks outperformed, with investors showing a stylistic preference for both "value" and "growth". Supported by dovish sentiment from the US Federal Reserve (Fed), volatility receded and credit spreads narrowed.
- US equities outperformed, reversing most of December's decline. Amidst continued signs of a maturing US economy, the Fed signalled a willingness to remain flexible on its path for monetary policy, easing fears of a policy induced error. Against this backdrop, the dollar weakened, buoying sentiment in Emerging Markets.
- Positive signals from ongoing US-Sino trade talks alleviated growing concerns over the knock-on effects to Asian supply chains. Chinese equities outperformed as the central government indicated that they would continue to stimulate the local economy, whilst Korean equities benefitted from an improved global growth/trade outlook. Brazilian equities were a standout performer, with optimism continuing to build around Jair Bolsonaro's fiscal and pension system reform agenda. Oil pushed higher as OPEC production fell against an improved demand outlook.

COMPANY FACTS

Investment manager	Antipodes Partners
ASX code share price	APL \$1.080
Inception date	11 October 2016
Listing date	18 October 2016
Management fee	1.10% p.a. ¹
Performance fee	15% ¹ of net return in excess of benchmark ⁸
Market capitalisation	\$596m

¹ Inclusive of the net impact of GST and RITC

NET TANGIBLE ASSETS (NTA)²⁻⁵

Pre-tax NTA ³	Post-tax NTA ⁴
\$1.114	\$1.122

² NTA calculations exclude Deferred Tax Assets relating to capitalised cost deductions of \$0.002 per share. ³ Pre-tax NTA includes tax on realised gains and other earnings, but excludes any provision for tax on unrealised gains ⁴ Post-tax NTA includes tax on realised and unrealised gains and other earnings ⁵ NTA before all taxes was \$1.153 at 31 January 2019. This represents the NTA excluding all income tax related assets and liabilities.

PERFORMANCE (%)

	Company ⁶	Portfolio ⁷	Benchmark ⁸
1 month	1.4	1.4	4.2
CYTD	1.4	1.4	4.2
1 year	-6.3	1.4	2.7
2 year p.a.	3.7	9.0	10.8
Inception p.a.	5.3	9.9	11.4
Inception	12.6	24.4	28.3
Up-market capture ⁹	-	82	-
Down-market capture ⁹	-	75	-

Past performance is not a reliable indicator of future performance. ⁶ Movement in NTA before all taxes for the period which makes the result comparable to an unlisted managed fund. This figure incorporates the net portfolio performance less costs of managing/administering the Company and any dilution caused by options being exercised, and assumes the reinvestment of dividends paid ⁷ Net of portfolio related fees and costs ⁸ MSCI All Country World Net Index in AUD (portfolio's benchmark) ⁹ An upside (downside) capture ratio indicates the degree to which the portfolio has outperformed the benchmark during periods of positive (negative) benchmark returns

Antipodes Partners	<ul style="list-style-type: none"> Global pragmatic value manager, long only and long-short We take advantage of the market's tendency for irrational extrapolation, identify investments that offer a high margin of safety and build portfolios with a capital preservation focus
Company features	<ul style="list-style-type: none"> 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

ASSET ALLOCATION

	Long		Short	
	Equities	Other ¹⁰	Equities	Other ¹⁰
Weight (% NAV)	92.0	2.3	-31.3	-0.1
Count	61	3	62	4
Avg. weight	1.5	0.8	-0.5	0.0
Top 10 (% NAV)	26.0	-	-11.1	-
Top 30 (% NAV)	63.5	-	-22.5	-

¹⁰ Index futures and other non-single stock derivatives

TOP 10 EQUITY LONGS (%)

Name	Country	Weight
Cisco Systems	United States	2.8
Electricite de France	France	2.7
Baidu	China/HK	2.7
KB Financial Grou	Korea	2.6
General Electric	United States	2.6
Ping An Insurance	China/HK	2.6
Tapestry	United States	2.6
Samsung Electronics	Korea	2.5
KT Corporation	Korea	2.5
China Mobile	China/HK	2.4

CURRENCY EXPOSURE¹¹ (%)

ISO	Cash equity	Currency	Difference
JPY	10.2	16.8	6.6
CHF	3.5	9.6	6.1
USD	27.8	30.0	2.2
SEK	0.0	2.2	2.2
NOK	0.0	2.0	2.0
BRL	0.0	1.7	1.7
AUD	1.9	3.7	1.7
GBP	0.0	1.1	1.1
INR	0.8	0.9	0.1
MXN	0.4	0.4	0.0
KRW	10.0	8.4	-1.6
SGD	0.0	-2.4	-2.4
HKD	0.0	-2.7	-2.7
EUR	20.2	17.4	-2.8
CNY	17.2	10.9	-6.4

¹¹ Where possible, regions, countries and currencies classified on a look through basis

FURTHER INFORMATION

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SECTOR EXPOSURE¹² (%)

Sector	Long	Short	Net
Banks	12.0	-4.2	7.8
Industrial	8.5	-4.6	3.9
Software	8.4	-4.1	4.3
Internet	8.3	-0.3	8.0
Communications	8.3	-1.3	7.0
Hardware	7.6	-1.3	6.2
Energy	7.2	-0.5	6.7
Healthcare	6.1	-1.0	5.0
Durables	4.3	0.0	4.3
Other	23.7	-14.1	9.6

¹² Antipodes Partners classification

REGIONAL EXPOSURE^{11, 12} (%)

Region	Long	Short	Net
North America	27.8	-19.3	8.5
Developed Asia	20.2	-4.0	16.2
<i>Korea/Taiwan</i>	10.0	-0.9	9.1
<i>Japan</i>	10.2	-3.1	7.1
Developing Asia	18.0	-2.2	15.8
<i>China/Hong Kong</i>	17.2	-2.2	15.0
<i>India</i>	0.8	0.0	0.8
Western Europe	23.7	-4.3	19.4
<i>Eurozone</i>	20.2	-2.1	18.1
<i>United Kingdom</i>	0.0	-0.7	-0.7
<i>Rest Western Europe</i>	3.5	-1.6	1.9
Australia	1.9	-1.5	0.4
Rest of World	0.4	0.0	0.4
Total Equities	92.0	-31.3	60.7
Other	2.3	-0.1	2.2
Cash	5.7	-	-
Totals	100.0	-31.4	62.9

MARKET CAP EXPOSURE (%)

Band	Long	Short	Net
Mega (>\$100b)	27.3	-2.0	25.3
Large (>\$25 <\$100b)	33.2	-12.5	20.7
Medium (>\$5 <\$25b)	26.4	-14.0	12.4
Small (<\$5b)	7.3	-2.9	4.4

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