

VGI Partners Asian Investments Limited (ASX:VG8)

FY20 Investor Briefing – 20 August 2020

Business Highlights

Inception to 30 June 2020¹

- VG8 listed on 13 November 2019
- For the period from listing to 30 June 2020, VG8 generated a post-tax Net Tangible Asset (NTA) return of -0.2% (after fees)
- Post-tax NTA per share of \$2.50 as at 14 August 2020²
- No dividend due to limited franking credits – will review in future periods
- Patiently investing: net equity exposure now 55% (55% Long, nil Short)²
- Expect net equity exposure of 75-100% once fully deployed
- Portfolio now 100% hedged to Australian Dollar

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

² As at 14 August 2020 (per the latest Weekly NTA Update released to the ASX).

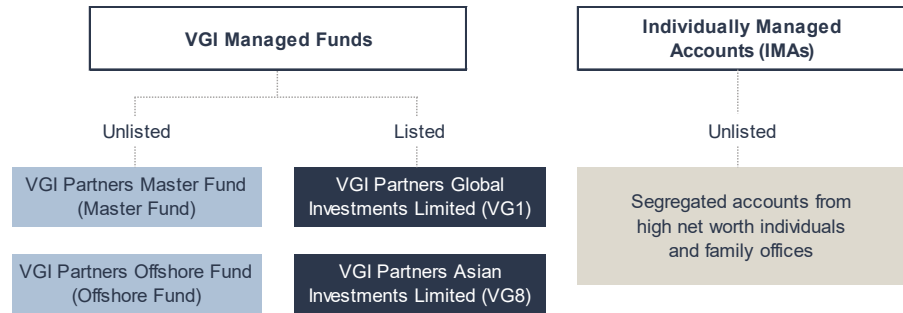
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Asian Investments

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 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
- VGI Partners is an ongoing buyer of VG8 at discounts to NTA. Total investment now stands at \$27m¹

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 \$40m of VG8 shares (at NTA)^{1,2}

Source: VGI Partners

¹ Based on VG8 post-tax NTA of \$2.50 as at 14 August 2020 (per the latest Weekly NTA Update released to the ASX).

¹ Includes \$27m of look-through interest in VG8 shares owned by VGI Partners Limited. VGI Partners is over 77% owned by VGI Partners' Board, staff and their families.

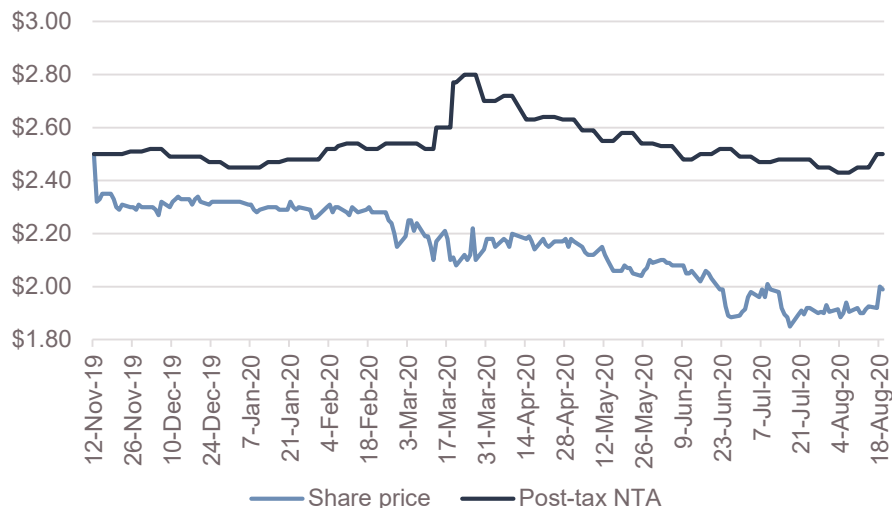
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**VGI Partners Asian
Investments Limited (ASX:VG8)**

VG8 Net Investment Performance

- Post-tax NTA return of -0.2% from listing to 30 June 2020
- Outperformed major regional indices, including Japan (TOPIX, -8.3%), Hong Kong (Hang Seng, -8.1%) and Singapore (Straits Times, -20.0%)
- NTA per share of \$2.50 as at 14 August 2020
- Share price performance has lagged portfolio performance:
 - Average discount to post-tax NTA of 15% since listing, providing an opportunity for new investors
- VGI Partners invested in 8 million VG8 shares at IPO and has bought c.2.8 million additional shares on-market. The total stake is worth c.\$27 million at NTA¹

VG8 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. Weekly NTA data estimated by VGI Partners.

¹ Based on VG8 post-tax NTA of \$2.50 as at 14 August 2020 (per the latest Weekly NTA Update released to the ASX).

VG8 Performance Attribution **Inception to 30 June 2020 (FY20)**

	FY20
VG8 NTA Performance	
Long Investments	3.1%
Short Positions	-3.4%
Stock Contribution	-0.3%
Currency	0.1%
Net Performance (after all fees)	-0.2%

	FY20
Top Long Contributors	
Hong Kong Exchanges & Clearing Ltd	1.0%
Unicharm Corporation	0.8%
Olympus Corporation	0.6%
Japan Exchange Group Inc.	0.6%
Rémy Cointreau SA	0.3%
Total Contribution of Above	3.3%

VG8 Portfolio Update as at 31 July 2020

Portfolio Size \$538m

Month End Exposures

Long Equity Exposure	52%
Short Equity Exposure	(0%)
Gross Equity Exposure	52% (52% + 0%)
Net Equity Exposure	52% (52% - 0%)
Cash Weighting	48%

Net Currency Exposure

AUD	100%
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Investments

Number of Long Investments:	21
Number of Short Positions:	0
Top Ten Long Investments	43% of NAV

Indicative Market Exposure

Market ¹	Long	Short
Japan	Core	Yes
South Korea	Core	Yes
Singapore	Core	Yes
Hong Kong	Core	Yes
Taiwan	Core	Unlikely
China	Watching Brief	Watching Brief
India	Watching Brief	Watching Brief
Thailand	Watching Brief	No
Vietnam	Opportunistic	No
Malaysia	Opportunistic	No
Indonesia	Watching Brief	No
Philippines	Watching Brief	No
Australia	Core	Yes
New Zealand	Opportunistic	Unlikely

¹ VG8 may also invest in companies listed outside of Asia but with significant exposure to Asia.



Attributes of a Great Business

Attractive industry structure

Easy to understand business model

Sustainable competitive advantage

Management display honesty, intelligence and capability

Superior return on capital and a strong balance sheet

Sufficient “margin of safety”

VG8 Portfolio Update as at 31 July 2020

Portfolio Size \$538m	Listing Domicile	Key Regions	Business	% of Portfolio
Top 10 Long Investments				
Kikkoman Corporation	Japan	Global – Asian Bias	Soy Sauce & Asian Foods	6%
Yakult Honsha Co. Ltd	Japan	Global – Asian Bias	Probiotic Beverages	6%
Cie Financiere Richemont SA	Switzerland	Global – Asian Bias	Luxury Goods	6%
Olympus Corporation	Japan	Global	Gastrointestinal Endoscopes	5%
Unicharm Corporation	Japan	Mainly Asian	Diapers & Hygiene Products	5%
Hong Kong Exchanges & Clearing Ltd	Hong Kong	Hong Kong, UK/Europe	Exchanges	4%
MTR Corporation	Hong Kong	Mainly Hong Kong	Rail Assets & Property	3%
Japan Exchange Group Inc.	Japan	Japan	Exchanges	3%
Kewpie Corporation	Japan	Mainly Japan	Food Dressings & Health Foods	3%
Crown Resorts Ltd	Australia	Australia	Gaming & Entertainment Resorts	2%
Total				43%

Source: VGI Partners.

Enhanced Shareholder Communication

- 1. Monthly NTA statement redesign effective from next month**
 - Top Ten long positions identified with descriptions and commentary
 - Additional information around performance attribution

- 2. Increased frequency of investor webcasts**
 - Quarterly portfolio updates
 - Regular videos with senior analysts discussing portfolio positions

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

Annual national roadshow each October – will be virtual this year

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Questions

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