

# Antipodes Global Investment Company Limited (ASX:APL)

ACN 612 843 517

## COMPANY UPDATE AS AT 30 APRIL 2017

<b>Antipodes Partners</b>	<ul style="list-style-type: none"> <li>Global pragmatic value manager, long only and long-short</li> <li>Structured to reinforce alignment between investors and the investment team</li> <li>We take advantage of the market's tendency for <i>irrational extrapolation</i>, identify investments that offer a high <i>margin of safety</i> and build portfolios with a <i>capital preservation</i> 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   \$1.180
ASX code   option price	APLO   \$0.090
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	\$338m
Options outstanding	283,028,996
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 (after tax on realised gains only)	\$1.187
NTA (after tax on realised & unrealised gains)	\$1.158

## 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>
<b>Portfolio Manager</b> Jacob Mitchell	Lorraine Berends <sup>2</sup> Andrew Findlay Alex Ihlenfeldt

<sup>2</sup> Independent Director

## NET PERFORMANCE (%)

Period	Portfolio	Benchmark	Value add
1 month	1.8%	3.6%	-1.8%
3 month	6.0%	7.3%	-1.3%
6 month	11.1%	13.7%	-2.6%
Inception	11.2%	12.1%	-0.8%

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	4.2
Baidu	China/HK	3.6
Gilead Sciences	United States	2.9
Samsung Electronics	Korea	2.9
Cisco Systems	United States	2.8
Office Depot	United States	2.7
Inpex Corporation	Japan	2.6
RWE AG	Germany	2.6
KB Financial Group	Korea	2.5
ING Groep	Netherlands	2.5

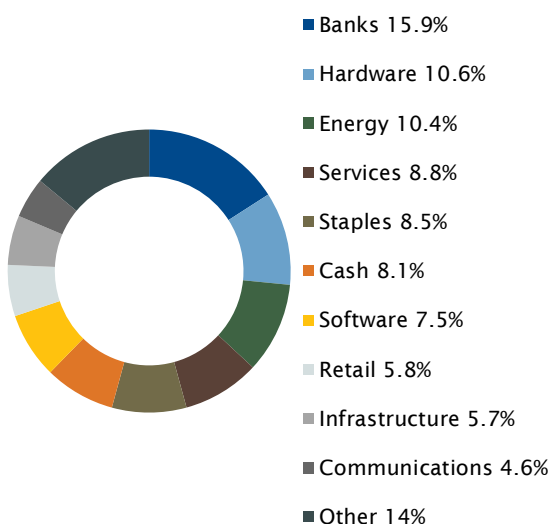
## MARKET COMMENTARY

### USD TOTAL RETURNS TO 30 APRIL 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	1.0%	3.5%	1.0%	2.2%	(1.3%)	2.3%	(2.8%)	1.7%	1.2%	1.5%	(2.0%)	1.8%	0.0%	(0.1%)
1Y	17.4%	10.9%	10.5%	21.1%	4.6%	12.6%	9.9%	(1.5%)	(3.6%)	11.6%	(2.0%)	(4.9%)	(4.0%)	(6.0%)

- During April global equity markets rose +1.6% (USD terms, +3.6% AUD) with significant strength in Europe (+3.5%) and Emerging Markets (EM, +2.2%) whilst China (-1.3%), Japan (+1.0%), Korea (+1.0%) and the U.S. (+1.0%) lagged.
- Global sector-wise Consumer Discretionary (+2.9%), Information Technology (+2.8%), and Industrials (+2.7%) outperformed whilst Energy (-1.9%), Telecommunication Services (-1.0%) and Utilities (+0.5%) underperformed.
- Global factor-wise stocks with high Profitability/Growth & low Volatility characteristics (e.g. Bond Proxies & expensive Defensives) outperformed those with low multiples (e.g. Financials, Energy & Communications).
- Receding political risk premiums and a broadening macroeconomic recovery drove a relief rally in European equities and currencies (GBP +3.5%, EUR +1.8%). French reformist and E.U. supporter Emmanuel Macron claimed victory over far right candidate Marine Le Pen in the first round of the French presidential election (subsequently, Macron claimed 68% of the vote in the May runoff), whilst the snap general election called by British Prime Minister Theresa May was perceived to strengthen the nation's position in Brexit negotiations.
- Following the impeachment of Korean President Park Geun-hye in March, reformer Moon Jae-in polled strongly by tapping into the country's appetite for change, favouring chaebol reform and rapprochement with North Korea (subsequent to month-end, Moon Jae-In has been elected President).
- In China, the scale of monetary tightening and government-led de-leveraging efforts increased, prompting weakness in local equities and coincided with a broad re-pricing of commodities and related currencies (AUD -2.0%, RUB -1.1%, BRL -0.7%). In contrast, electoral certainty in Indonesia, tax-reform progression in India and the Philippines, coupled with strong regional macroeconomic data saw Emerging Asia ex China trend higher.
- Despite a modest slowdown in economic growth, the Federal Reserve revealed its intention to unwind its US\$4.5 trillion balance sheet, supportive of its longer term assertion of higher growth and tighter monetary policy.
- Major contributors to performance included our European Recovery (e.g. **Telecom Italia**), EM Consumer (e.g. **Jiangsu Yanghe Brewery**), Software Incumbent (e.g. **Microsoft**) and Online Services (e.g. **Baidu**) exposures, whilst our Korean (e.g. **Hyundai Motor**), U.S. Natural Gas (e.g. **CONSOL Energy**), Gold (e.g. **Barrick Gold**) and short exposures detracted.

### 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	23.9	4.6	30.7
Developed Asia	21.5	19.2	15.8
Korea	13.3	13.3	8.6
Japan	8.2	5.9	7.1
Developing Asia	19.7	17.2	10.0
China/Hong Kong	17.9	16.2	8.2
India	1.8	1.1	1.8
Western Europe	23.3	16.1	31.0
Eurozone	20.2	15.9	18.2
United Kingdom	2.6	1.4	7.2
Other	0.5	-1.2	5.6 <sup>5</sup>
Australia	1.2	-2.2	10.1
Other	2.3	2.3	2.4
<b>Total Equities</b>	<b>91.9</b>	<b>57.2</b>	-
<b>Cash</b>	<b>8.1</b>	-	-
<b>Total</b>	<b>100.0</b>	-	<b>100.0</b>

<sup>4</sup> Includes depositary receipts <sup>5</sup> 5.1% exposure to Norwegian Krone

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