



VGI
PARTNERS

GLOBAL
INVESTMENTS
LIMITED

VGI Partners Global Investments Limited

(ASX Code: VG1)

1H 2019 Investor Briefing

5 February 2019

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1H 2019 Results Overview

	\$ millions
Income	
Net realised and unrealised gains on investments	22.1
Interest income	3.2
Dividend income	4.5
Total Income	29.8
Total Expenses	(11.8)
Profit before income tax	18.0

- \$18.0 million profit before tax for the six months to 31 December 2018
- Underpinning the result was a **+2.4%** increase in the value of the investment portfolio, after tax and all fees
- VG1 share price declined **-1.8%** from \$2.27 at 30 June to \$2.23 at 31 December 2018
- VG1 has traded at an average premium of ~5% to post-tax NTA since listing

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.

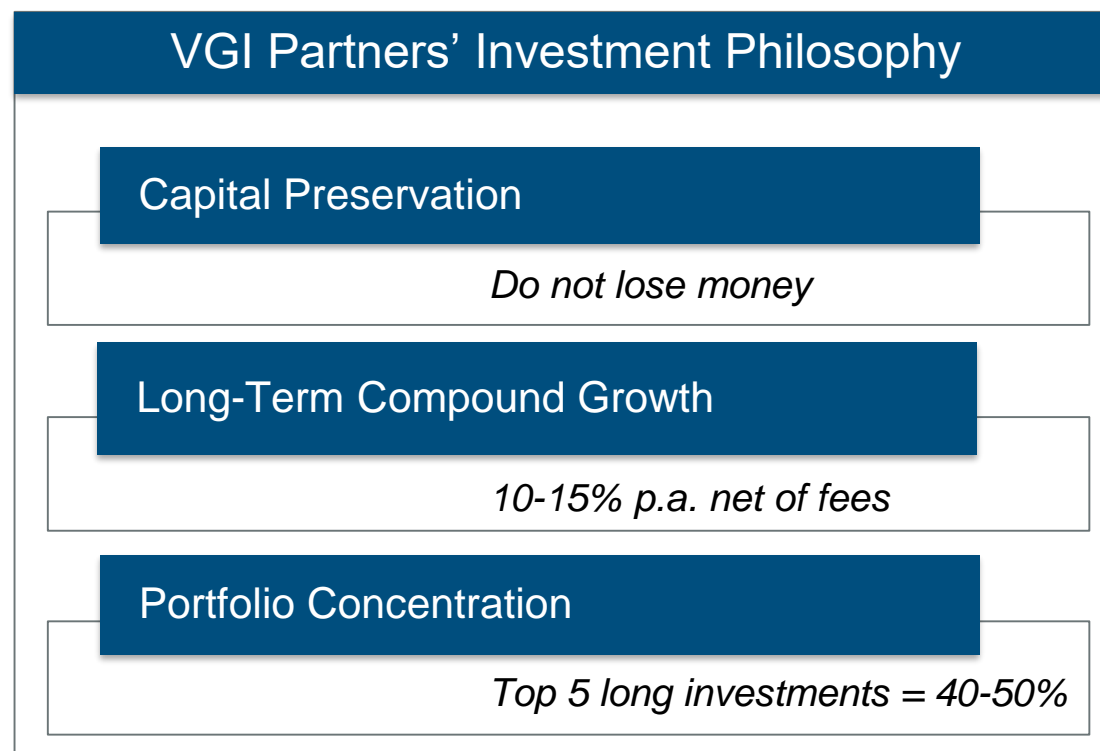
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- The Manager, Investment Mandate and Philosophy
 - Net Investment Performance
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The Manager – VGI Partners

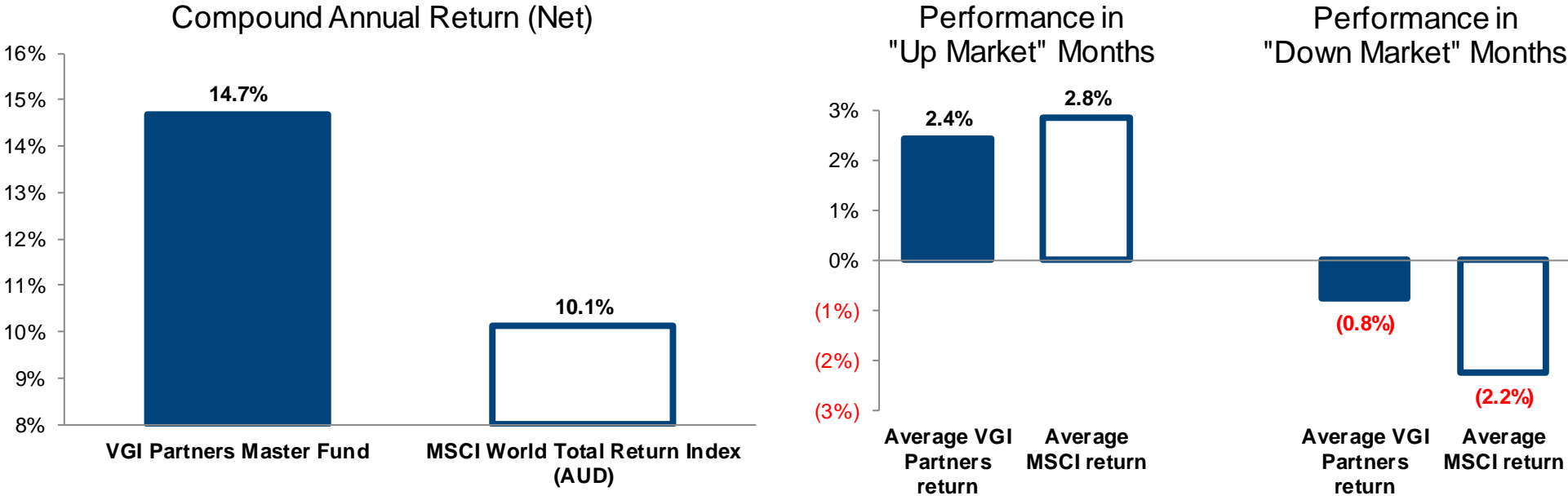
- Specialist manager, focussing on global equities. Long biased, concentrated strategy with selective shorting. Minimal to no leverage utilised
- 21 staff in Sydney, New York and Tokyo
- Deploys a single investment strategy across two funds (AUD and USD), Individually Managed Accounts (IMAs) and VG1
- 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 31 December 2018 (a total of 120 months since inception), there has been 73 "up market" months and 47 "down market" months. MSCI = MSCI World Total Return Index (AUD).

Long-Term Performance Objectives Achieved

Annual Compound Returns (% p.a.) To 31 December 2018	VGI Partners Master Fund Performance	Performance Objective Achieved (10-15% p.a.)
1 year	16.9%	✓
2 year rolling (p.a.)	11.6%	✓
3 year rolling (p.a.)	11.2%	✓
4 year rolling (p.a.)	14.5%	✓
5 year rolling (p.a.)	13.2%	✓
6 year rolling (p.a.)	17.7%	✓
7 year rolling (p.a.)	17.5%	✓
8 year rolling (p.a.)	15.8%	✓
9 year rolling (p.a.)	14.8%	✓
Since inception (p.a.)	14.7%	✓

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.

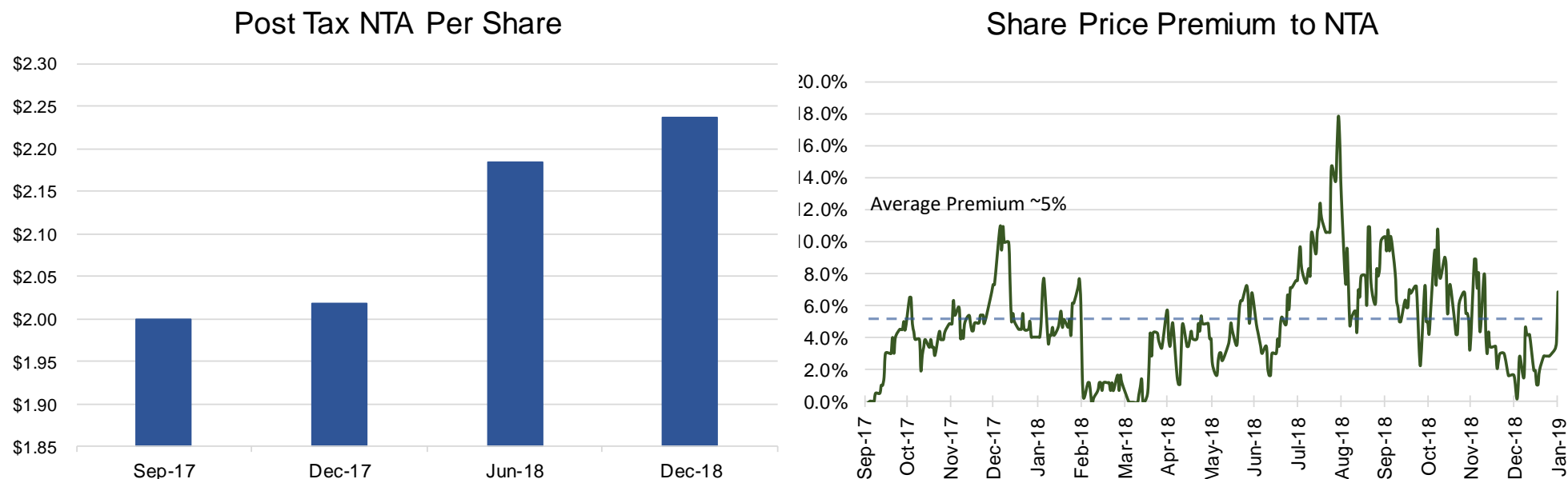
Alignment of Interests

- VGI Partners' staff are prohibited from purchasing securities outside the VGI Funds and VG1
- The Manager is paying for all upfront listing costs of VG1
- All operating costs (where possible) are paid for by the Manager
- The owners of VGI Partners will reinvest all performance fees earned on an after-tax basis into VG1
- Demonstrates true alignment of interests with VG1 shareholders

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Net Investment Performance – six months to 31 December 2018

- Post-tax NTA grew +2.4% to \$2.24 per share for the six months to 31 December 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 \$2.17 per share as at 31 December 2018.

- No dividend declared

Calendar Year 2018 Performance

Post-tax NTA Performance (After tax and all fees)	CY18 Performance (Stock Contribution)	CY18 Performance (AUD including currency contribution)
VG1	+3.3%	+10.8%

Total Return Index in AUD (including dividends reinvested)	CY18 Performance (Local Currency)	CY18 Performance (AUD)
S&P 500 Index	(4.4%)	6.1%
S&P/ASX 200 Index	(2.8%)	(2.8%)
MSCI World Index	(8.7%)	1.3%
Nikkei 225 Index	(10.3%)	1.5%
FTSE 100 Index	(8.7%)	(4.6%)
Hong Kong Hang Seng Index	(10.5%)	(1.0%)
Deutsche Boerse AG German Stock Index (DAX)	(18.3%)	(13.7%)

Source: VGI Partners, Citco Fund Services and Bloomberg.

Performance Attribution – six months to 31 December 2018

VG1 NTA Performance	Contribution
Long Investments	(4.6%)
Short Investments	+4.1%
Stock Contribution	(0.5%)
Currency	+2.9%
Net Performance (after all fees)	+2.4%

Largest Long Contributor	Contribution
CME Group Inc.	1.8%

Largest Long Detractors	Contribution
Zillow Group Inc.	(2.2%)
Spotify Technology SA	(1.7%)
General Electric Co.	(1.6%)
Total Contribution of above	(5.5%)
Total Contribution from all Longs	(4.6%)

Source: VGI Partners, Citco Fund Services and Bloomberg.

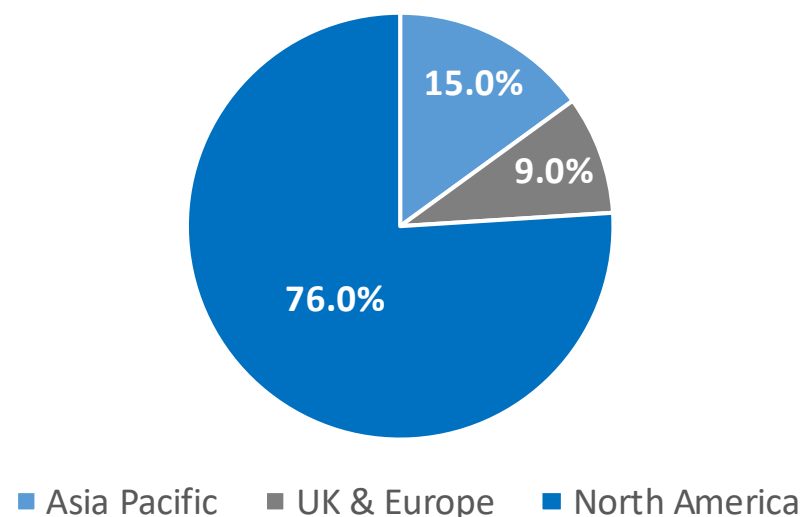
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Portfolio Update as at 31 December 2018

Top Long Investments	31 December 2018
CME Group Inc.	12%
Colgate Palmolive Co.	8%
Amazon.com Inc.	7%
Medibank Private Limited	6%
MasterCard Inc.	6%
Total	39%

Month End Exposures	31 December 2018
Long Equity Exposure	74%
Short Equity Exposure	(25%)
Gross Equity Exposure	99%
Net Equity Exposure	49%
Cash Weighting	51%

Long Portfolio by Location of Exchange Listing



Net Currency Exposure	31 December 2018
USD	100%

Source: VGI Partners, Citco Fund Services.

Portfolio Update – Deployment

- We have been patiently and steadily deploying the VG1 portfolio, given our focus on preservation of investors' capital
- Recent market volatility has provided VG1 the opportunity to purchase securities at attractive prices
- The portfolio was invested to ~85% of targeted individual stock weightings at 31 December 2018, on average across the entire portfolio
- 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

- Recent months have seen global equity markets sharply decline due to the fear of rising interest rates, global trade wars and slowing global growth
- Even after the recent market sell-off, we feel the vast majority of high-quality businesses continue to trade at valuations which imply unlikely levels of growth into perpetuity
- We believe the return of market volatility will provide good opportunities in the future

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Shareholder Engagement

- Investor Letter from the Manager in January and July each year
- Investor Events:
 - Half year and full year results conference calls
 - Annual national roadshow including investor briefings in Brisbane, Adelaide, Perth, Sydney and Melbourne
- Independent Research
 - Zenith and IIR

Electronic Communication Election

- Please elect electronic communications to stay informed
- Contact our Investor Relations team if you have any questions or feedback

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Questions