

**Overview
and Investment
Philosophy**

VG8, the Company, provides investors with access to a concentrated portfolio, predominantly comprised of Long Investments and Short Positions in Asian listed securities and other companies with significant exposure to the Asian market; and the investment expertise of VGI Partners, the Manager. VG8 intends to target a fully franked dividend yield of 4% p.a., commencing with the Sep 2021 payment.

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

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 ten Long Investments typically represent 40-50% of the portfolio NAV.

Key Details

ASX Code	VG8
Share Price	\$2.32
Listing Date	13 November 2019
Portfolio Value	\$627.8 million
Shares on Issue	222.6 million
Market Capitalisation	\$516.5 million

Investment Guidelines

No. of Long Investments Typically, 15 to 30; currently 24	No. of Short Positions Typically, 5 to 25; currently 6
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Month End Exposures

Long Equity Exposure	80%
Short Equity Exposure	(2%)
Gross Equity Exposure	82%
Net Equity Exposure	78%
Cash Weighting	22%

**Net Tangible Asset (NTA) Per Share
After All Applicable Fees and Charges**

Pre-Tax NTA¹	Post-Tax NTA²
\$2.82	\$2.79

Source: Citco Fund Services. Figures are unaudited.

¹ 'Pre-Tax NTA' is calculated before all taxes.

² '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.

Return	Pre-Tax NTA	Post-Tax NTA	Share Price
1 month	0.0%	-1.1%	-0.4%
3 months	2.3%	0.9%	1.3%
6 months	15.5%	13.6%	16.0%
Financial Year to Date	13.5%	11.9%	21.8%
Since Inception	12.8%	11.7%	-7.2%
Compound Annual Return	8.6%	7.8%	-5.0%

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

NTA figures are unaudited. Pre-Tax NTA Return is defined as the movement in Pre-Tax NTA. Post-Tax NTA Return is defined as the movement in Post-Tax NTA. NTA Return is shown after all applicable fees and charges. Share Price Return is defined as the movement in the VG8 Share Price at the end of the period.

Top Ten Long Investments: 60% of VG8 Portfolio

OLYMPUS

8% 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%.

RICHEMONT

8% Cie Financière Richemont SA (SWX: CFR) – 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.



7% Nintendo Co. Ltd (TYO: 7974) – Japanese-listed multinational consumer electronics and video game company. Nintendo has a high-quality intellectual property portfolio with franchises including Donkey Kong, Mario and Pokémon. The company has also produced some of the industry's most successful consoles such as the Game Boy and the Nintendo Switch.



7% Alibaba Group Holding Ltd (HKG: 9988) – Chinese technology company which generates the majority of its profits from its ecommerce platform. This part of the business operates in China and globally under the Tmall, Taobao and Alibaba brands, amongst others. Alibaba is also the leading provider of cloud computing services in China and Asia.



6% Crown Resorts Ltd (ASX: CWN) – Operating a number of casino and hotel venues, Crown is Australia's largest gaming and entertainment group. Crown holds exclusive casino licenses in Melbourne and Perth.



5% Rakuten Inc. (TYO: 4755) – Operates one of the leading eCommerce marketplaces in Japan as well as a variety of financial services ranging from online banking to fintech. More recently, Rakuten has added a third pillar to its strategy by building its own telecommunications infrastructure to offer mobile plans to Japanese consumers which should further grow its ecosystem.



5% Yakult Honsha Co. Ltd (TYO: 2267) – Pioneer in probiotic products, Yakult is listed in Japan with operations in 40 countries. Three quarters of earnings are generated outside of Japan.



5% Japan Exchange Group Inc. (TYO: 8697) – The monopoly operator of stock exchanges in Japan, Japan Exchange Group was formed through the merger of the Tokyo Stock Exchange and the Osaka Exchange in 2013. The company is the primary gateway for investors to deploy capital into the world's third largest economy.



4% Pernod Ricard SA (EPA: RI) – French-based wine and spirits producer, Pernod Ricard has brands across every category of wine and spirits. The company generates around half of its earnings in Asia, and (prior to COVID) revenue in the region was growing at double digit rates.

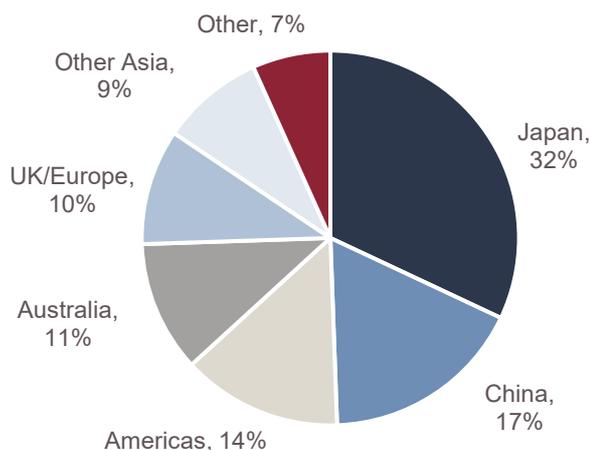


4% Tencent Music Entertainment Group (NYSE: TME) – The leading music streaming platform in China and owns four of the top five music apps used to stream music, perform karaoke and watch live performances. The company, which earns revenues via paid subscriptions, social gifting, advertising and long-form audio, is at the very early stages of monetising its large audience and has a long runway for growth.

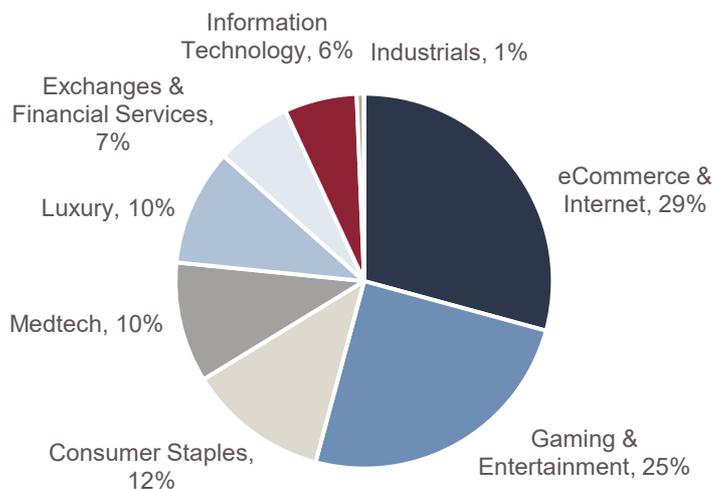
Net Currency Exposures of Portfolio (Equities and Cash)

AUD	100%	% Portfolio NAV Unhedged to AUD	0%
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**Long Portfolio by Regional Exposure
(Proxied by Revenue)**



Long Portfolio by Sector



Sources: VGI Partners, Bloomberg. The revenue mix of each equity investment has been used as a proxy for regional exposure. Sectors have been internally defined.

Commentary

The portfolio (net of all fees and expenses) for the month of April was flat, with the portfolio's Long Investments and Short Positions both holding steady. The portfolio has 100% Australian Dollar exposure (equities and cash) and therefore currency fluctuations did not directly impact the return in April.

Key contributors to the return were Pernod Ricard, Richemont and Rakuten, with each adding +0.3%. These were offset by minor falls in a range of other stocks in the portfolio.

During April, Alibaba and Tencent Music were added to the portfolio and both are now Top 10 holdings. Two new Short Positions were also initiated.

Dividend Yield Target of 4% p.a.

Since month end, the VG8 Board has announced its intention to target a fully franked dividend yield of 4% p.a., with reference to the VG8 share price, commencing from the 30 June 2021 dividend payable in September. More details are available in the ASX release on 11 May 2021.

Company Details

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