

Our philosophy

- › Deep research → conviction
→ concentrated portfolio
- › A long-term investment horizon
provides a competitive advantage
- › Avoid permanent loss of capital
- › VGI staff invest alongside VG1
shareholders

Key Details

ASX Code	Share Price	Post-Tax NTA ¹
VG1	\$1.415	\$1.74

1 Month Portfolio Return (Net of Fees and Expenses)²

+1.6%

Dividends

Targeting 4.5c each six months

Investment Guidelines

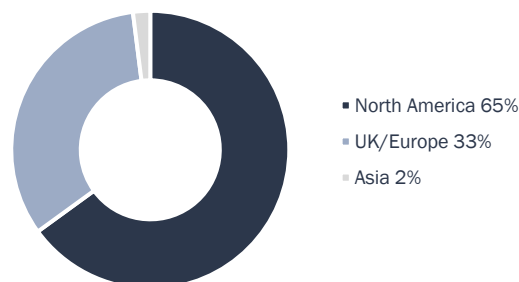
No. of Long Investments	No. of Short Positions
Typically 10 to 25, currently 28	Typically 10 to 35, currently 40

Listing Date	28 September 2017
Portfolio Value	\$651 million
Portfolio Currency Exposure	AUD 100%

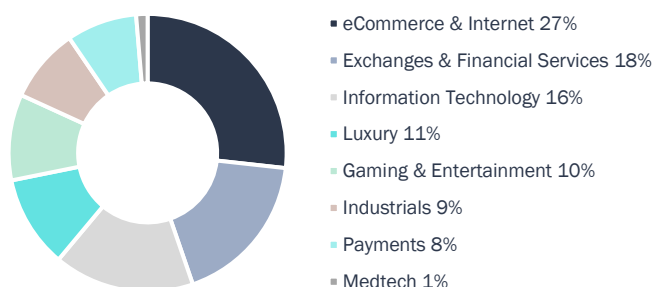
Return ²	Portfolio Return (Net)
1 Month	1.6%
3 Months	(3.5%)
6 Months	(7.0%)
1 Year	(23.2%)
Since Inception (p.a.)	0.3%

Month End Exposures	
Long Equity Exposure	95%
Short Equity Exposure	(48%)
Net Equity Exposure	47%

Long Portfolio by Location of Exchange Listing³



Long Portfolio by Sector³



Source: Citco Fund Services (Net Tangible Assets (NTA)), Bloomberg (Share Price). NTA figures are unaudited.

¹ '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 October 2022, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$1.90 per share, which includes \$0.16 per share of income tax losses available to the Company in future periods.

² 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. All data has been adjusted for VG1's capital raising in 2019. Past performance is not a reliable indicator of future performance.

³ Asia includes ASX-listed securities. Sectors have been internally defined. Exposures may not add to 100% due to rounding.

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Authorised for release by Ian Cameron, Company Secretary

Top Ten Long Investment Weights: 73% of VG1 Portfolio



13%

eCommerce & Internet
Amazon.com Inc. (NASDAQ: AMZN)



11%

Exchanges & Financial Services
CME Group Inc. (NASDAQ: CME)



8%

Luxury
Cie Financière Richemont SA
(SWX: CFR)



8%

Payments
Mastercard Inc. (NYSE: MA)



8%

Information Technology
SAP SE (ETR: SAP)



7%

Industrials
Schlumberger NV (NYSE: SLB)



6%

eCommerce & Internet
Pinterest Inc. (NYSE: PINS)



5%

Gaming & Entertainment
Française des Jeux (EPA: FDJ)



5%

Exchanges & Financial Services
Deutsche Börse AG
(ETR: DB1)



3%

Information Technology
Qualtrics International Inc.
(NASDAQ: XM)

Commentary

The portfolio's net return for the month of October was +1.6%.² The portfolio's Long Investments added +5.3% to performance for the month while the Short portfolio detracted -3.7%. 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 October.

The largest Long contributor to return was Schlumberger (SLB) (+2.1%), which reported strong results driven by its international business and also saw benefits from pricing initiatives. SLB also held an investor day in early November, where the company set out impressive medium-term targets.

Additional key contributors were Mastercard and SAP (each +1.1%). Both companies reported positive 3Q results. SAP showed robust cloud backlog and margin performance and reiterated its goal to increase profits by double-digits in 2023. Mastercard's purchase volumes remained stable and cross-border volumes continued to bolster the top and bottom lines. We also exited our Twitter position in early October as the price increased to be within ~5% of the takeover offer price.

The largest long detractor was Amazon (-1.4%) due to disappointing 3Q results. Amazon's cloud computing business, AWS, experienced a revenue slowdown at the same time as some margin pressure. We believe AWS is suffering from temporary headwinds: reinvesting to support its customers (who are reducing workloads given the tougher macro conditions) and, secondly, higher energy costs. Outside of AWS, Amazon also forecasts slower growth for its global e-commerce business, citing rising inflation, concerns about the economy and increasingly budget-conscious consumers.

CME Group (-0.2%) continued to see its trading volumes depressed due to market volatility creating high margin requirements for market participants.

Short exposure remained at 48% during the month.

Buy-back: Approximately 3.5 million VG1 shares were bought at an average price of \$1.41 during October.

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