

Our philosophy

- > Deep research → conviction
→ concentrated portfolio
- > A long-term investment horizon
provides a competitive advantage
- > Capital preservation focus
- > Absolute return – targeting 10-15%
p.a. through the cycle¹
- > VGI staff invest alongside VG8
shareholders

Key Details

ASX Code	Share Price	Post-Tax NTA ²
VG8	\$2.43	\$2.80

1 Year Portfolio Return (Net of Fees and Expenses)³

15.0%

Dividend Yield Target

4% p.a. Fully Franked

Investment Guidelines

No. of Long Investments

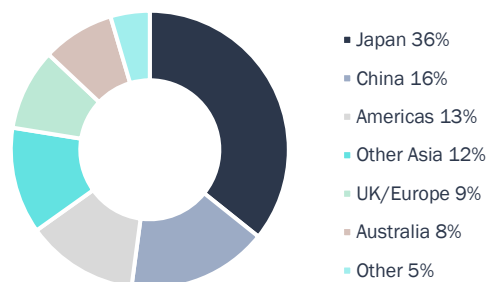
Typically 15 to 30,
currently 24

No. of Short Positions

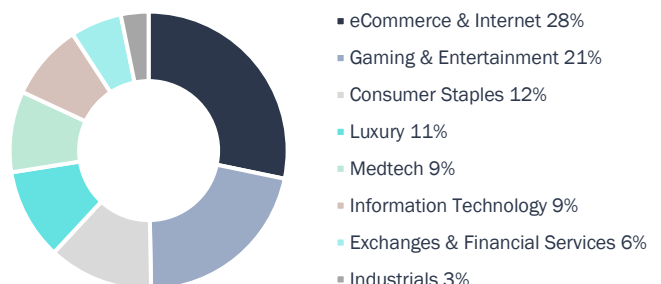
Typically 5 to 25,
currently 9

Listing Date	13 November 2019	
Portfolio Value	\$630 million	
Portfolio Currency Exposure	AUD 100%	
Return ³	Portfolio Return (Net)	Share Price
1 Month	0.2%	1.7%
3 Months	1.4%	4.3%
6 Months	4.8%	7.0%
1 Year	15.0%	27.6%
Since Inception (p.a.)	8.6%	(1.7%)
Month End Exposures		
Long Equity Exposure	91%	
Short Equity Exposure	(6%)	
Net Equity Exposure	85%	

Long Portfolio by Regional Exposure (Proxied by Revenue)⁴



Long Portfolio by Sector⁴



Source: Citco Fund Services (Net Tangible Assets (NTA)), Bloomberg (Share Price). NTA figures are unaudited.










¹ The return objective is to achieve an average compound annual return of 10% to 15% (after all fees and expenses) over a period of more than five years.

² Post-Tax NTA² 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. As at 30 June 2021, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.75 per share.

³ Portfolio Return (Net) is shown after all applicable fees and expenses and is defined as the movement in pre-tax NTA, adjusting for payments owed to/from taxation authorities from earlier periods, plus dividends. Share Price Return is defined as the movement in the VG8 share price at the end of the period plus dividends.

⁴ The revenue mix of each equity investment has been used as a proxy for regional exposure. Sectors have been internally defined. Exposures may not add to 100% due to rounding.

Top Ten Long Investments: 65% of VG8 Portfolio

	10% Luxury Cie Financière Richemont SA (SWX: CFR)
	9% Medtech Olympus Corporation (TYO: 7733)
	8% Gaming & Entertainment Nintendo Co. Ltd (TYO: 7974)
	7% eCommerce & Internet Alibaba Group Holding Ltd (HKG: 9988)
	6% eCommerce & Internet Rakuten Inc. (TYO: 4755)
	6% Consumer Staples Yakult Honsha Co. Ltd (TYO: 2267)
	5% Gaming & Entertainment Crown Resorts Ltd (ASX: CWN)
	5% Exchanges & Financial Services Japan Exchange Group Inc. (TYO: 8697)
	5% Consumer Staples Pernod Ricard SA (EPA: RI)
	4% Gaming & Entertainment Tencent Music Entertainment Group (NYSE: TME)

Commentary

The portfolio's return (net of all fees and expenses) for the month of June was +0.2%. The portfolio's Long Investments added +0.3% to performance and the Short portfolio, currently comprising 9 Short Positions, detracted -0.1% from performance. The portfolio has 100% Australian Dollar exposure (equities are fully hedged to the AUD and excess cash is held in AUD) and therefore currency fluctuations did not directly impact the return in June.

Key contributors to the return were Yakult +0.4% and Alibaba +0.3%. These were partly offset by Olympus -0.5% and Crown Resorts -0.5%.

Yakult was up 6% during June ahead of the company's mid-term guidance announcement. In recent months, we have been engaging with Yakult more actively to solicit change. As covered in a recent Wall Street Journal article, VGI along with a number of other Yakult investors voted against all AGM resolutions and are pushing for the company to more urgently embrace its growth opportunities while introducing more shareholder-friendly policies.

There was no fundamental news behind the Olympus pullback while Crown has been reacting negatively to the renewed regulatory scrutiny due to the Victorian government inquiry.

During June, one new Long Investment was made and one position exited. Similarly one new Short Position was initiated and one closed.

Company Details and Key Contacts

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