

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	\$2.11	\$2.57

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

0.2%

Dividend Yield Target

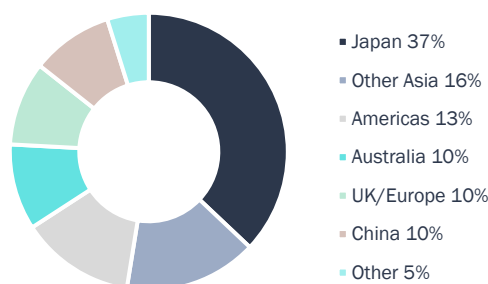
4% p.a. Fully Franked

Investment Guidelines

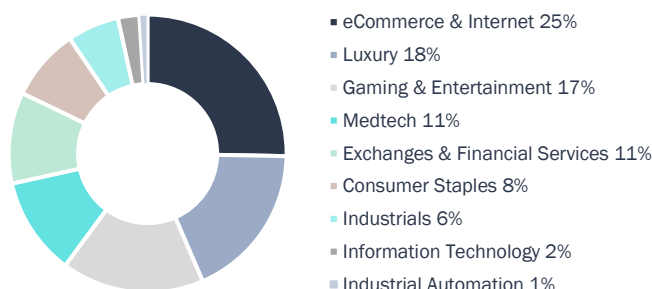
No. of Long Investments	No. of Short Positions
Typically 15 to 30, currently 22	Typically 5 to 25, currently 13

Listing Date	13 November 2019	
Portfolio Value	\$572 million	
Portfolio Currency Exposure	AUD 100%	
Return ³	Portfolio Return (Net)	Share Price
1 Month	(0.3%)	(1.9%)
3 Months	1.4%	(0.5%)
6 Months	(7.0%)	(9.4%)
1 Year	0.2%	(4.2%)
Since Inception (p.a.)	3.0%	(6.8%)
Month End Exposures		
Long Equity Exposure	76%	
Short Equity Exposure	(7%)	
Net Equity Exposure	69%	

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 November 2021, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.56 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: 10 December 2021

Authorised for release by the Company Secretary

Top Ten Long Investments: 68% of VG8 Portfolio

	14%	Luxury Cie Financière Richemont SA (SWX: CFR)
	9%	Medtech Olympus Corporation (TYO: 7733)
	8%	eCommerce & Internet Rakuten Inc. (TYO: 4755)
	8%	Exchanges & Financial Services Japan Exchange Group Inc. (TYO: 8697)
	6%	Consumer Staples Yakult Honsha Co. Ltd (TYO: 2267)
	5%	Gaming & Entertainment Crown Resorts Ltd (ASX: CWN)
	5%	Gaming & Entertainment Nintendo Co. Ltd (TYO: 7974)
	5%	eCommerce & Internet Alibaba Group Holding Ltd (HKG: 9988)
	5%	Industrials Panasonic Corporation (TYO: 6752)
	4%	eCommerce & Internet Mercari Inc. (TYO: 4385)

Commentary

The portfolio's return (net of all fees and expenses) for the month of November was -0.3%. This was generated from VG8's Long Investments; the return from the Short portfolio was neutral. 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 November.

The largest contributor to returns was Cie Financière Richemont +2.6%, which reported strong interim sales and margins, further confirming the earnings power of its core businesses. Richemont also commented on further progress in its discussions with Farfetch to create an industry-wide e-commerce platform – we see significant hidden value to be unlocked in this area.

Other key contributors were Crown Resorts +0.5% and Mercari +0.5%.

The most significant detractor was Alibaba -1.4%, which released second quarter results during the month. While Alibaba has been exposed to the recent macroeconomic slow-down in China, we feel its dominant core business is well positioned to leverage a resurgence in structural e-commerce growth. Alibaba is also investing heavily in new lines of business, where we see significant long-term growth to come.

Other detractors to returns were Japan Exchange -0.5% and Rakuten -0.5%.

Four new Long Investments were made in November and two were exited. Three new Short Positions were initiated and one closed.

Company Details and Key Contacts

VGI Partners Asian Investments Limited
39 Phillip Street, Sydney NSW 2000, Australia
www.vgipartners.com/lics/vg8

Ingrid Groer, CFA: Head of Investor Relations
T. 1800 571 917 or +61 2 9237 8923
E. investor.relations@vgipartners.com

Matthew Newham: Investment Director – Distribution
E. matthew.newham@vgipartners.com

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