

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

### Key Details

| ASX Code | Share Price Ex-Div <sup>2</sup> | Post-Tax NTA Ex-Div <sup>2</sup> |
|----------|---------------------------------|----------------------------------|
| VG8      | \$2.02                          | \$2.34                           |

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

(12.3%)

### Dividend Yield Target

4% p.a. Fully Franked

### Investment Guidelines

#### No. of Long Investments

Typically 15 to 30,  
currently 27

#### No. of Short Positions

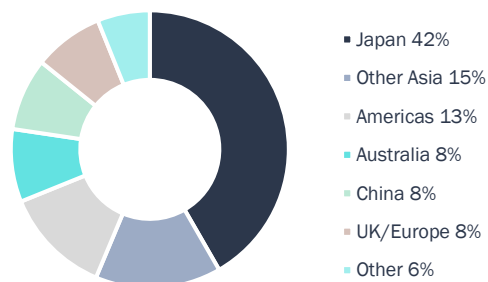
Typically 5 to 25,  
currently 15

|                             |                         |
|-----------------------------|-------------------------|
| Listing Date                | <b>13 November 2019</b> |
| Portfolio Value             | <b>\$517 million</b>    |
| Portfolio Currency Exposure | <b>AUD 100%</b>         |

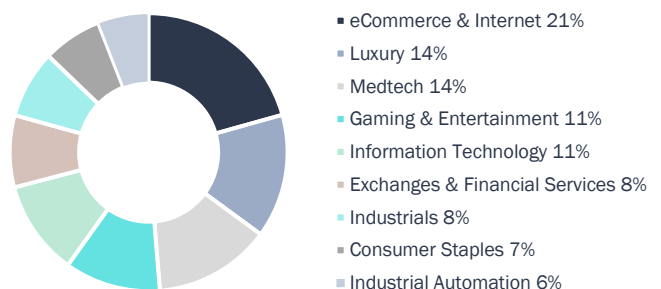
| Return <sup>3</sup>    | Portfolio Return (Net) | Share Price |
|------------------------|------------------------|-------------|
| 1 Month                | 1.8%                   | 3.0%        |
| 3 Months               | (7.3%)                 | (1.0%)      |
| 6 Months               | (4.6%)                 | 1.5%        |
| 1 Year                 | (12.3%)                | (8.9%)      |
| Since Inception (p.a.) | (0.5%)                 | (6.6%)      |

| Month End Exposures   |       |
|-----------------------|-------|
| Long Equity Exposure  | 85%   |
| Short Equity Exposure | (14%) |
| Net Equity Exposure   | 71%   |

### 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 March 2022, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.38 per share (ex-dividend), which includes \$0.06 per share of income tax losses available to the Company in future periods. The interim dividend of 5.0 cents per share for the year ending 30 June 2022 had an ex-dividend date of 16 March 2022 and is payable on 19 April 2022.











<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.

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Authorised for release by the Company Secretary

Top Ten Long Investments: 62% of VG8 Portfolio

|   |     |  |
|---|-----|--|
|     | 12% | Luxury<br>Cie Financière Richemont SA<br>(SWX: CFR)                        |
|     | 8%  | Medtech<br>Olympus Corporation (TYO: 7733)                                 |
|    | 7%  | Exchanges & Financial Services<br>Japan Exchange Group Inc.<br>(TYO: 8697) |
|    | 7%  | eCommerce & Internet<br>Rakuten Inc. (TYO: 4755)                           |
|  | 6%  | Consumer Staples<br>Yakult Honsha Co. Ltd (TYO: 2267)                      |
|   | 5%  | Industrial Automation<br>Daifuku Co. Ltd (TYO: 6383)                       |
|   | 5%  | Industrials<br>Panasonic Corporation (TYO: 6752)                           |
|  | 4%  | eCommerce & Internet<br>Alibaba Group Holding Ltd<br>(HKG: 9988)           |
|  | 4%  | Gaming & Entertainment<br>Nintendo Co. Ltd (TYO: 7974)                     |
|   | 3%  | eCommerce & Internet<br>Mercari Inc. (TYO: 4385)                           |

Commentary

The portfolio's return (net of all fees and expenses) for the month of March was +1.8%. The portfolio's Long Investments added +2.3% to performance and the Short portfolio, currently comprising 15 Short Positions, detracted -0.5% 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 March.

Long contributors included Japan Exchange, Alibaba, Daifuku and Nintendo, each of which contributed +0.4%.

Japan Exchange upgraded guidance amid higher equity trading volumes in Japan. Daifuku continues to benefit from strong logistics automation investment trends, which have been amplified by the global supply chain shock, while Nintendo has seen the market take a more favourable view of its strong game pipeline.

Key Long detractors were Richemont -0.9% and Mercari -0.2%.

On top of general market weakness in the luxury sector, Richemont share price was possibly impacted by its small exposure to Russia/Ukraine (less than 4% of revenues) and the acceleration of COVID cases in China, which is a key market.

Three new Long Investments were initiated in March. We continued to add to existing and new Shorts, taking Short exposure from 12% to 14% during the month.

**Buy-back:** On 30 March, VG8 announced that it intends to launch an on-market buy-back (of up to 10% of shares over 12 months). VG8 currently expects to commence its share purchases in May 2022.

**Dividend:** VG8's 1H22 fully franked dividend of 5.0c is due to be paid on 19 April 2022. The ex-dividend date was 16 March 2022.

Company Details and Key Contacts

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