# VGI PARTNERS Global Investments

# Monthly NTA Statement as at 30 June 2019

### Overview and Investment Philosophy

The Manager's risk-adjusted return philosophy is implemented through three key tenets: VG1, the Company, provides investors with access to a concentrated portfolio, predominately comprised of Long investments and Short positions in global listed securities; and the investment expertise of VGI Partners, the Manager.

## 01

#### **Capital preservation**

The Manager believes that risk comes from not properly understanding your investments and places a great deal of importance on assessing downside risk.

02

# Superior long-term compound growth

The Manager believes that great businesses purchased with a 'margin of safety' held for the long term are best placed to provide superior compound returns.

# 03

#### Concentration

The Manager aims to be concentrated enough in its best ideas so as not to dilute overall returns but hold enough Long investments in order to provide an appropriate level of diversification. The Top five Long investments typically represent 40-50% of the portfolio NAV.

#### **Key Details**

ASX Code	VG1
Share Price	\$2.37
Listing Date	28 September 2017
Portfolio Size	\$976.0 million
Shares on Issue	406.9 million
Market Capitalisation	\$964.4 million

#### **Investment Guidelines**

No. of Long Investments	No. of Short Positions
Typically, 10 to 25;	Typically, 10 to 35;
currently 19	currently 17

#### **Month End Exposures**

Long Equity Exposure	70%
Short Equity Exposure	(18%)
Gross Equity Exposure	88%
Net Equity Exposure	52%
Cash Weighting	48%

#### Net Tangible Asset (NTA) Per Share

Pre-Tax NTA<sup>1</sup>

Post-Tax NTA<sup>2</sup>

Source: Citco Fund Services.

<sup>1</sup> 'Pre-Tax NTA' is calculated before all taxes.

<sup>2</sup> 'Post-Tax NTA' is calculated after tax on realised gains/losses, deferred tax assets and deferred tax liabilities, but before allowing for deferred tax liabilities/deferred tax assets on unrealised gains/losses. The NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses is \$2.31 per share.

Net Performance	Pre-Tax NTA	Post-Tax NTA	Share Price
1 month	2.0%	1.3%	0.9%
3 months	6.4%	5.7%	0.8%
6 months	8.4%	7.6%	8.5%
Financial Year	11.7%	10.2%	6.6%
Since Inception	21.3%	20.3%	21.0%
Compound Annual Return	11.6%	11.2%	11.5%

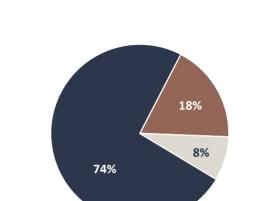
Sources: Citco Fund Services (NTA), Bloomberg (Share Price).

All data has been adjusted for VG1's recent capital raisings. Pre-Tax Performance is defined as the movement in Pre-Tax NTA. Post-Tax Performance is defined as the movement in Post-Tax NTA. NTA Performance is shown after all applicable fees and charges. Share Price Performance is defined as the movement in the VG1 Share Price at the end of the period (applying the Price Adjustment Factor from Bloomberg).

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Top Five Long Investments		Long Portfolio by Location of Exchange Listing
1. CME Group Inc.	9%	
2. Amazon.com Inc.	7%	
3. Colgate Palmolive Co.	6%	
4. Spotify Technologies SA	6%	189/
5. MasterCard Inc.	5%	18%
Total Top Five Long Investments	33%	8%
		74%
Net Currency Exposures		
USD	100%	
USD	100%	



■ North America ■ Asia Pacific ■ UK & Europe

#### Commentary

% Portfolio NAV Un-hedged to AUD

The portfolio's return (net of all fees and expenses) for the month of June 2019 was +1.3%. The portfolio's Long investments added 2.4% to performance for the month of June 2019 and the Short portfolio, consisting of single stock Short positions, detracted -0.2% from performance during the month. The Australian Dollar appreciated against the US Dollar during June, which detracted -0.9% from the return.

100%

The \$300 million raised during the recent Placement and Entitlement Offer was immediately transferred from A\$ to US\$. The Manager has begun prudently deploying the capital.

#### **Board of Directors**

**David Jones** Chairman

**Robert Luciano, CFA** Director, Portfolio Manager

**Douglas Tynan, CFA** Director, Head of Research

Lawrence Myers, CA Independent Director

Noel Whittaker AM Independent Director

Adelaide McDonald, CFA Independent Director

#### **Key Contacts**

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