

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 ²
VG8	\$2.04	\$2.48

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

2.4%

Dividend Yield Target

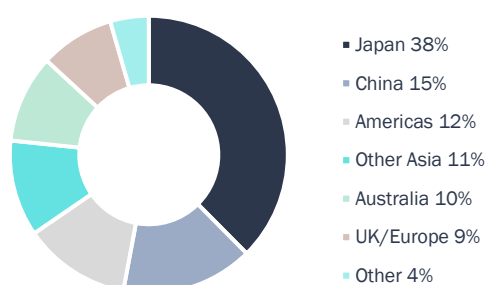
4% p.a. Fully Franked

Investment Guidelines

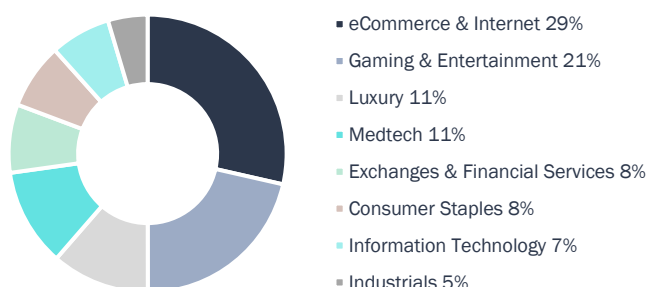
No. of Long Investments	No. of Short Positions
Typically 15 to 30, currently 25	Typically 5 to 25, currently 14

Listing Date	13 November 2019	
Portfolio Value	\$559 million	
Portfolio Currency Exposure	AUD 100%	
Return ³	Portfolio Return (Net)	Share Price
1 Month	(0.9%)	(3.8%)
3 Months	(9.3%)	(13.9%)
6 Months	(8.0%)	(10.2%)
1 Year	2.4%	10.2%
Since Inception (p.a.)	2.0%	(9.0%)
Month End Exposures		
Long Equity Exposure	86%	
Short Equity Exposure	(9%)	
Net Equity Exposure	77%	

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 30 September 2021, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.52 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.

Date of release: 11 October 2021

Authorised for release by the Company Secretary

Top Ten Long Investments: 66% of VG8 Portfolio

OLYMPUS

10%

Medtech
Olympus Corporation (TYO: 7733)

RICHEMONT

10%

Luxury
Cie Financière Richemont SA
(SWX: CFR)



8%

Gaming & Entertainment
Nintendo Co. Ltd (TYO: 7974)

Rakuten

7%

eCommerce & Internet
Rakuten Inc. (TYO: 4755)

Yakult

7%

Consumer Staples
Yakult Honsha Co. Ltd (TYO: 2267)



6%

Exchanges & Financial Services
Japan Exchange Group Inc.
(TYO: 8697)



5%

eCommerce & Internet
Alibaba Group Holding Ltd
(HKG: 9988)



5%

Gaming & Entertainment
Crown Resorts Ltd (ASX: CWN)

mercari

4%

eCommerce & Internet
Mercari Inc. (TYO: 4385)

4%

Active Position
Not Disclosed

Commentary

The portfolio's return (net of all fees and expenses) for the month of September was -0.9%. The portfolio's Long Investments detracted -1.1% from performance and the Short portfolio, currently comprising 14 Short Positions, added +0.2% 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 September.

Key contributors to the return were Olympus +0.6%, Mercari +0.5% and Japan Exchange +0.4%. There was no notable news on these positions.

Detractors included Alibaba -0.9%, which remained under pressure due to ongoing concerns around the Chinese government crackdown. With a long-term view, we remain confident in the outlook for the business. Yakult also detracted -0.8% as the stock fell on the back of negative media coverage in China for misleading advertising, which we do not view as sufficiently material to alter our thesis.

One new Long Investment was made in September and one holding exited. Five new Short Positions were initiated and one closed.

Dividend

On 29 September, VG8 paid a 5.5c fully franked dividend to shareholders who owned shares at the record date of 31 August 2021.

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