

16 November 2021

ASX Market Announcements  
ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

**Chairman's Annual General Meeting Address**

Attached is a copy of the address to be given at today's Annual General Meeting by Mr. Lawrence Myers, Independent Chairman.

**Authorised for release by:**

Ian Cameron, Company Secretary

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**VGI Partners Asian Investments Limited**  
**2021 Annual General Meeting**  
**Tuesday 16 November 2021 – 1:30pm**

On behalf of VG8, I would like to welcome all shareholders to today's meeting. We thank you for your support.

This meeting follows on from the comprehensive portfolio update on VG8 that Robert Luciano and the team hosted by webinar this morning.

The focus this afternoon will be on the Formal Business as set out in the Notice of Meeting.

I will thus keep my opening remarks relatively short to ensure that we have plenty of time for shareholder questions on the resolutions.

**FY21 in review**

Starting with a review of FY21, VG8's investment portfolio recorded a return of 15% for the 12 months to June 2021, after fees and before tax. Net Tangible Assets (or NTA) per share after tax increased 12% from \$2.50 to \$2.80. The net profit after tax was \$58.8m or 26.4 cents per share.

It was also encouraging to see VG8's share price increase by 27.6% in FY21. This represented a material closing of the discount to NTA over the year. While a discount still remained at the end of June, it was around half the size of VG8's peak discount in Sep 2020.

In May 2021, the VG8 Board announced an intention to target a fully franked dividend yield of 4% per annum, based on the Company's share price. As a result, VG8 declared its first dividend in August 2021. This dividend was 5.5c fully franked and was paid on 29 September. VG8 also established a Dividend Reinvestment Plan (DRP) and we were pleased with the level of participation. Shares for the DRP were purchased on-market during September.

With regard to the sustainability of the target dividend yield, VG8's profits reserve stood at \$89.7 million as at 30 June 2021. This equates to 40.3 cents per share, or 34.8 cents post the payment of the recent 5.5 cent dividend. This means that VG8 has a pool of funds that should support the 4% dividend yield target for a number of years to come, even before adjusting any additional profits that may be earned in the future. We have received very positive feedback on the 4% dividend target from both advisers and retail shareholders.

**Structural and corporate matters**

That said, your Board is aware of the frustration expressed by a number of shareholders that the discount to NTA is persisting. As portfolio performance improved in FY21, the discount approached single digits, but then as performance dipped in the September quarter of this year, the discount widened again. Whilst share price premiums and discounts are a phenomenon of the broader listed investment company sector, we want to see a meaningful improvement in this trading metric over time.

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Given this, the Board has explored a range of initiatives designed to reduce the discount. A key outcome of this was announcing the intention to target a fully franked dividend yield of 4% p.a., as I mentioned earlier.

Furthermore, as you will be aware, the Manager has implemented a series of strategic initiatives, supported by increased investment in distribution and marketing. Specific initiatives include:

- The creation of a Chief Executive Officer role at VGI and the appointment of Jonathan Howie. Jon has over 19 years' experience in investment management and wealth products, with extensive experience in strategy, platforms and distribution.
- Committing to quarterly VG8 portfolio update webcasts with the Senior Investment Team.
- Substantial investments on the technology front, including upgrading its Customer Relationship Management (CRM) software earlier this year.
- Expansion of the Manager's team to improve shareholder and adviser engagement, as well as marketing.

In addition to the initiatives outlined above, the Manager has informed the Board that it has engaged external advisers to assist in reviewing other options to address the discount to NTA.

The Manager has advised the Board that this review process is ongoing, and that it intends to revert to the Board within the first quarter of calendar 2022 with any further recommendations for consideration by the Board.

## **Conclusion**

At this point I would like to acknowledge the hard work of the VGI Partners Investment and Operations teams across Sydney, Brisbane, New York and Tokyo. The Board thanks you for your dedication, especially during another year punctuated by lockdowns and global developments that are unprecedented.