

**Overview and Investment Philosophy**

The Manager's risk-adjusted return philosophy is implemented through three key tenets:

VG1, the Company, provides investors with access to a concentrated portfolio, predominantly comprised of Long Investments and Short Positions in global listed securities; and the investment expertise of VGI Partners, the Manager.

**01**

**Capital preservation**

The Manager believes that risk comes from not properly understanding your investments and places a great deal of importance on assessing downside risk.

**02**

**Superior long-term compound growth**

The Manager believes that great businesses purchased with a 'margin of safety' held for the long term are best placed to provide superior compound returns.

**03**

**Concentration**

The Manager aims to be concentrated enough in its best ideas so as not to dilute overall returns but hold enough Long Investments in order to provide an appropriate level of diversification. The top five Long Investments typically represent 40-50% of the portfolio NAV.

**Key Details**

ASX Code	<b>VG1</b>
Share Price	<b>\$2.13</b>
Listing Date	<b>28 September 2017</b>
Portfolio Size	<b>\$1,014.1 million</b>
Shares on Issue	<b>405.1 million</b>
Market Capitalisation	<b>\$862.9 million</b>

**Investment Guidelines**

No. of Long Investments <b>Typically, 10 to 25; currently 25</b>	No. of Short Positions <b>Typically, 10 to 35; currently 3</b>
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**Month End Exposures**

Long Equity Exposure	<b>86%</b>
Short Equity Exposure	<b>(12%)</b>
Gross Equity Exposure	<b>98%</b>
Net Equity Exposure	<b>74%</b>
Cash Weighting	<b>26%</b>

**Net Tangible Asset (NTA) Per Share**

<b>Pre-Tax NTA<sup>1</sup></b>	<b>Post-Tax NTA<sup>2</sup></b>
<b>\$2.50</b>	<b>\$2.53</b>

Source: Citco Fund Services. Figures are unaudited.

<sup>1</sup> 'Pre-Tax NTA' is calculated before all taxes.

<sup>2</sup> '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.

<b>Return</b>	<b>Pre-Tax NTA</b>	<b>Post-Tax NTA</b>	<b>Share Price</b>
1 month	11.5%	10.4%	10.9%
3 months	7.0%	6.4%	13.6%
6 months	9.2%	8.2%	-1.1%
Financial Year to Date	14.0%	12.1%	17.6%
Since Inception	27.9%	29.2%	10.1%
Compound Annual Return	8.1%	8.4%	3.1%

Sources: Citco Fund Services (NTA), Bloomberg (Share Price).

NTA figures are unaudited. All data has been adjusted for VG1's capital raising in 2019. Pre-Tax NTA Return is defined as the movement in Pre-Tax NTA plus dividends. Post-Tax NTA Return is defined as the movement in Post-Tax NTA plus dividends. NTA Return is shown after all applicable fees and charges. Share Price Return is defined as the movement in the VG1 Share Price at the end of the period (applying the Price Adjustment Factor from Bloomberg) plus dividends.

Top Ten Long Investments: 66% of VG1 Portfolio



**14% Amazon.com Inc. (NASDAQ: AMZN)** – One of the “Big Four” American technology companies, Amazon.com is the second largest private employer in the United States. The company is a leader in e-commerce, cloud computing, digital streaming, and artificial intelligence. Amazon.com has been a core constituent of the VGI Partners global strategy since 2014.



**10% Mastercard Inc. (NYSE: MA)** – Mastercard is a global payments processor and in a duopoly with Visa. The industry benefits from a strong secular trend toward electronic payments over cash and cheques and the COVID pandemic has accelerated this shift. Significant growth opportunities also exist in developing countries and new payment technologies (such as PayPass) that enable the more frequent use of electronic payments. Mastercard has been a core constituent of the VGI Partners global strategy since 2009.



**8% Pinterest Inc. (NYSE: PINS)** – Established in 2009, Pinterest is an image sharing and social media service with 400 million monthly active users. Pinterest offers a “visual search” function that allows users to search for elements in images, guiding them to suggested similar content within the company’s database. Pinterest is at an early stage of commercialising its activities outside of the United States.



**6% CME Group Inc. (NASDAQ: CME)** – Tracing its origins back to 1848, CME Group is the world’s largest financial derivatives exchange and trades in asset classes that include agricultural products, currencies, energy, interest rates, metals and stock indexes. CME Group has been a core constituent of the VGI Partners global strategy since 2009.



**5% SAP SE (ETR: SAP)** – SAP is the dominant market leader in providing mission-critical operational software to the largest enterprises globally. This software is very ‘sticky’ due to high switching costs and has customer renewal rates close to 100%. We believe these high switching costs will be critical in driving a successful transition of SAP’s customer base from on-premise software into the cloud.



**5% Cie Financière Richemont SA (SWX: CFR)** – 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.



**5% Olympus Corporation (TYO: 7733)** – Having launched the world’s first commercial gastro-camera in 1952, Olympus is the global leader in gastrointestinal endoscopes with a global market share of over 70%.



**4% Otis Worldwide Corporation (NYSE: OTIS)** – Based in the USA, Otis is the world’s largest manufacturer of vertical transportation systems, principally focusing on elevators, moving walkways and escalators. Otis was spun off as an independent company in April 2020, 44 years after it was acquired by United Technologies (now Raytheon).



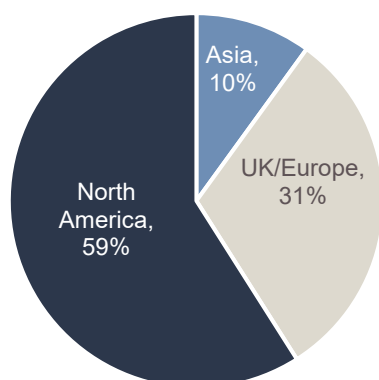
**4% Française des Jeux (EPA: FDJ)** – FDJ was privatised by the French government in 2019 and has the exclusive licence to operate lottery games in France, from traditional draw-based lotteries to instant win games and scratch-cards. In addition, FDJ has the exclusive license to operate physical sports betting terminals and owns an online sports betting bookmaker.

**4% Active Position** – Not disclosed.

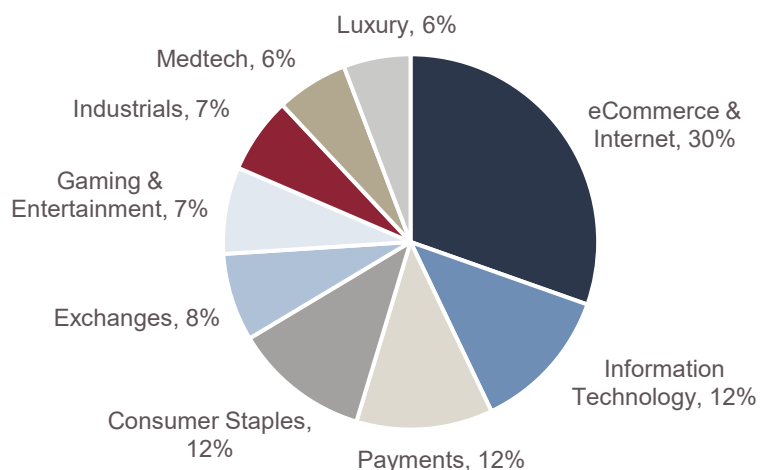
Net Currency Exposures of Portfolio (Equities and Cash)

AUD	100%	% Portfolio NAV Unhedged to AUD	0%
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**Long Portfolio by Location of Exchange Listing**



**Long Portfolio by Sector**



Sources: VGI Partners, Bloomberg. Asia includes ASX-listed securities. Sectors have been internally defined.

**Commentary**

The portfolio's return (net of all fees and expenses) for the month of November was +10.4%. The portfolio's Long Investments added +11.8% to performance for the month and the Short portfolio, currently comprising three Shorts, detracted -1.4% from performance during the month.

Mastercard contributed +1.7% for the month and Cie Financière Richemont +1.3%.

During the month approximately 0.8 million VG1 shares were bought under the on-market buy-back at an average price of \$2.03.

**Company Details**

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**Robert Luciano, CFA**  
Director,  
Portfolio Manager

**Adelaide McDonald, CFA**  
Independent Director

**Lawrence Myers, CA**  
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