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

2022 Annual General Meeting – Chairman’s Address

In accordance with ASX Listing Rule 3.13.3, VGI Partners Asian Investments Limited (ASX:VG8) attaches a copy of the address to be given at today’s Annual General Meeting by Lawrence Myers, Chairman.

AUTHORISED FOR RELEASE BY:

Belinda Hannover, Company Secretary



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VGI Partners Asian Investments Limited 2022 Annual General Meeting Wednesday 23 November 2022 – 1pm

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

As mentioned, given that Phil King and the VG8 investment team have already provided a detailed portfolio update by webinar a few weeks ago, 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.

FY22 IN REVIEW

By way of a review of FY22, as many investors would be aware, Asian equity markets experienced considerable headwinds over the past twelve months, as a variety of economic, political and pandemic-related issues weighed heavily on investor sentiment across the region. The Company was not immune from these headwinds, with the investment portfolio delivering a negative return of -19.3% for the 12 months to June 2022, after fees and before tax. For context, while the portfolio is not benchmarked against any particular index, the MSCI Asia index return in FY22 was -16.7% in Australian dollar terms and some indices in the region fared materially worse.

Despite these challenges, VG8 declared an interim dividend of 5c per share and a final dividend of a further 5c per share. Combining these equates to a 12-month dividend yield of 5.6%, based on the Company's share price at 30 June 2022. These dividends were made possible due to VG8's profit reserves, which stood at \$66.3m at 30 June 2022. After adjusting for the dividend paid in September, this equates to over 25c per share remaining available for future dividends.

With this in mind, the Board announced in August that it intends to continue paying six-monthly dividends in future and, subject to Board approval, aims to maintain a dividend of at least 5 cents per share every six months with the intention to grow this over time. We have received positive feedback on this new dividend policy, as many shareholders have indicated that they are seeking a combination of income and long-term capital growth, and the new policy provides additional clarity in this regard. The Board also intends for future dividends to be franked to the fullest extent possible.

During the year, the Board also approved the launch of an on-market share buy-back and this became active in May. To date, over 12 million shares have been purchased, or 5.4% of the Company's issued shares. The buy-back has been accretive for VG8 shareholders as well as providing additional market liquidity for those wishing to transact.

REGAL PARTNERS LIMITED TRANSACTION

Turning now to some of the corporate developments that have occurred during the year for VG8's Manager – as many of you would be aware, in January 2022, VGI Partners Limited (the then parent of VG8's Manager) announced that it was in preliminary merger discussions with Regal Funds Management. A Merger Implementation Deed was subsequently signed and the merger completed on 3 June 2022, with the new combined entity renamed 'Regal Partners'.

The merger combines two well-established investment management businesses that share a heritage in alternative investment strategies and have strong long-term track records.

For VG8 shareholders, the merger was a pleasing development on a number of fronts.

Firstly, it gives VG8 the opportunity to access Regal's institutional grade corporate platform, marketing and distribution capabilities. Having access to a larger team with more resources and deep experience is a critical part of improving shareholder engagement and we have already seen benefits from this, such as the extensive broker roadshow that was conducted for VG8 in September.

Secondly, the merger has enabled a number of changes to be made around the management of VG8's portfolio. Most significantly, in June 2022 VG8 announced that its Manager had entered into an investment advisory agreement, whereby Regal Funds Management agreed to assist the Manager with the investment of the Company's portfolio.

Following this, lead portfolio management responsibilities were subsequently transitioned to Philip King, Regal's Chief Investment Officer. This new arrangement has materially expanded the resources available for VG8 as Regal Funds Management operates one of the largest fundamental investment teams in the Asia Pacific region, including a number of highly experienced industry sector specialists in both Sydney and Singapore.

While early days, the portfolio's investment returns in recent months since the management transition have been pleasing. For the four months to October 2022, VG8's portfolio return was +11.0%, net of fees. This is materially higher than the MSCI Asia return in A\$ of -7.3%.

We hope you have also noticed a number of other changes, such as a refresh of the monthly newsletter, and that you were able to watch the recent investor webinar, where we heard from Phil and senior analysts Shannon McConaghy and James Hood, as well as Regal Partners' CEO, Brendan O'Connor. Later in today's meeting I will also be putting forward a resolution to change the Company name from VGI Partners Asian Investments to Regal Asian Investments, reflecting the change to portfolio management responsibilities.

SHARE PRICE AND DISCOUNT TO NET TANGIBLE ASSETS

In terms of what this all means for VG8's share price is that, in the 4 months following 30 June, VG8's share price return was +11.2%. Further improvement in November means the fiscal year to date return is now +16.4%, a pleasing outcome in the context of continued volatility across the region. While we acknowledge that the discount to Net Tangible Assets remains above where we would like it to be, there is positive momentum in the Company and we have received widespread favourable feedback on the various changes that have been implemented over the past few months. Furthermore, Regal's distribution team have been engaging with existing VG8 shareholders and drawing on their network to identify prospective investors, including many who have previously had positive investment experiences with funds managed by Phil King. As a result, we have seen a number of new shareholders joining the VG8 register and expressing interest.

In summary, we believe that improvements in investment performance, capital management (including the new dividend policy and buy-back) and shareholder engagement are all key to closing the discount, and VG8 has recently made good progress across all of these areas.

CONCLUSION

In closing, I would like to acknowledge a number of people. Firstly, on behalf of the Board, I would like to thank Robert Luciano, who established VG8 in 2019 and who was a member of the VG8 Board until June, when he stepped down to focus on his portfolio management duties for VGI Partners.



Thank you also to the investment teams of both VGI Partners and Regal Funds Management for your work over the last year. Markets have been challenging, especially with some of the geopolitical tensions in Asia, but VG8's portfolio has navigated and avoided many of the issues that have impacted other fund managers – and investment performance has rebounded well in recent months.

I also extend my appreciation to the operations team of Regal Partners, who have worked hard to complete the merger as well as broadening the marketing and distribution activities for VG8.

Finally, thank you to the shareholders who have patiently supported VG8 over the years, as well as those who have joined the register in recent times.