

Our philosophy

- > Deep research → conviction
→ concentrated portfolio
- > A long-term investment horizon
provides a competitive advantage
- > Avoid permanent loss of capital
- > 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 Ex-Div ²
VG8	\$2.12	\$2.51

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

4.4%

Dividend Yield Target

4% p.a. Fully Franked

Investment Guidelines

No. of Long Investments	No. of Short Positions
Typically 15 to 30, currently 25	Typically 5 to 25, currently 10

Listing Date	13 November 2019
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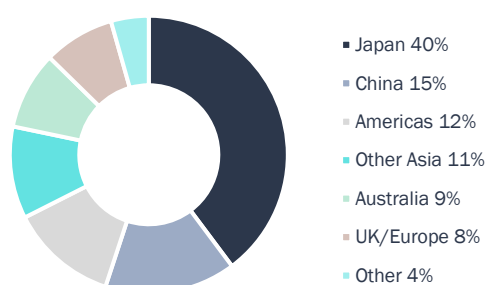
Portfolio Value	\$565 million
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Portfolio Currency Exposure	AUD 100%
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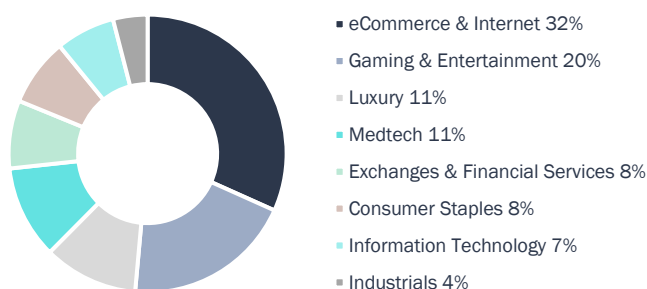
Return ³	Portfolio Return (Net)	Share Price
1 Month	(1.3%)	(5.0%)
3 Months	(8.2%)	(9.0%)
6 Months	(5.5%)	(6.2%)
1 Year	4.4%	13.0%
Since Inception (p.a.)	2.6%	(7.4%)

Month End Exposures	
Long Equity Exposure	90%
Short Equity Exposure	(9%)
Net Equity Exposure	81%

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 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 August 2021, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.53 per share (ex-dividend). The final dividend of 5.5 cents per share for the year ending 30 June 2021 had an ex-dividend date of 30 August 2021 and is payable on 29 September 2021.











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.

Date of release: 9 September 2021

Authorised for release by the Company Secretary

Top Ten Long Investments: 67% of VG8 Portfolio

	10%	Luxury Cie Financière Richemont SA (SWX: CFR)
	10%	Medtech Olympus Corporation (TYO: 7733)
	8%	Gaming & Entertainment Nintendo Co. Ltd (TYO: 7974)
	7%	eCommerce & Internet Rakuten Inc. (TYO: 4755)
	7%	Consumer Staples Yakult Honsha Co. Ltd (TYO: 2267)
	6%	Exchanges & Financial Services Japan Exchange Group Inc. (TYO: 8697)
	6%	eCommerce & Internet Alibaba Group Holding Ltd (HKG: 9988)
	5%	eCommerce & Internet Z Holdings Corporation (TYO: 4689)
	5%	Gaming & Entertainment Crown Resorts Ltd (ASX: CWN)
	4%	eCommerce & Internet Mercari Inc. (TYO: 4385)

Commentary

The portfolio's return (net of all fees and expenses) for the month of August was -1.3%. The portfolio's Long Investments detracted -1.2% from performance and the Short portfolio, currently comprising 10 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 August.

The largest contributor to the return was Z Holdings, adding +1.1% to the monthly return. Z Holdings is not a new position but has grown into a 5% weight due to strong performance, which has been driven by accelerating growth in its digital advertising business and robust growth in its e-commerce business.

Other contributors were Star Entertainment Group (ASX: SGR) +0.4% and Crown Resorts +0.3%.

Detractors included Richemont -1.5% and Alibaba -0.8% due to ongoing concerns around the Chinese government crackdown. This has resulted in negative market sentiment towards a number of our China-exposed holdings.

One new Long Investment was made in August and two holdings exited. Two new Short Positions were initiated and two closed.

Dividend

During the month, VG8 reported its FY21 results and declared an inaugural dividend of 5.5c fully franked. This equated to a 2.3% yield on the Company's share price as at 30 June 2021 and is consistent with VG8's announcement on 11 May that it would begin targeting a 4% p.a. fully franked dividend yield. The ex-dividend date was 30 August and the dividend is payable on 29 September.

Company Details and Key Contacts

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