

16 November 2020

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

BY ELECTRONIC LODGEMENT

Chairman's Annual General Meeting Address

Attached is a copy of the address to be given at today's Annual General Meeting by Mr. Lawrence Myers, Independent Chairman.

Authorised for release by:

Ian Cameron
Company Secretary

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VGI Partners Asian Investments Limited
2020 Annual General Meeting
Monday 16 November 2020 – 3pm

On behalf of VG8, I would like to welcome all shareholders to the company's inaugural AGM. We thank you for your support of VG8.

This meeting follows on from the comprehensive portfolio update – covering both VG8 and VG1 – that Robert Luciano and the team hosted by videoconference this morning.

The focus this afternoon will be on the Formal Business as set out in the Notice of Meeting.

As with the VG1 AGM that many of you would have joined immediately before this meeting, I will keep these opening remarks relatively short to ensure that we have plenty of time for shareholder questions on the resolutions.

I would like to make a few observations regarding VG8's first year as a listed company from the perspective of your board.

Each of your independent directors is an investor, both in their own right and through their professional roles. Therefore, when we were presented with the opportunity to join the Board of VG8, prior to IPO, we each approached the role from an investor's perspective.

None of us would want to be a director of a listed investment company in which we did not wish to invest ourselves.

From the outset, we all shared the investment team's optimism about the opportunity to generate superior risk-adjusted returns over the long-term, by applying the proven VGI Partners' investment philosophy to opportunities in the Asian region.

We are also supportive of the approach that VGI Partners took to achieve strong alignment between the Manager and VG8 investors.

It is important to recognise that VGI Partners put in place a number of alignment initiatives at the time of the IPO.

These included the Manager (rather than VG8) incurring \$12 million in listing costs, VGI Partners investing \$20 million in the IPO, key owners of VGI Partners committing to reinvest VG8 performance fees into VG8 shares which are to be held for the long term, and VGI Partners agreeing not to make the Asian strategy available to investors through any other fund other than VG8.

Of particular significance was the decision by VGI Partners' to align its interests with investors in the VG8 IPO through the issue of valuable Alignment Shares in VGI Partners itself at no additional cost.

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Nobody had ever used this structure previously, and it meant that an investor who was previously invested with VGI Partners received shares in the Manager, at no cost, to the value of around 7.5% of their VG8 IPO investment.

What we did not foresee was that this structure would lead to some participants in the IPO investing with an extremely short-term perspective. These investors sought to crystallise value by selling out of VG8 shortly after listing.

Due to this selling pressure, VG8 shares traded at a discount immediately upon listing and this discount increased towards the end of the 2020 financial year.

It is important to highlight that there is no reason to think that the discount to NTA is associated with underperformance of the VG8 portfolio – the Manager has been prudently deploying the Company's capital since listing, and in highly challenging market conditions the Company's post-tax Net Tangible Assets per share declined by just 0.2% to \$2.50 between listing on 13 November 2019 and 30 June 2020.

This was a considerably better performance than any of the major Asian equities indices recorded over the same period.

And since 30 June, VG8's Net Tangible Assets per share have risen to \$2.57, as of last Friday.

But with VG8 continuing to trade at a substantial discount to NTA, VGI Partners now faces the task of finding new investors who are attracted to the opportunity to own some of the highest quality companies exposed to Asian growth. In this regard, the investor relations effort will be redoubled, as David Jones discussed at the VG1 AGM earlier this afternoon.

So, turning to the next slide, we have every reason to believe that VGI Partners' enhanced approach to investor engagement is the right approach. This includes more information in the monthly NTA statements, increased use of videoconferences for portfolio updates, a partnership with Livewire and hiring additional members of the investor relations team specifically to engage with financial advisers. Through this, we hope to build awareness of VG8 across a broader audience – and highlight how VG8 is a very different proposition to most other Asian investment funds in Australia.

It has also been particularly pleasing to see a number of core VG8 holdings – including Nintendo and Olympus – showcased in recent VGI Partners investor presentations.

I look forward to reporting on our progress in closing the discount to Net Tangible Asset backing in the future.

At this point I would also like to acknowledge the hard work of the VGI Partners Investment and Operations teams across Sydney, Brisbane, New York and Tokyo. I would like to note that having boots on the ground in the form of a four-person team in Tokyo, with strong Asian language skills, is particularly valuable for the Asian strategy.

Our Board has worked well over the period since listing. There has been one recent change to the composition of the Board, with David Jones – an Executive Director of VGI Partners – appointed to replace Douglas Tynan. Doug stepped down from the VG8 Board in conjunction with his transition to a non-executive role at VGI Partners. You will have the opportunity to vote on David Jones' election to the Board a little later this afternoon.

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Finally, I would like to thank you all again for your support. While COVID-19 and its economic impact have resulted in a significantly changed investment environment over the last twelve months, the Asian region remains well-placed relative to most other regions and, in many ways, now presents an even greater opportunity than before. As such, we look forward to a long-term partnership with all of our shareholders.

That concludes my Chairman's address.