

VGI Partners Global Investments Limited (ASX:VG1)

FY20 Investor Briefing – 18 August 2020

Summary

- In FY20, VG1 generated a post-tax Net Tangible Assets (NTA) return of -4.3% (after fees) and commenced paying dividends
- Post-tax NTA per share was **\$2.27** as at 30 June 2020 and has since risen **+3.8%** to **\$2.36** as at 14 August 2020¹
- VGI Partners' Global Strategy has delivered +13.0% p.a. returns (net of fees) since inception in 2009²
- Fully franked final dividend for FY20 of 1.5¢ per share, payable 23 September 2020
- A dividend reinvestment plan (DRP) is available (elect by 5pm on 26 August 2020, Sydney time)
- The Manager remains highly aligned with VG1 shareholders and focused on achieving superior risk-adjusted long-term returns
- Have today announced a buy-back of up to 10% of issued capital over the next 12 months

¹ Post-tax NTA for 30 June 2020 sourced from Citco Fund Services. Post-tax NTA for 14 August 2020 estimated by VGI Partners (per the latest Weekly NTA Update released to the ASX).

² Based on VGI Partners Master Fund data to 31 July 2020 sourced from Citco Fund Services.

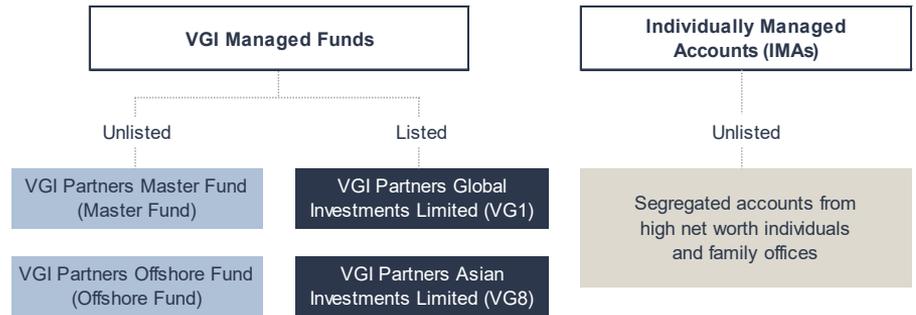
VGI
PARTNERS
Global Investments

VGI Partners

The Manager

VGI Partners (The Manager) Overview

- Specialist manager focusing on global equities. Long biased, concentrated strategy with selective short selling. Minimal to no leverage utilised
- Offices in Sydney, New York and Tokyo
- FUM of A\$2.9 bn¹
- Two investment strategies:
 - Global strategy with 12 year track record
 - Asian strategy launched in 2019
- The Manager is closed to new investment into its unlisted funds and segregated accounts. Other than limited capacity in a Charitable Foundation Class, **VGI Partners' strategies are now accessible only via investing in VG1 or VG8 shares**



¹FUM as at 30 June 2020. Data is 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

- All VG1 operating costs (where permitted) paid by the Manager
- Founders of VGI Partners reinvest 100% of their pro-rata amount of VG1 performance fees (after tax) back into VG1 shares
- VGI Partners is an ongoing buyer of VG1 at a discount to NTA. Total investment now stands at \$8m¹

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
- Board, staff and their families own \$37m of VG1 shares (at NTA)^{1,2}

Source: VGI Partners

¹ Based on VG1 post-tax NTA of \$2.36 as of 14 August 2020 (per the latest Weekly NTA Update released to the ASX).

² Includes \$8m of look-through interest in VG1 shares owned by VGI Partners Limited. VGI Partners is over 77% owned by VGI Partners' Board, staff and their families.

VGI
PARTNERS
Global Investments

**VGI Partners Global
Investments Limited (ASX:VG1)**

VG1 Net Investment Performance

- Post-tax NTA return of -4.3% in FY20
- Post-tax NTA up +3.8% to \$2.36 in FY21 to date¹
- A return of +19.5% since inception to date, or +6.4% compound annual growth¹, with average cash balance of 51%
- VG1 now replicates Master Fund; cash weight of 25%
- VGI Partners has been buying VG1 shares on-market
- On-market buy-back by VG1 announced today of up to 10% of issued capital over the next 12 months
- On average, VG1 traded in line with NTA between inception and June 2020
- Addressing the current discount to NTA is a continuing priority for VGI Partners and the VG1 Board

¹ Based on post-tax NTA of \$2.36 as of 14 August 2020 (per the latest Weekly NTA Update released to the ASX).

VG1 Share Price and Post-Tax NTA (\$ per share)



Source: Citco Fund Services, VGI Partners 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. Share price and post-tax NTA data has been adjusted for VG1's capital raising in 2019 (applying an adjustment factor for data pre-rights issue). Weekly NTA data since Nov 2019 estimated by VGI Partners.

VG1 Performance Attribution

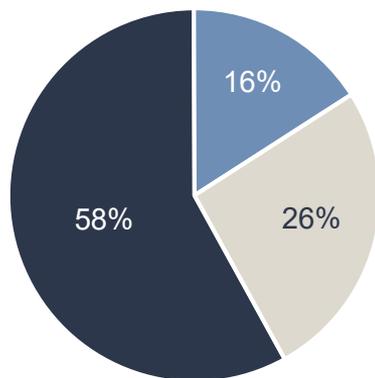
Year to 30 June 2020

	FY20
VG1 NTA Performance	
Long Investments	0.4%
Short Positions	-5.6%
Stock Contribution	-5.2%
Currency	0.9%
Net Performance (after all fees)	-4.3%

	FY20
Top Long Contributors	
Amazon.com Inc.	5.1%
Mastercard Inc.	1.3%
La Française des Jeux	0.9%
Linde plc	0.7%
WD-40 Co.	0.7%
Total Contribution of Above	8.7%

VG1 Portfolio Update as at 31 July 2020

Long Portfolio by Location of Exchange Listing



■ North America ■ Asia¹ ■ UK & Europe

¹ Asia includes ASX listed securities.
 Source: VGI Partners, Citco Fund Services.

Portfolio Size \$920m

Month End Exposures

Long Equity Exposure	83%
Short Equity Exposure	(9%)
Gross Equity Exposure	92% (83% + 9%)
Net Equity Exposure	74% (83% - 9%)
Cash Weighting	26%

Net Currency Exposure

AUD	100%
-----	------

Investments

Number of Long Investments	22
Number of Short Positions	2
Top Five Long Investments	44% of NAV

VG1 Portfolio Update as at 31 July 2020

Portfolio Size \$920m	Listing Domicile	Key Regions	Business	% of Portfolio
Top 10 Long Investments				
Amazon.com Inc.	United States	Global	eCommerce & Internet	16%
Mastercard Inc.	United States	Global	Payments	12%
CME Group Inc.	United States	Global	Exchanges	6%
Linde plc	United States	Global	Industrial Gas	5%
Pinterest Inc.	United States	Global	Social Media	5%
Yakult Honsha Co. Ltd	Japan	Global	Probiotic Beverages	5%
Otis Worldwide Corp.	United States	Global	Elevators & Escalators	4%
La Française des Jeux	France	France	Lottery Operator	4%
Cie Financiere Richemont SA	Switzerland	Global	Luxury Goods	4%
Diageo plc	United Kingdom	Global	Alcoholic Beverages	4%
Total				65%

Source: VGI Partners.

Capital Management and Shareholder Communication Initiatives

1. Unchanged Dividend Policy

- Two fully franked dividends each year at a level that we expect to maintain and grow over the longer term
- Final dividend of 1.5 cents per share announced today, taking full year FY20 dividends to 2.5 cents (1.0 cent interim dividend declared January 2020)

2. On-market buy-back announced today

- Up to 10% of shares on issue over next 12 months
- Provides flexibility to buy back promptly should the VG1 Board consider this to be in the best interests of existing shareholders

3. Enhanced Shareholder Communication

- From September, monthly NTA to identify Top Ten long positions and enhanced commentary around performance
- Will commence quarterly portfolio update webcasts and increased use of video with senior analysts

Shareholder Engagement

Please elect electronic communications to stay informed

Quarterly portfolio briefings including half-year and full-year results

Monthly NTA commentary

Independent Research

- Zenith
- Independent Investment Research (IIR)

Investor Letter from the Manager in January and July each year

AGM in November each year

Head of Investor Relations
Ingrid Groer, CFA

Phone: 1800 571 917 (inside Australia)

+61 2 9237 8923 (outside Australia)

Email: investor.relations@vgipartners.com

Website: www.vgipartners.com/lics/vg1

Annual national roadshow each October – will be virtual this year

Questions

Disclaimer:

VGI Partners Limited (ABN 33 129 188 450) (**VGI Partners**) is the holder of an Australian Financial Services Licence (No. 321789) and is SEC Registered. VGI Partners is the manager of VGI Partners Global Investments Limited (**VG1**) (ABN 91 619 660 721).

The information in this document (**Information**) has been prepared for general information purposes only and without taking into account any recipient's investment objectives, financial situation or particular circumstances (including financial and taxation position). The Information does not (and does not intend to) contain a recommendation or statement of opinion intended to be investment advice or to influence a decision to deal with any financial product nor does it constitute an offer, solicitation or commitment by VGI Partners or VG1.

The Information may contain certain forward-looking statements that involve a number of risks and uncertainties. VGI Partners and VG1 have based any forward-looking statements on current expectations and projections about future events, based on the information currently available to them. Recipients are cautioned not to place undue reliance on these forward-looking statements. Whilst due care has been used in the preparation of forward looking statements, actual results may vary in a materially positive or negative manner. Forecasts and hypothetical examples are subject to uncertainty and contingencies outside VGI Partners' and VG1's control. Past performance is not a reliable indication of future performance.

It is the sole responsibility of the recipient to consider the risks connected with any investment strategy contained in the Information. Neither VGI Partners nor VG1 nor any of their related parties, respective directors, employees, officers or agents accepts any liability for any loss or damage arising directly or indirectly from the use of all or any part of the Information. Neither VGI Partners nor VG1 represent or warrant that the Information in this document is accurate, complete or up to date and accepts no liability if it is not. Neither VGI Partners nor VG1 is under an obligation to update the Information and neither undertakes to do so. VGI Partners and VG1 both strongly suggest that investors obtain professional advice prior to making an investment decision.

The Information may not be reproduced, disseminated, quoted or referred to, in whole or in part, without the express consent of VGI Partners and VG1.