

## 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 cycle<sup>1</sup>
- > VGI staff invest alongside VG8  
shareholders

### Key Details

ASX Code	Share Price	Post-Tax NTA <sup>2</sup>
VG8	\$2.29	\$2.60

### 1 Year Portfolio Return (Net of Fees and Expenses)<sup>3</sup>

9.7%

### Dividend Yield Target

4% p.a. Fully Franked

### Investment Guidelines

#### No. of Long Investments

Typically 15 to 30,  
currently 26

#### No. of Short Positions

Typically 5 to 25,  
currently 10

Listing Date **13 November 2019**

Portfolio Value **\$585 million**

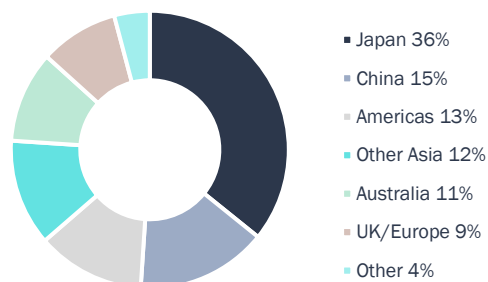
Portfolio Currency Exposure **AUD 100%**

Return <sup>3</sup>	Portfolio Return (Net)	Share Price
1 Month	(7.2%)	(5.8%)
3 Months	(5.9%)	(1.3%)
6 Months	(3.8%)	0.0%
1 Year	9.7%	20.2%
Since Inception (p.a.)	3.5%	(5.0%)

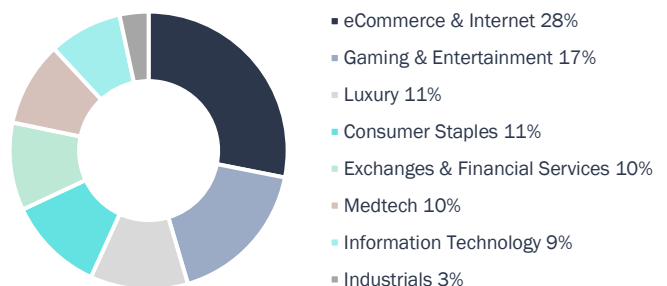
#### Month End Exposures

Long Equity Exposure	99%
Short Equity Exposure	(8%)
Net Equity Exposure	91%

### Long Portfolio by Regional Exposure (Proxied by Revenue)<sup>4</sup>



### Long Portfolio by Sector<sup>4</sup>



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











<sup>1</sup> 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.

<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. As at 31 July 2021, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.61 per share.

<sup>3</sup> 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.

<sup>4</sup> 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: 67% of VG8 Portfolio

	11%	Luxury Cie Financière Richemont SA (SWX: CFR)
	10%	Medtech Olympus Corporation (TYO: 7733)
	8%	Gaming & Entertainment Nintendo Co. Ltd (TYO: 7974)
	7%	Consumer Staples Yakult Honsha Co. Ltd (TYO: 2267)
	7%	eCommerce & Internet Rakuten Inc. (TYO: 4755)
	7%	eCommerce & Internet Alibaba Group Holding Ltd (HKG: 9988)
	6%	Exchanges & Financial Services Japan Exchange Group Inc. (TYO: 8697)
	4%	Gaming & Entertainment Crown Resorts Ltd (ASX: CWN)
	4%	Active Position Not Disclosed
	4%	Consumer Staples Pernod Ricard SA (EPA: RI)

Commentary

The portfolio's return (net of all fees and expenses) for the month of July was -7.2%. The portfolio's Long Investments detracted -7.3% from performance and the Short portfolio, currently comprising 10 Short Positions, added +0.1% to 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 July.

Key contributors to the return were Richemont +0.5%, Olympus +0.2% and Yakult Honsha +0.2%. Detractors included Crown Resorts -1.5%, Tencent Music -1.4% and Alibaba -1.0%.

Two new Long Investments were made in July and one new Short Position was initiated.

During the month, some Asian markets experienced sharp falls due to regulatory actions by the Chinese government. We had been wary of this possibility for some time and had only recently invested in a few Chinese companies that had already undergone large share price corrections in early 2021 after facing regulatory scrutiny. Nevertheless, these companies were further affected by the July sell-off and we subsequently increased our positions in some of these. Our view on China tech is that the actions by the Chinese government are highly targeted and are not intended to destroy China's domestic tech industry, nor its access to foreign capital. While regulatory risks have unquestionably increased, we think these risks are overdone in many cases and more than priced in.

Company Details and Key Contacts

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