

Pinnacle backs Mitchell in equity drive

Exclusive

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Three months after Jacob Mitchell left Platinum Asset Management, the former deputy chief investment officer to star fund manager Kerr Neilson is setting up his own global equities house, taking on the likes of Platinum and Magellan Financial Group.

Mr Mitchell, a 14-year veteran at well-known global equities funds management group Platinum, has established Antipodes Partners, which will oversee global and Asian equity portfolios. The new fund house is backed by Pinnacle Investment Management, which provides business support to a range of boutiques including Hyperion Asset Management.

Mr Mitchell had looked after about 15 per cent of Platinum's flagship multibillion-dollar International Fund, the Japan Fund and part of the Asia Fund before resigning in November.

Antipodes will start with about \$200 million in seed money from Perennial's international equities business, which was taken over by Pinnacle in November. "Ultimately, I've always wanted to build a global performance-based investment business with a classic con-

Key points

Philosophy is putting the emphasis back on the team and the process.

Antipodes Partners will open its doors to new money on Thursday.

trarian ... approach to make money for clients – that's always been my vision," Mr Mitchell said.

"It's going to be less about the guru portfolio manager and putting the emphasis back on the team and the process."

He will be joined by James Rodda, investment analyst from Platinum's Asia team, and Rameez Sadikot from the quantitative and macro division at the global equities house. The boutique, which will open its doors to new money on Thursday, will manage high-conviction global and Asian equity portfolios that span long-short and long-only strategies.

Antipodes will be majority owned by its investment staff, with Pinnacle controlling 22.5 per cent of the company.

"It's in line with the philosophy with Pinnacle more generally, that the



The world awaits and Jacob Mitchell is ready to roll with Antipodes Partners. PHOTO: CHRISTOPHER PEARCE

majority of the equity should be in the hands of investment professionals," Pinnacle Investment Management director Andrew Findlay said.

During his tenure at Platinum, Mr Mitchell also served as portfolio manager for the Platinum Unhedged Fund, which achieved 6 per cent annual out-performance after fees. He started his investment career at Tyndall, after being inspired by his "very enthusiastic" high school economics teacher Kerry Bartlett, who later became a Liberal Party member.

Mr Mitchell was recruited and trained more than 20 years ago at Tyndall by value-investing doyen Peter Pedley. Before his stint at Platinum, Mr Mitchell was head of technology and

emerging industrials research at UBS Warburg Australia.

He expects an increasing demand for global and Asian equities as Australian investors hunt for new investment classes to park their retirement savings. Record low interest rates coupled with squeezed returns from term deposits are forcing more investors back into equities, with many Australians increasingly eyeing investments overseas to diversify their portfolios.

The bigger opportunities to glean good returns can be traced back to the boom in Asia, large-cap technology stocks and the energy sector, he argued. "Asia has some interesting valuations, less so Japan today compared with how cheap Japan was three

years ago. But I think the opportunities are to find quality franchise-type companies in Asia, and they exist," he said.

"This idea that they can only be found in developed markets is bad analysis. Secondly, there's still opportunities in the developed markets – I'd be focused on some of the large-cap tech stocks [Google for example] – they offer a better risk-and-reward scenario."

"Finally, you should be looking at the energy patch for the higher-quality, longer-duration businesses."

Pinnacle managing director Ian Macoun said many institutions, advisers and high-net-worth investors have been keen to find out what Jacob will do next. "So it's exciting to now be launching our plans," he said.