

**VGI Partners Global Investments Limited**  
**ABN 91 619 660 721**

**APPENDIX 4D**  
**HALF YEAR REPORT**  
**For the half year ended 31 December 2018**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET**  
*All comparisons to the half year ended 31 December 2018*

**Report for the half year ended 31 December 2018**

**Results for announcement to the market**

	\$	Movement	% Mvmt (A)
Revenue from ordinary activities	29,842,804	▲	222%
Profit before tax for the period	18,021,371	▲	236%
Profit from ordinary activities after tax attributable to members	13,246,024	▲	252%

**Dividends**

There were no dividends paid or proposed during the period.

<b>Net tangible assets per share</b>	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>
Pre-tax	2.24	2.02
Post-tax excluding deferred tax liabilities / deferred tax assets on unrealised gains/losses	2.24	2.02
Post-tax including deferred tax liabilities / deferred tax assets on unrealised gains/losses	2.17	2.01

(A) VGI Partners Global Investments Limited listed on the ASX on 28 September 2017.

*This report is based on the Half Year Financial Report which has been subject to an independent review by the Auditors, Pitcher Partners. All the documents comprise the information required by Listing Rule 4.2A. This information should be read in conjunction with the 30 June 2018 Annual Financial Report.*

**VGI Partners Global Investments Limited**  
**ABN 91 619 660 721**

**INTERIM FINANCIAL REPORT  
FOR THE HALF YEAR ENDED  
31 DECEMBER 2018**

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**VGI Partners Global Investments Limited**  
**ABN 91 619 660 721**

**CORPORATE DIRECTORY**

<b>Directors</b>	David Jones Robert Luciano Douglas Tynan Jaye Gardner Noel Whittaker Lawrence Myers
<b>Secretary</b>	Ian Cameron
<b>Investor Relations Manager</b>	Victoria Arthur Telephone: (02) 9237 8921
<b>Investment Manager</b>	VGI Partners Pty Limited ABN 33 129 188 450
<b>Registered Office</b>	39 Phillip Street Sydney, NSW 2000, Australia
<b>Prime Brokers and Custodians of the Company</b>	Deutsche Bank AG Winchester House, 1 Great Winchester Street London, EC2N 2DB, United Kingdom  Morgan Stanley & Co. LLC 1585 Broadway, 6 <sup>th</sup> Floor New York, NY 10036, United States of America
<b>Auditor</b>	Pitcher Partners Level 22, MLC Centre 19 Martin Place Sydney, NSW 2000, Australia Telephone: (02) 9221 2099
<b>Lawyers</b>	Kardos Scanlan Pty Limited Level 5, 151 Castlereagh Street Sydney, NSW 2000, Australia Telephone: (02) 9176 5290
<b>Share Registrar</b>	Boardroom Pty Limited Level 7, 225 George Street Sydney, NSW 2000, Australia Telephone: (02) 9290 9600
<b>Stock Exchange</b>	Australian Securities Exchange ("ASX") The home exchange is Sydney, Australia ASX code: VGI Partners Global Investments Limited ("VG1")

**VGI Partners Global Investments Limited**  
**ABN 91 619 660 721**

**DIRECTORS' REPORT TO SHAREHOLDERS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

**Directors' Report**

The Directors of VGI Partners Global Investments Limited ("the Company") present their report together with the condensed interim financial report for the half year ended 31 December 2018.

VGI Partners Global Investments Limited is a company limited by shares and is incorporated in Australia and quoted on the ASX (ticker code: VG1).

**Directors**

The names of the Directors in office at any time during or since the end of the period are as follows:

<b>Name</b>	<b>Position</b>	<b>Date appointed</b>
David F. Jones	Chairman	9 June 2017
Robert M. P. Luciano	Director	9 June 2017
Douglas H. Tynan	Director	9 June 2017
Lawrence Myers	Independent Director	4 July 2017
Noel J. J. Whittaker	Independent Director	7 July 2017
Jaye L. Gardner	Independent Director	25 July 2017

**Principal Activity**

The principal activity of the Company is to provide shareholders with access to a concentrated portfolio, predominately comprised of long and short positions in global listed securities; and the investment expertise of VGI Partners Pty Limited, the Investment Manager.

There have been no significant changes in the nature of these activities during the period.

**Review of Operations**

Investment operations during the half year resulted in an operating profit before tax of \$18,021,371 (2017: \$5,368,198) and an operating profit after tax of \$13,246,024 (2017: \$3,757,738).

The investment portfolio returned +2.4% net of fees for the six months to 31 December 2018 and +10.8% for the 2018 calendar year.

The Investment Manager has been patiently and steadily deploying the capital such that as at 31 December 2018, the portfolio was approximately 85% of targeted individual stock weightings. Given the Investment Manager's focus on preservation of investors' capital, the Investment Manager may take several more months to fully deploy the portfolio, depending on market conditions.

**Financial Position**

As at 31 December 2018, the Company had net assets of \$602,100,086 (2017: \$553,757,740).

**Dividends**

The Directors have not declared a dividend for the reporting period ending 31 December 2018.

**Rounding of Amounts to Nearest Dollar**

In accordance with *ASIC Corporations (Rounding in Directors' Reports) Instrument 2016/191*, the amounts in the Directors' Report have been rounded to the nearest dollar.

**Auditor's Independence Declaration**

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for this period is set out on page 4 of this Financial Report.

This report is made in accordance with a resolution of the Board of Directors.



**David Jones**  
Chairman

Sydney, 29 January 2019

**AUDITOR'S INDEPENDENCE DECLARATION  
TO THE DIRECTORS OF VGI PARTNERS GLOBAL INVESTMENTS LIMITED  
ABN 91 619 660 721**

In relation to the independent auditor's review for the half-year ended 31 December 2018, to the best of my knowledge and belief there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of VGI Partners Global Investments Limited during the period.



SCOTT WHIDDETT  
Partner

PITCHER PARTNERS  
Sydney

29 January 2019

**VGI Partners Global Investments Limited**  
**ABN 91 619 660 721**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	Notes	December 2018 \$	December 2017 (A) \$
<b>INCOME</b>			
Net realised and unrealised gain/loss on investments		22,147,473	7,147,568
Dividend income		4,504,387	1,017,884
Interest income		3,187,130	1,095,485
Other income		3,814	2,925
<b>Total Income</b>		<b>29,842,804</b>	<b>9,263,862</b>
<b>EXPENSES</b>			
Performance fees		(3,272,480)	(986,563)
Directors fees including on costs		(82,500)	(82,500)
Finance costs		(1,065,279)	(191,127)
Stock loan fees		(404,036)	(39,073)
Dividends on shorts		(2,187,521)	(73,400)
Directors insurance fees		(146,630)	(112,105)
Receivable amortisation		(4,662,392)	(2,256,953)
Withholding tax		-	(152,292)
Other trade related expenses		(595)	(1,651)
<b>Total Expenses</b>		<b>(11,821,433)</b>	<b>(3,895,664)</b>
<b>Profit before income tax</b>		<b>18,021,371</b>	<b>5,368,198</b>
Income tax expense		(4,775,347)	(1,610,460)
<b>Profit attributable to members of the Company</b>		<b>13,246,024</b>	<b>3,757,738</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period</b>		<b>13,246,024</b>	<b>3,757,738</b>
<b>Basic and diluted earnings per share</b>	6	<b>4.8 cents</b>	<b>2.9 cents</b>

(A) The Company listed on the ASX on 28 September 2017.

The accompanying notes form part of these financial statements



**VGI Partners Global Investments Limited**  
**ABN 91 619 660 721**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Notes	As at December 2018 \$	As at June 2018 \$
<b>ASSETS</b>			
Cash and cash equivalents		309,063,575	349,442,336
Trade and other receivables		5,209,893	9,380,780
Financial assets (securities owned long)	5	464,962,934	397,912,493
Deferred tax assets		3,003,617	5,715,388
<b>Total Assets</b>		<b><u>782,240,019</u></b>	<b><u>762,450,997</u></b>
<b>LIABILITIES</b>			
Trade and other payables		4,029,702	8,996,202
Financial liabilities (securities sold short)	5	154,106,877	149,808,076
Current tax liabilities		2,326,838	-
Deferred tax liabilities		19,676,516	19,939,778
<b>Total Liabilities</b>		<b><u>180,139,933</u></b>	<b><u>178,774,056</u></b>
<b>NET ASSETS</b>		<b><u>602,100,086</u></b>	<b><u>583,706,941</u></b>
<b>EQUITY</b>			
Issued capital	3	555,676,074	550,528,953
Retained earnings	4(c)	46,424,012	33,177,988
<b>TOTAL EQUITY</b>		<b><u>602,100,086</u></b>	<b><u>583,706,941</u></b>

The accompanying notes form part of these financial statements

**VGI Partners Global Investments Limited**  
**ABN 91 619 660 721**

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	Notes	Issued capital \$	Retained earnings \$	Total Equity \$
<b>Balance at 9 June 2017</b>				
Initial subscription upon incorporation		2	-	2
Shares issued under Initial Public Offer		550,000,000	-	550,000,000
Profit for the period		-	3,757,738	3,757,738
<b>Balance at 31 December 2017</b>		<b>550,000,002</b>	<b>3,757,738</b>	<b>553,757,740</b>
<b>Balance at 30 June 2018</b>				
Profit for the half year		-	13,246,024	13,246,024
Shares issued under Performance fee reinvestment mechanism (August 2018)	4(a)	5,147,121	-	5,147,121
<b>Balance at 31 December 2018</b>		<b>555,676,074</b>	<b>46,424,012</b>	<b>602,100,086</b>

The accompanying notes form part of these financial statements

**VGI Partners Global Investments Limited**  
**ABN 91 619 660 721**

**STATEMENT OF CASH FLOW**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2018**

	<b>December 2018</b>	<b>December 2017 (A)</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from the sale of investments	149,596,110	70,426,507
Payments for the purchase of investments	(207,035,302)	(205,959,503)
Dividends received	4,119,301	263,820
Interest received	3,050,234	679,887
Other income received	-	1,338
Realised foreign exchange gains	13,863,931	-
Performance fees paid	(7,646,086)	-
Stock loan fees paid	(404,036)	(20,699)
Dividends on shorts	(2,475,863)	(63,437)
GST paid	-	(2,543)
Directors insurance fees paid	(146,630)	(112,105)
Director fees paid	(82,500)	(82,500)
Interest paid	(1,062,280)	
Payment for other expenses	257,280	(14,302,938)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(47,965,841)</b>	<b>(149,172,173)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from shares issued	-	550,000,002
Shares issued under performance fee reinvestment mechanism	5,147,121	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>5,147,121</b>	<b>550,000,002</b>
Net (Decrease) / Increase in Cash and Cash Equivalents Held	(42,818,720)	400,827,829
Cash and cash equivalents as at the beginning of the half year	349,442,336	-
Effects of exchange rate changes on cash balances of cash held in foreign currencies	2,439,959	3,578,439
<b>CASH AND CASH EQUIVALENTS AS AT END OF THE PERIOD</b>	<b>309,063,575</b>	<b>404,406,268</b>

(A) The Company listed on the ASX on 28 September 2017.

The accompanying notes form part of these financial statements

**VGI Partners Global Investments Limited**  
**ABN 91 619 660 721**

## **Notes to the Financial Statements**

### **1. Summary of Significant Accounting Policies**

The principal accounting policies adopted in the preparation of the half year financial statements are set out below.

The condensed interim financial statements were authorised for issue on 29 January 2019 by the Board of Directors.

#### **Basis of Preparation**

The half year financial statements are general purpose financial statements for the half year ended 31 December 2018 and have been prepared in accordance with the requirements of the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*.

The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

The report does not include full disclosures of the type normally included in an annual financial report. It is recommended that this half year Financial Report is to be read in conjunction with the Annual Financial Report for the year ended 30 June 2018 and any public announcements made by the Company during the half year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The half year financial statements have been prepared on an accruals basis, and are based on historical costs, except for the revaluation of certain non-current assets and financial instruments which are carried at their fair values. Cost is based on the fair values of the consideration given in exchange for assets.

In accordance with *ASIC Corporations (rounding in Financial Reports) instrument 2016/191*, the amounts in the Financial Report have been rounded to the nearest dollar.

#### **(a) Accounting Policies**

In accordance with its application requirements, the Company adopted AASB 9 from 1 July 2018. All of the Company's investments in financial assets continued to be accounted for at fair value through profit or loss under AASB 9. Accordingly, first time application of AASB 9 had no impact on the Company's accounting for its investments in financial assets. On initial application of AASB 9, the Company also adopted the expected credit loss impairment model. The adoption had no material impact on the carrying amounts of the Company's receivables.

The Statement of Financial Position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and are not distinguished between current and non-current.

### **2. Dividends**

No dividends were declared during the period ended 31 December 2018.

**VGI Partners Global Investments Limited**  
**ABN 91 619 660 721**

**3. Issued Capital**

	31 December 2018		30 June 2018	
	Number of Shares	\$	Number of Shares	\$
Ordinary shares	277,622,923	555,676,074	275,261,858	550,528,953

**4. Movements in Equity**

**(a) Movement in Share Capital**

June 2018	Number of Shares	\$
Initial subscription upon incorporation	1	2
Shares issued under Initial Public Offering	275,000,000	550,000,000
Shares issued under the performance fee reinvestment mechanism (January 2018)	261,857	528,951
<b>Closing balance</b>	<b>275,261,858</b>	<b>550,528,953</b>

  

December 2018	Number of Shares	\$
Balance at the beginning of the period	275,261,858	550,528,953
Shares issued under the performance fee reinvestment mechanism (August 2018)	2,361,065	5,147,121
<b>Closing balance</b>	<b>277,622,923</b>	<b>555,676,074</b>

In accordance with the Investment Management Agreement, the Investment Manager will reinvest all of their after-tax proceeds from any performance fees via a share purchase mechanism. In August 2018, 2,361,065 shares were issued to the owners of the Manager under this mechanism in respect of the performance fees incurred by the Company during the reporting period.

**(b) Comparatives**

As noted in the 30 June 2018 annual report, under the Investment Management Agreement, the Company will not pay any management fees that would otherwise have been payable to the Manager until such time as all of the Company's offer costs have been recouped. These offer costs of \$10,012,057 (net of tax) had initially been recognised in equity as Capitalised Costs of the Offer in the comparative period. Given these costs will be recouped, the Board assessed that the offer costs should be taken to the Statement of Profit or Loss and Other Comprehensive Income as Offer Costs Expense, which offsets Receivable Income to result in a reported outcome more representative of the economic substance of the arrangement of nil Receivable Income on the Statement of Profit or Loss and Other Comprehensive Income. The comparative balances are consistent with the treatment in the 30 June 2018 Annual Report.

**VGI Partners Global Investments Limited**  
**ABN 91 619 660 721**

**4. Movements in Equity (continued)**

**(c) Movement in Retained Earnings**

	<b>31 December 2018</b>	<b>30 June 2018</b>
	\$	\$
Profit attributable to members of the company	46,424,012	33,177,988
	46,424,012	33,177,988

**5. Financial Instruments Measured at Fair Value**

AASB 13: *Fair Value* measurement requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Company's financial assets and liabilities measured and recognised at fair value as at 31 December 2018.

	<b>30 June 2018</b>			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets (securities owned long)	397,912,493	-	-	397,912,493
Financial liabilities (securities sold short)	(149,808,076)	-	-	(149,808,076)
<b>Total</b>	<b>248,104,417</b>	-	-	<b>248,104,417</b>
	<b>31 December 2018</b>			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial assets (securities owned long)	456,685,551	8,277,383	-	464,962,934
Financial liabilities (securities sold short)	(154,106,877)	-	-	(154,106,877)
<b>Total</b>	<b>302,578,674</b>	<b>8,277,383</b>	-	<b>310,856,057</b>

**VGI Partners Global Investments Limited**  
**ABN 91 619 660 721**

**6. Earnings Per Share**

	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$ (A)</b>	<b>\$ (B)</b>
Profit after income tax used in the calculation of basic and diluted earnings per share	13,246,024	3,757,738
Basic and diluted earnings per share	4.8 cents	2.9 cents
	<b>Number of Shares</b>	<b>Number of Shares</b>
Weighted average number of ordinary shares outstanding during the period used in calculating basic and diluted earnings per share	276,870,731	129,490,292

(A) The weighted average number of shares used as the denominator in calculating basic and diluted earnings per share is based on the average number of shares from 30 June 2018 to 31 December 2018.

(B) The prior period earnings per share of 2.9 cents would have been 1.37 cents per share if calculated from 25 September 2017, being the allotment date, as the Company only had one share on issue and no earnings up to this date.

**7. Subsequent Events**

There has not been any matter or circumstance, other than that referred to in the financial statements or notes thereto, that has arisen since the end of the reporting period, that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**8. Capital Commitments and Contingent Liabilities**

There are no contingent liabilities or contingent assets at 31 December 2018.

**9. Segment Information**

The Company has only one reportable segment. The Company is engaged solely in investment activities, deriving revenue from dividend income, interest income and from the sale of its investments.

**VGI Partners Global Investments Limited**  
**ABN 91 619 660 721**

**Directors' Declaration**

In accordance with a resolution of the Directors of VGI Partners Global Investments Limited, the Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 12, are in accordance with the *Corporations Act 2001*, including:

(a) complying with *Accounting Standard AASB 134 Interim Financial Reporting*, the *Corporations Regulations 2001* and any other mandatory professional reporting requirements; and

(b) giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance for the half year ended on that date.

2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.



**David Jones**  
Chairman

Sydney  
29 January 2019



**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF VGI PARTNERS GLOBAL INVESTMENTS LIMITED  
ABN 91 619 660 721**

**Report on the Interim Financial Report**

We have reviewed the accompanying interim financial report of VGI Partners Global Investments Limited ("the company"), which comprises the statement of financial position as at 31 December 2018, statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies, other selected explanatory notes and the directors' declaration of the company.

**Directors' Responsibility for the Interim Financial Report**

The directors of the company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: "*Review of a Financial Report Performed by the Independent Auditor of the Entity*", in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporation Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: "*Interim Financial Reporting*" and the *Corporations Regulations 2001*. As the auditor of VGI Partners Global Investments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of the interim financial report consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

## **Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of VGI Partners Global Investments Limited is not in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.



SCOTT WHIDDETT  
Partner



PITCHER PARTNERS  
Sydney

29 January 2019