



VGI
PARTNERS

GLOBAL
INVESTMENTS
LIMITED

VGI Partners Global Investments Limited (ASX Code: VG1)

2018 Investor Briefing

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2018 Results Overview

	\$ millions
Income	
Net realised and unrealised gains on investments	\$ 58.9
Interest income	\$ 3.3
Dividend income	\$ 3.5
Total Income	\$ 65.7
Total Expenses	\$(18.3)
Profit before income tax	\$ 47.4

- Inaugural \$47.4 million profit before tax for the ~9 months since listing
- Underpinning the result was a +9.2% increase in the value of the investment portfolio, after tax and all fees. Post-tax NTA increased from \$2.00 at listing to \$2.18 at 30 June 2018
- VG1 share price increased +13.5% from \$2.00 at listing to \$2.27 at 30 June 2018

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.

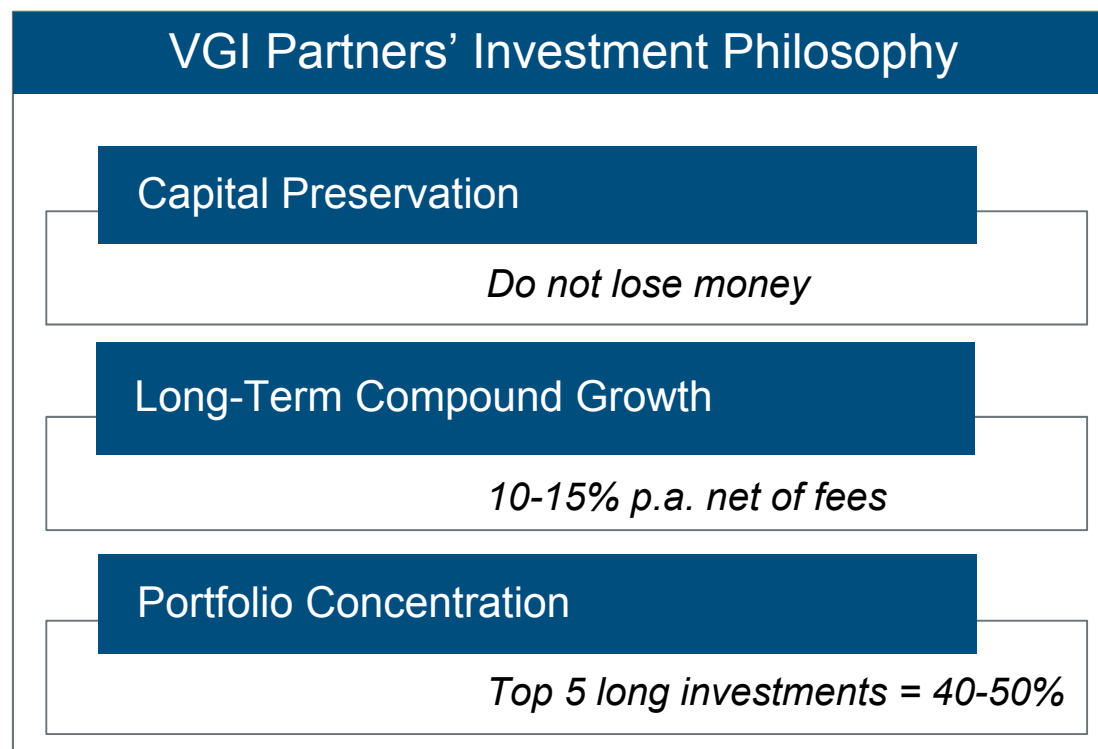
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The Manager – VGI Partners

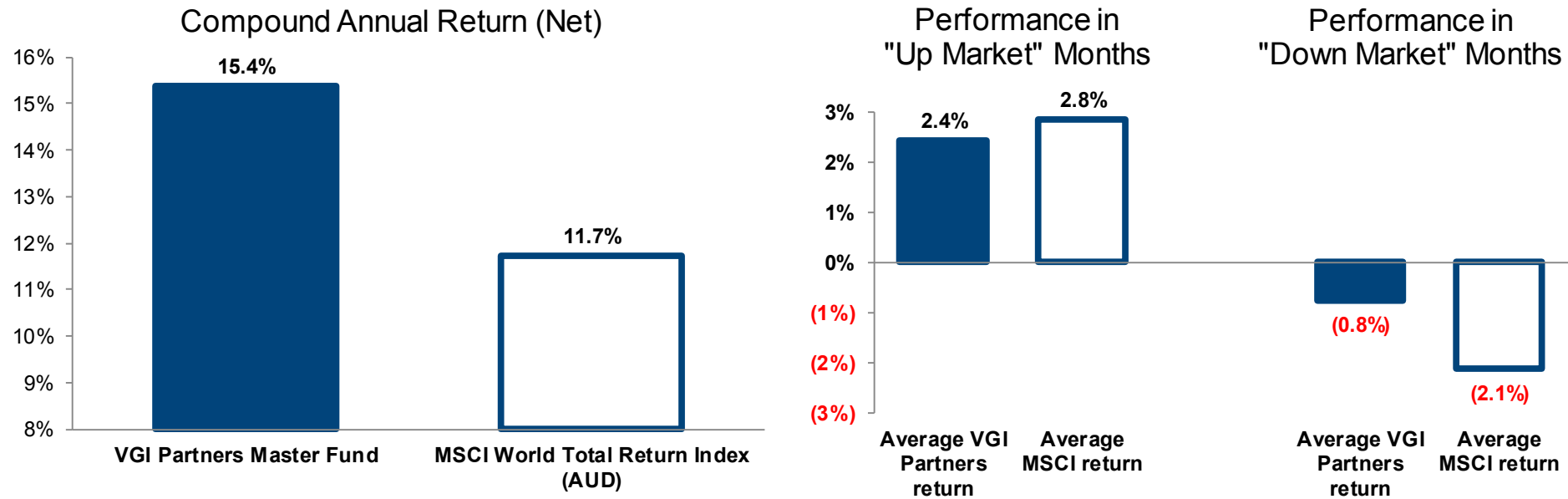
- Boutique manager, focussing on global equities. Long biased, concentrated strategy with selective shorting. Minimal to no leverage utilised
- 20 staff in Sydney, New York and Tokyo
- Deploys a single investment strategy across two funds (AUD/USD), IMAs and VG1
- The Manager is closed to new investment into any of its unlisted funds or IMAs
- VGI Partners' global long/short equities strategy is now only accessible to investors via investing in shares of VG1

Investment Mandate and Philosophy

- Global listed equities portfolio: comprising long, short and cash
- Focus on risk-adjusted returns



Capital Preservation: Performance in Up/Down Months



Source: Citco Funds Services and Bloomberg. Performance is shown after all applicable management and performance fees charged. In the period to 30 September 2018 (a total of 117 months since inception), there has been 73 "up market" months and 44 "down market" months. MSCI = MSCI World Total Return Index (AUD).

Long-Term Performance Objectives Achieved

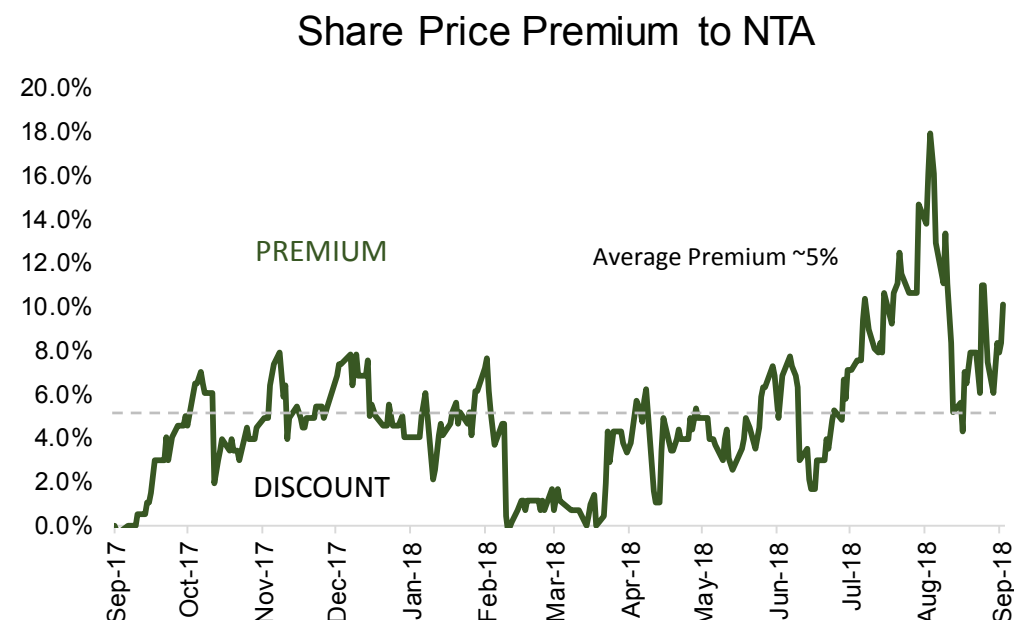
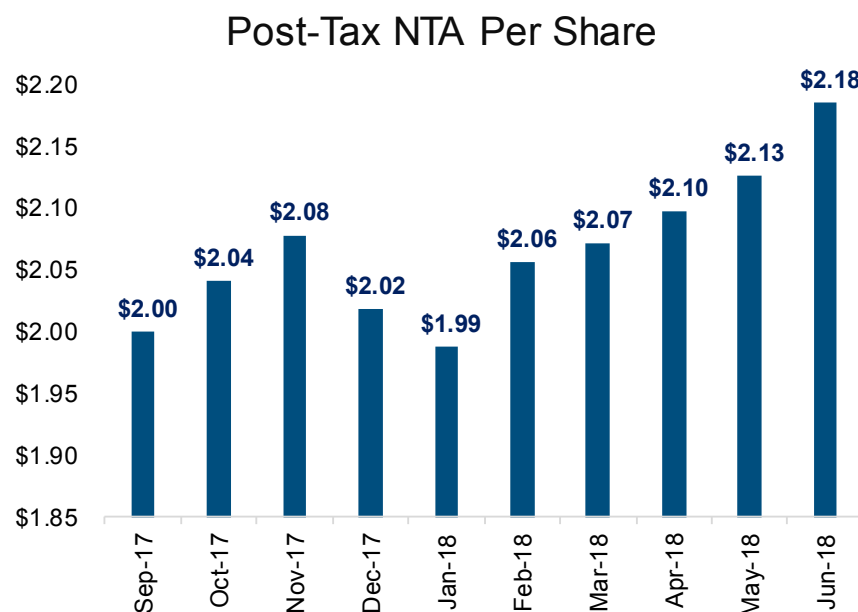
Annual Compound Returns (% p.a.) To 30 September 2018	VGI Partners Master Fund Performance	Performance Objective Achieved (10-15% p.a.)
1 year	26.3%	✓
2 year rolling (p.a.)	16.8%	✓
3 year rolling (p.a.)	12.7%	✓
4 year rolling (p.a.)	18.5%	✓
5 year rolling (p.a.)	17.4%	✓
6 year rolling (p.a.)	18.7%	✓
7 year rolling (p.a.)	17.8%	✓
8 year rolling (p.a.)	16.6%	✓
9 year rolling (p.a.)	16.1%	✓
Since inception (p.a.)	15.4%	✓

Source: VGI Partners and Citco Funds Services. Performance is shown after all applicable management and performance fees charged. The VGI Partners Master Fund inception date was 20 January 2009 and the Fund is AUD denominated.

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Net Investment Performance – 25 Sept 2017 to 30 June 2018

- Post-tax NTA grew +9.2% to \$2.18 per share for ~9 months to 30 June 2018
- VG1 share price increased +13.5% from \$2.00 at listing to \$2.27 at 30 June 2018
- VG1 has traded at an average premium of ~5% to post-tax NTA since listing



Source: Citco Fund Services and Bloomberg. Performance is shown after all applicable fees and charges. 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 was \$2.12 per share as at 30 June 2018.

- No dividend declared

July – September 2018 Performance

- Post-tax NTA increased from \$2.18 to \$2.26 per share
- VG1's share price increased +10.1% from \$2.27 to \$2.50 per share
- VG1 has traded at a ~8% premium to post-tax NTA since 30 June 2018

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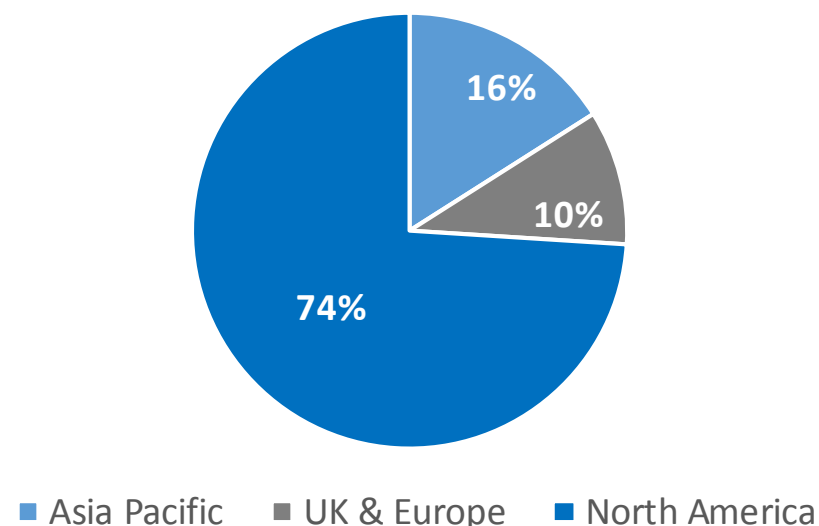
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Portfolio Update as at 30 September 2018

Top 5 Long Investments	30 Sept 2018
CME Group Inc.	11%
Colgate Palmolive Co.	7%
Medibank Private Limited	6%
MasterCard Inc.	5%
Praxair Inc.	5%
Total	34%

Month End Exposures	30 Sept 2018
Long Equity Exposure	70%
Short Equity Exposure	(28)%
Gross Equity Exposure	98% (70% + 28%)
Net Equity Exposure	42% (70% - 28%)
Cash Weighting	58%

Long Portfolio by Location of Exchange Listing



Net Currency Exposure	30 Sept 2018
USD	100%

Source: VGI Partners, Citco Fund Services.

Portfolio Update – Deployment

- We have been patiently and steadily deploying the portfolio, given our focus on preservation of investors' capital
- The portfolio was invested to ~80% of targeted individual stock weightings at 30 September 2018, on average across the entire portfolio
- It has been challenging for the Manager to prudently replicate weightings in two Long investments, Amazon and MasterCard
- It may take several more months to fully deploy the portfolio, depending on market conditions and stock specific opportunities

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General Market Commentary

- High-quality businesses continue to trade at valuations which imply unlikely levels of growth into perpetuity, combined with an expectation that interest rates will remain low forever
- As global interest rates normalise we believe this will lead to increased volatility
- With a high level of cash, VGI Partners is well positioned to take advantage of any future equity market sell-offs – whenever they may occur
- We can be the ‘strong hands’ who purchase at advantageous prices from ‘weak hands’

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Alignment of Interests

- Three precedent setting commitments:
 1. The Manager is paying for all upfront listing costs of VG1
 2. All operating costs (where possible) are paid for by the Manager
 3. The owners of VGI Partners will reinvest all performance fees earned on an after-tax basis into VG1

- VGI Partners' staff are prohibited from purchasing securities outside the VGI Funds and VG1

- Demonstrates true alignment of interests with VG1 shareholders

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Shareholder Engagement

- Investor Letter from the Manager in January and July
- Investor Events:
 - Half year and full year results conference calls
 - Annual national roadshow including investor briefings in Brisbane, Adelaide, Perth, Sydney and Melbourne
 - AGM at 10:30am on Monday 19 November 2018 at Customs House Sydney
- Independent Research
 - Zenith and IIR

Electronic Communication Election

- Please elect electronic communications to stay informed – sign up at the registration desk
- Contact our Investor Relations team if you have any questions

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