

11 May 2021

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

Dividend Yield Target and Portfolio Performance

Given the maturation of the VGI Partners Global Investments Limited (the “Company” or “VG1”) portfolio, and the investment gains that have been built up in the VG1 portfolio since listing, the VG1 Board has decided to move to a dividend policy targeting a higher dividend yield.

Accordingly, the Board of VG1 is pleased to announce its intention to target a dividend yield of **4% per annum** calculated by reference to the VG1 share price from time to time and be fully franked, commencing from the 30 June 2021 dividend payable in September 2021. Dividends are paid on a six-monthly basis.

The 4% per annum dividend yield target would have been comfortably accommodated within the range of historic portfolio returns i.e., 4% fully franked equates to a 5.7% pre-tax return, whereas portfolio returns have been significantly higher than this. In addition, the 4% dividend yield target is significantly above the current payout ratio.

The dividend yield target set out above is subject to the Company having sufficient profits reserves, franking credits and cash flows, and it is within prudent business practices.

The ability to manage the level of fully franked dividend payments over time is a key strength of the listed investment company structure.

VG1’s Dividend Reinvestment Plan (“DRP”) continues to be in place and participating shareholders can reinvest their cash dividend in VG1 shares at the relevant DRP price per share. The on-market buy-back remains in operation, per VG1’s ASX announcements on 18 August 2020 and 23 February 2021.

Strong investment performance

For the financial year to 30 April 2021, the portfolio has returned 21.0% with an average cash holding of 24%.

The investment portfolio performance as at 30 April 2021 is shown below:

Portfolio Return (net of fees and charges)	
3 months	5.2%
6 months	18.2%
Financial Year to Date	21.0%
Since Inception (p.a.)	8.9%

Source: Citco Fund Services.

Portfolio return is based on the movement in pre-tax Net Tangible Assets (NTA) per share plus dividends. NTA figures are unaudited. All data has been adjusted for the Company’s capital raising in 2019. Returns are shown after all applicable fees and charges.

VGI PARTNERS

Global Investments

This announcement has been authorised by the Board of VGI Partners Global Investments Limited.

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