

6 February 2020

ASX Market Announcements
ASX Limited
Level 6, Exchange Centre
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

1H20 Results Briefing Presentation

VGI Partners Asian Investments Limited (ASX:VG8) will hold its 1H20 investor conference call and webcast today at 10:30am (AEDT). Attached is a copy of the presentation to be given.

Dial-in for Australia: 1800 908 299 (Toll Free) or +61 2 9007 8048 (Local) (ID 10003468)

Pre-register for the call: <https://s1.c-conf.com/DiamondPass/10003468-invite.html>

Webcast link: <https://edge.media-server.com/mmc/go/VG8-1H20/>

Additional briefing details were provided in VG8's ASX release on 24 January 2020.

A recording will be available on the VG8 website at www.vgipartners.com/lics/vg8 shortly after the event.

Ian Cameron
Company Secretary

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VGI Partners Asian Investments Limited (ASX:VG8)

1H20 Investor Briefing – 6 February 2020

Business Highlights

Inception to 31 December 2019¹

- VG8 listed on 13 November 2019
- Net Tangible Assets (NTA) of A\$557 million at \$2.50 per share
- More than 80% contributed by investors in our existing global strategy
- VG8 IPO investors received free “Alignment Shares” in VGI Partners proportionate to their investment
- Patiently investing: net equity exposure now 23% (26% Long, 3% Short)
- Post-tax NTA fell 2.8% to \$2.43 from inception to December 2019² (after fees) due to forex
- Post-tax NTA rebounded to \$2.52 as at 31 January 2020³
- No dividend given primary objective is currently capital gains growth and limited franking credits

¹ VG8 was established on 31 July 2019 but listed on 13 November 2019.

² Post-tax Net Tangible Assets sourced from Citco Fund Services.

³ Post-tax NTA estimated by VGI Partners.

Illustration

VG8 IPO Investor Returns – Priority Offer^{1,2,3}

	Investment outlay	Current market value ¹	Current NTA value ²
1 VG8 IPO	\$100,000 (40,000 shares at \$2.50)	\$91,200	\$100,800
2 Free VGI Shares	\$0 (533 shares at \$0)	\$6,556	\$6,556
Total	\$100,000	\$97,756	\$107,356
		Share price return: -2.2%	NTA return: +7.4%

¹ Share price returns are based on closing share prices as of 5 February 2020 (\$2.28 for VG8 and \$12.30 for VGI Partners).

² NTA returns incorporate VG8's last disclosed NTA (\$2.52 as at 31 January 2020). The NTA value is unaudited and has been estimated by VGI Partners.

³ Using the above data, the Cornerstone Offer has generated a -0.7% share price return and +8.9% NTA return. The General Offer has generated a -4.9% share price return and +4.7% NTA return.
Source: VGI Partners and Bloomberg.

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VGI Partners

The Manager

VGI Partners (The Manager) Overview

- Specialist manager focusing on global equities. Long biased, concentrated strategy with selective shorting. Minimal to no leverage utilised
- 29 staff in Sydney, New York and Tokyo
- FUM of A\$3.2 bn¹
- One global investment strategy across two unlisted funds (AUD and USD), IMAs and VG1
- Second strategy (VG8), focused on Asia
- The Manager is closed to new investment into its unlisted funds and IMAs. VGI Partners' strategies are only accessible via investing in VG1, VG8 or the remaining capacity in the Charitable Foundation Class
- Strong track record of Master Fund performance



¹FUM as at 10 Jan 2020. Data is per VGI Partners' latest ASX FUM release, unaudited and based on VGI Partners' estimates.

VGI Partners (The Manager) Philosophy and Alignment of Interests

Capital Preservation	Do not lose money
Long-Term Compound Growth	10-15% p.a. net of fees
Portfolio Concentration	Invest in best ideas

Alignment of Interests

- The Manager paid for VG8's upfront listing costs
- All VG8 operating costs (where permitted) paid by the Manager
- Founders of VGI Partners reinvest their pro-rata amount of VG8 performance fees (after tax) back into VG8 shares

Staff

- Prohibited from buying securities outside of the Manager's funds and VGI Partners itself
- The entire investment team invests a material proportion of their net worth in VGI Partners and VGI Partners' funds
- Staff ownership of VGI and VG8
- Staff and their families own \$40m of VG8 shares (at NTA)¹

Source: VGI Partners

¹ Based on VG8 post-tax NTA of \$2.52 as of 31 January 2020. Includes over \$26m owned by 100% of VGI Partners Limited. VGI Partners is 77% owned by VGI Partners staff and their families.

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**VGI Partners Asian
Investments Limited (ASX:VG8)**

VG8 Portfolio Update as at 31 Jan 2019

Portfolio Size \$561 mn

Month End Exposures

Long Equity Exposure	26%
Short Equity Exposure	(3)%
Gross Equity Exposure	29% (26% + 3%)
Net Equity Exposure	23% (26% - 3%)
Cash Weighting	77%

Net Currency Exposure

USD / JPY	93% / 7%
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Source: VGI Partners.

Top Five Long Investments

Kikkoman Corporation – The world’s leading manufacturer of soy sauce, Kikkoman is based in Japan and also distributes Asian foods through a global wholesale network. Kikkoman Soy Sauce is shipped to over 100 countries from seven overseas factories in the US, Asia and Europe.

Yakult Honsha Co. Ltd – A pioneer in probiotic products, Yakult is listed in Japan with operations in 40 countries. Three quarters of earnings are generated outside of Japan.

Cie Financiere Richemont SA – A Switzerland-based luxury goods holding company with particular strengths in jewellery, watches and writing instruments. Through its prestigious Maisons, which include Cartier and Van Cleef & Arpels, Richemont has significant exposure to the Asian consumer with 45% of sales made in the Asia Pacific region.

MTR Corporation – Hong Kong’s monopoly operator of rail assets with roughly 50% market share of all public transportation in Hong Kong. It operates a “rail plus property” model where MTR Corporation benefits from foot traffic generated from its rail operations through the development and ownership of property assets.

Unicharm Corporation – Specialises in the manufacture of diapers (babies and adults) and feminine hygiene products. Listed in Japan, Unicharm has market leading positions in China, India, Indonesia, Japan, Vietnam and Thailand.

Japan

KKR founders set sights on Japan conglomerates

Financial Times, April 2019

Mr Roberts said the push for improved governance and transparency initiated by the administration of Shinzo Abe now had the momentum to survive beyond his time as prime minister...

"This [Japan] is our highest priority right now other than the US... this is the best value today. If you look at value to price of stock and cost of capital, it's here" (Henry Kravis, KKR).

Activist investor targets Kirin urging growth strategy overhaul

Financial Times, November 2019

One of Kirin's largest shareholders has launched a campaign to persuade the Japanese brewer to focus on making beer.

The effort by UK-based Independent Franchise Partners (FP), which is poised to intensify in coming weeks, marks a new front in the effort by activist and long-only investors to shift management thinking at the top of corporate Japan.

Why global fund managers are missing on trick on Japan

Financial Times, October 2019

Private equity and activist funds.. are eyeing a generational opportunity. The most fundamental change lies with Japan's ongoing corporate governance reforms. They have the potential to break long-held assumptions about the corporate sector's apathy toward shareholder interests.

Management teams are under increasing pressure. IR Japan, a service provider, estimates that the number of activist funds operating in Japanese equities has risen from 8 in 2014 to 31 this year.

Japanese brokerages shed aversion to hostile takeover bids

Nikkei Asian Review, January 2020

Japanese securities houses are breaking a taboo over involvement in hostile takeover bids, as companies and investors become more aggressive about making unsolicited acquisitions to maximize corporate value.

One executive of a foreign securities company thinks 2019 was a real watershed. It will be remembered as the "dawning of a new era of hostile takeover bids" in Japan, the executive said. A factor behind the shift may be Japan's still-fresh Stewardship Code.

Toshiba launches tender offers for three listed subsidiaries

Financial Times, November 2019

Toshiba launched its tender offers for Toshiba Plant Systems & Services, NuFlare Technology and Nishishiba Electric with hefty premiums of 42%, 50% and 60% respectively on the averages of their share prices over the past three months.

Analysts said the generous-looking offers were probably an effort to avoid confrontation with increasingly vocal activist investors camped out on the shareholder registers of the three companies expecting an offer before the end of the year.

Activists ponder the real returns on investment in Japan

Financial Times, January 2020

2019 set a record with 75 activist campaigns initiated in Japan in public, 44 per cent higher than the previous year. But share buybacks last year — largely the fruits of pressure from shareholders — were over 100 per cent higher than in 2018, suggesting lots of behind-the-scenes activity taking effect. So as 2020 looks even more primed for activism, which is the higher yielding strategy: speaking softly or carrying a big stick?

Asia

South Korea banks on Vietnam alliance after China chill

Nikkei Asian Review, May 2019

For South Korean companies, which rushed to cash in on China's huge market and inexpensive labor in the 2000s, Vietnam offers even lower costs and ostensibly less political risk.

The average Vietnamese manufacturing worker earned \$3,812 last year, about a third of China's average of \$10,520, according to the Hyundai Research Institute.

China seeks to accelerate trade talks with Japan, South Korea, EU

Nikkei Asian Review, November 2019

President Xi Jinping said China was willing to sign trade deals with more countries, as he pledged to further lower tariffs and transaction costs to boost imports into the world's second-largest economy.

Xi said China was ready to sign more "high-standard" free trade agreements and accelerate the negotiation process of free trade deals with the European Union, Japan and South Korea.

Wanna Bet \$1.3 Trillion on Chinese Regulators?

Bloomberg, July 2019

If you hold shares in New York-listed Alibaba Group Holding Ltd., you don't own a stake in a Chinese internet powerhouse.

What you have are the American depository receipts of a Cayman Islands company that has a contract with the Chinese firm. This business structure, called a variable-interest entity, became common among Chinese companies because Beijing restricts foreign investment in certain sectors, such as the internet.

South Korean Inheritance Tax Threatens Family Business

Financial Times, January 2020

Thanks to a 50 per cent rate that rises to 65 per cent if the beneficiary becomes the biggest shareholder of the family business, the heirs to the country's top 25 companies face a combined bill of \$21bn, according to data from research group CEO Score.

"Power transitions are under way in major chaebol groups," said Park Ju-geun, head of CEO Score.

South Korean activist investor turns up heat as chaebol face headwinds

Nikkei Asian Review, October 2019

Scandals and transition challenges at South Korea's powerful family-run conglomerates are opening up opportunities for activist investors to move in, with the country's biggest local fund already turning up the heat.

Established only in 2018, KCGI (Korea Corporate Governance Improvement) is the most prominent homegrown player in a country where activist investors -- foreign or domestic -- are just starting to make their mark.

Taiwan Outperforms other Asian Tigers to Notch 2.7% Growth in 2019

Nikkei Asian Review, January 2020

Taiwan's economy grew 2.73% in 2019 from the previous year, outperforming regional peers as the island reaped investments in the fallout of the U.S.-China trade war.

Key suppliers to Apple, Dell, and HP, such as Hon Hai Precision Industry (Foxconn), Pegatron, Quanta Computer, Compal Electronics and Inventec, were among the 169 companies that shifted some production back to Taiwan last year, according to the Economics Ministry. This created nearly 60,000 new jobs.

Shareholder Engagement

**Please elect electronic
communications to
stay informed**

Investor Letter from
the Manager in
January and July
each year

Half-year and
full-year result
conference calls

AGM in November
each year

Annual national
roadshow including
briefings in Sydney,
Melbourne, Adelaide,
Perth and Brisbane

Independent Research

- Zenith
- Independent
Investment
Research (IIR)

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New website: www.vgipartners.com/lics/vg8

Please visit our new website: www.vgipartners.com/lics/vg8

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VGI PARTNERS
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Share Price*	Post-Tax NTA*	Portfolio Size*
\$2.30	\$2.52	\$561m

ASX: VG8 | Listing date: 13 November 2019

VG8 provides investors with access to a concentrated portfolio, predominantly comprised of long investments and short positions in Asian listed securities. It may also take positions in other companies with significant exposure to the Asian market. The fund is actively managed by VGI Partners (the Manager) with a focus on capital preservation. VG8 will typically invest in 15-30 long investments. The top ten long investments will usually represent between 40-50% of the portfolio's NAV.

Share price is delayed by 20 minutes. Net Tangible Assets (NTA) per share and portfolio size as at 31 Jan 2020. Weekly NTA Updates are available under ASX Releases.

- Latest Monthly NTA Statement
- Latest Weekly NTA Update
- Latest Investor Letter
- 1H20 Financial Report
- IPO Prospectus
- Share Price Graph

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Briefings	+
Monthly NTA Statements	+
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VG8 Resources

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Investor Letters	+
Independent Research	+
Prospectus	+
Corporate Governance	+

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Questions

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