VGI Partners
Asian Investments Limited
ABN 58 635 219 484
39 Phillip Street
Sydney NSW 2000 Australia
T. +61 2 9237 8923
www.vgipartners.com/lics/vg8

15 July 2020

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

BY ELECTRONIC LODGEMENT

Investor Letter from VGI Partners Limited

VGI Partners Asian Investments Limited (ASX:VG8) is pleased to make available the enclosed Investor Letter prepared by VGI Partners Limited discussing the initial deployment of the VG8 portfolio in the period from listing on 13 November 2019 to 30 June 2020.

Authorised for release by:

Ian Cameron
Company Secretary

For investor queries, please contact:

Ingrid Groer, CFA
Head of Investor Relations
VGI Partners Asian Investments Limited
Phone: 1800 571 917 (inside Australia)
+61 2 9237 8923 (outside Australia)
Email: investor.relations@vgipartners.com

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15th July 2020

Investor Letter

"You need patience, discipline, and an agility to take losses and adversity without going crazy."

- Charlie Munger

Dear Fellow Investors,

We are pleased to report to you on our progress in deploying the **VGI Partners Asian Investments Limited (ASX:VG8**) portfolio. For the period from listing on the ASX on 13 November 2019 to 30 June 2020 (the Period), VG8 generated a net Australian Dollar (AUD) return of **-0.2%** after all fees. VG8's post-tax Net Tangible Assets (NTA) per share stood at **$2.50** at 30 June 2020.[1]

VG8's return for the Period significantly outperformed major regional indices, including Japan (TOPIX, **-8.3%**), Hong Kong (Hang Seng, **-8.1%**) and Singapore (Straits Times, **-20.0%**).

As we told investors when VG8 was established, we had already developed a "target list" of companies for the Asian Strategy and as a result we were able to commence deployment of the portfolio immediately after VG8 listed on the ASX. Companies on the target list were selected on the basis that they are consistent with the VGI Partners tradition of investing only in companies that have a business model that is easy to understand and that operate in industries with an attractive industry structure. This means our focus is on industries that display monopoly, duopoly or oligopoly characteristics, or firms that own highly recognisable brands.

[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.

To be considered for inclusion in the VG8 portfolio, a company must also be listed in a country with a robust and reliable legal system, strong corporate governance and developed capital markets. In practice this means that, for several years at least, the portfolio will be heavily weighted towards investments in Japan, South Korea, Singapore, Hong Kong, Taiwan and Australia alongside companies listed elsewhere with significant Asian exposure.

Over the period since listing, we have taken a careful approach to investing the VG8 capital, slowly building holdings in those companies on our target list that are trading with an appropriate margin of safety.

When we last wrote to you in late January 2020, VG8 held 11 Long Investments with total Long exposure of 24%. At that time, virus-related lockdowns across China had just started to hit sentiment in Asian equity markets while other global markets remained buoyant. We proceeded to steadily deploy capital through the sell-off, particularly amidst the sharp declines in March, to add to our core holdings of quality Asian companies. At the end of June, VG8 had Long exposure of 49% across a total of 17 positions.

Opportunistic short selling of businesses which VGI Partners considers to be of low quality and materially overvalued is also an integral component of the VG8 strategy.

When Asian indices started to move higher following the sell-off we increased VG8's Short exposure as we anticipated that a broad-based consumer crisis would inevitably follow what had become a global economic shutdown. The majority of this Short exposure was to companies listed in Australia, a market where VGI Partners has enjoyed considerable success shorting in the past. Unfortunately, this decision has detracted from VG8's performance as equity markets violently rallied on the back of central bank stimulus and investors priced in a reopening of economies and a return to "business as usual" for consumers.

We should have been faster to recognise that the announcement of unprecedented stimulus and wage-replacement programs around the world would defer negative consequences for a number of companies in which we had initiated Short Positions.

Recognising the challenges of shorting in the current environment, we progressively reduced VG8's Short exposure from later in April onwards, and finished the Period with no Short exposure. Our decisions in relation to the Short Portfolio are discussed further later in this letter.

The Australian Dollar also performed strongly in the June quarter. This created an additional headwind as VG8 was predominantly exposed to the US Dollar. This was a conscious decision, and our active currency management approach is also discussed later in this letter.

As at 30 June 2020, VG8's net equity exposure was 49% (49% Long Investments less nil Short Positions). This means that on average for every $100,000 you have invested in VG8, we own $49,000 of equities and have not short sold any equities. This results in an equity exposure of $49,000 plus $51,000 of cash which we are steadily and carefully investing. Note that once the portfolio is fully deployed we generally expect to have a net equity exposure of between 75% and 100%.

We are long-term investors and the risk of relative underperformance in the short term (through slow, careful deployment) is preferable in our view to the risk of a substantial permanent loss of capital.

Performance Attribution for the Period to 30 June 2020

VG8's **-0.2%** net return for the Period consisted of a **+3.1%** positive return from the Long Portfolio, a **-3.4%** detraction from the Short Portfolio and a **+0.1%** contribution from our long-term strategic currency positioning. We will discuss our Short Portfolio as well as our currency management approach in detail later in this letter.

The following table lists the most significant stock contributors to the performance of our Long Portfolio for the Period to 30 June 2020.

Top Long Contributors to Returns in the Period	Contribution
Hong Kong Exchanges and Clearing Limited	1.0%
Unicharm Corporation	0.8%
Olympus Corporation	0.6%
Japan Exchange Group Inc.	0.6%
Rémy Cointreau SA	0.3%
Total Contribution of Above	**3.3%**

Source: VGI Partners.

Hong Kong Exchange and Clearing Limited (HKG: 0388) contributed **+1.0%** to performance for the Period to 30 June 2020 with the share price increasing **36.3%** since we started purchasing the stock in November 2019 in addition to a Hong Kong dollar denominated dividend yield of **2.0%**.

HKEX is the sole operator of stock and futures exchanges in Hong Kong. It was formed in 2000 as a result of a three-way merger between the Stock Exchange of HK, HK Futures Exchange and the HK Securities Clearing Company in response to a government-initiated reform of the securities and futures markets.

HKEX holds a crucial position as an enabler of capital flow between Chinese companies needing access to international capital markets and international investors seeking exposure to the world's second largest economy. Accordingly, HKEX has an unsurpassed captive supply of Chinese companies to draw from as listing candidates.

Amidst the widening geopolitical fault lines between Beijing and Washington, Chinese companies listed in the USA have recently begun to undertake secondary listings on HKEX as a hedge against an increasingly hostile US listing environment.

In May, HKEX acquired the rights to 37 regional MSCI index futures at the expense of the Singapore Exchange which further solidifies HKEX's position as the pre-eminent exchange in Asia in a "winner takes all" game.

There is a prevailing narrative that we are seeing the "death of Hong Kong" stemming first from the social unrest last year and more recently from the implementation of the new National Security Law. However, fortunately for Hong Kong, its unique position in facilitating capital flow between China and the rest of the world means these concerns are likely overstated. Hong Kong's ultimate source of competitive advantage comes from it being part of China but with a legal and regulatory framework that is more amenable to international investors relative to other Mainland Chinese cities. This source of arbitrage remains intact.

Unicharm Corporation (TYO: 8113) contributed **+0.8%** to performance for the Period to 30 June 2020 with the share price increasing **28.7%** since we started purchasing the stock in November 2019 in addition to a Japanese Yen denominated dividend yield of **0.6%**.

Unicharm is the leading manufacturer of disposable hygiene products in Asia specialising in baby diapers, adult diapers and feminine hygiene products. Since 1984, Unicharm has aggressively expanded its footprint beyond Japan and successfully replicated its domestic market-leading position across countries including China, India, Indonesia, Vietnam and Thailand.

An underappreciated division within Unicharm's product portfolio is its feminine hygiene business which is a significant earnings driver. Notably, Unicharm has no.1 market positions in feminine hygiene across Japan, Indonesia, Thailand and Vietnam (as well as a strong no.2 position in China).

We were pleased when Unicharm announced in February that going forward it would refocus away from the intensely competitive, low margin China baby diapers business and towards its higher quality, higher margin business segments such as feminine hygiene and adult diapers.

In recent months Unicharm has enjoyed strong share price performance as it is regarded as a COVID-19 safe haven by investors. In particular, Unicharm has benefited from household stockpiling as well as COVID-19 induced demand for disposable face masks where it has dominant market share in Japan.

Longer term, Unicharm should continue to benefit from the twin drivers of an aging population across developed Asia (through its adult diapers portfolio) as well as increasing penetration of disposable hygiene products across developing Asia (through its baby nappies and feminine hygiene portfolio).

Olympus Corporation (TYO: 7733) contributed **+0.6%** to performance for the Period to 30 June 2020 with the share price increasing **16.5%** since we started purchasing the stock in January 2020 in addition to a Japanese Yen denominated dividend yield of **0.5%**.

While better known for its consumer camera business, Olympus launched the world's first commercial gastro-camera in 1952 and has maintained its dominance of the gastrointestinal endoscopy market ever since. It is currently the global leader in gastrointestinal endoscopes with a global market share of over 70%.

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In a significant milestone for the company and for Japanese corporate governance more broadly, Olympus accepted three foreign directors onto its board in early 2019. Towards the end of 2019, Olympus set out for the first time a quantitative, measurable target as part of its “Transform Olympus” program - targeting greater than 20% operating margin by 2023 (up from approximately 11% in 2020). Olympus has subsequently made incremental, consistent and tangible steps towards achieving this target and market participants have gradually re-rated Olympus accordingly. Investors are increasingly becoming convinced both of Olympus’ commitment to the target and its achievability.

Most recently, Olympus announced that it had signed a Memorandum of Understanding to divest its loss-making consumer camera business. This is a significant step for a Japanese company whose name has been synonymous with its consumer camera business for the past 84 years.

Ultimately, we believe that an improved corporate governance framework will set up Olympus’ gastrointestinal endoscopy business to benefit over the longer-term from secular tailwinds including an aging population globally, increasing incidences of colorectal cancer in developing countries (as people “upgrade” to a Western-style diet) and an increasing share of government expenditure being directed towards preventative healthcare.

Japan Exchange Group Inc. (TYO: 8697) contributed **+0.6%** to performance for the Period to 30 June 2020 with the share price increasing **36.2%** since we started purchasing the stock in November 2019 in addition to a Japanese Yen denominated dividend yield of **2.2%**.

JPX is the monopoly operator of stock exchanges in Japan, formed as a result of the merger between the Tokyo Stock Exchange and the Osaka Exchange in 2013. JPX has solidified its market position by consolidating smaller niche exchanges in Japan with the goal of becoming a “comprehensive exchange”. Most recently JPX has acquired the underperforming Tokyo Commodities Exchange.

JPX is the primary gateway for investors to deploy capital into what is the third largest economy in the world.

Rémy Cointreau SA (EPA: RCO) contributed **+0.3%** to performance for the Period to 30 June 2020, with the share price increasing around **12.2%** since we started purchasing the stock in December 2019.

Rémy is a leading manufacturer of alcoholic spirits, focused primarily on cognac and liqueurs. It owns some of the most recognised brands globally, including Rémy Martin (cognac), Louis XIII (cognac) and Cointreau (orange-flavoured triple sec liqueur).

Rémy derives the majority of its earnings from cognac, which is a very attractive category. There are high barriers to entry as cognac must be aged for at least four years, which requires significant upfront working capital investment. There are also supply constraints – in order to be classified as cognac, the product has to be produced from grapes grown in specific regions of France. Rémy has built relationships with cognac growers over 100 years to ensure supply.

This has led to a consolidated industry structure in cognac, with the top four players (LVMH, Pernod Ricard, Rémy and Suntory) controlling 90% of the market and we have not seen a large new entrant for many decades. As a result, cognac is more highly priced than most spirits and cognac manufacturers enjoy strong pricing power. This is particularly the case for Rémy, which produces a premium product. As an example, bottles of its Louis XIII brand retail for over $3,000 and are aged for over 100 years. We believe many of Rémy's products are positioned more as luxury goods than traditional spirits.

The key markets for Rémy are the US and China. China is already close to one-third of the business and growing rapidly. Together with baijiu (a distilled beverage), cognac is a popular drink for gifting and banquets in China, while it is also growing in popularity among the younger demographic, who consume cognac in bars and other social settings. We believe cognac remains underpenetrated overall in China, which offers a long revenue growth runway. Rémy is also increasingly moving its spirits portfolio further upmarket through premiumisation and shifting the mix to higher priced bottles, which will continue to drive margin expansion.

When we bought the stock, Rémy had been negatively affected from the Hong Kong protests while there were also concerns around potential US tariffs on cognac and French liqueurs. We believed these were only short-term headwinds and viewed the depressed share price as an opportunity to purchase a high-quality business at a reasonable price. We also thought that the appointment of a new and respected CEO was a catalyst to drive an acceleration of growth in the business.

COVID has had a negative impact on Rémy as cognac consumption is more skewed to the on-trade channel (bars and restaurants). Due to its higher price point, it also tends to suffer in economic slowdowns due to consumer downtrading. However some of the on-trade slowdown has been offset by pantry-loading and more cocktail-making at home. While Rémy will see earnings pressure near-term, we are encouraged that the company is maintaining brand investments throughout this period while also continuing to invest in inventory to ensure future cognac supply.

We like the fact that Rémy takes a long-term approach to decision-making while the business has a conservative balance sheet. Lastly, Rémy is one of the few remaining independent listed spirits assets, increasing its strategic value. The company has the hallmarks of an attractive takeout target as the spirit industry continues to consolidate.

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Portfolio Update and Current Positioning

At 30 June, VG8 had 49% net equity exposure, with 49% Long and nil Short.

The Long Portfolio currently includes 17 investments, and the following table details our current Top 5 Long Investments.

Top 5 Long Investments	% of VG8
1. Kikkoman Corporation	7%
2. Yakult Honsha Co. Ltd	6%
3. Olympus Corporation	5%
4. Cie Financiere Richemont SA	4%
5. Unicharm Corporation	4%
Total	**26%**

Source: VGI Partners.

Most of the positions in the portfolio are not yet at their target weight. Once the VG8 portfolio is fully deployed, we will generally have a net equity exposure of 75-100% and a portfolio that includes 15-30 Long Investments and 5-25 Short Positions.

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Short Portfolio

Opportunistic short selling of businesses which VGI Partners considers to be of low quality and materially overvalued is core to VGI Partners' focus on capital preservation and conservative Portfolio positioning. Our investment philosophy involves concentrating capital in our best ideas, complemented by selective short selling and holding strategic cash reserves when valuations are not attractive.

Collectively our Short Portfolio detracted **-3.4%** from performance for the Period to 30 June 2020. The Short Portfolio had been modest in size while VG8 was getting invested, but peaked at 15% in April 2020 as we believed we could generate returns from a variety of situations we had identified.

While our Short Positions made a positive contribution in January and February, this was more than outweighed by a negative contribution from March onwards. The negative returns were exacerbated by our decision in March and April to add to Short Positions in companies, the majority of which were Australian companies, that we expected to be particularly hard-hit in a period of economic recession. We made this decision in an effort to generate returns for the portfolio.

As it happened, these Short Positions increased by more than the broader market when investors quickly priced in a reopening of economies and a return to "business as usual" for consumers.

Notwithstanding the fact that the true underlying state of the economy is yet to be revealed, in the current environment even those businesses which we assess as being of low quality with fundamental issues are being supported by stimulus and access to cheap financing. We do not anticipate any near-term change to this situation. Investors are also likely to give all businesses the benefit of the doubt as unusual business conditions lead to a lack of clarity regarding underlying earnings and business quality.

Recognising this reality, towards the end of the Period we closed out all of VG8's Short exposure and we do not intend to materially increase this exposure for some time. We believe that in the current environment, our focus on capital preservation is best achieved through careful management of the weight of our Long Investments, and through holding strategic cash reserves.

However, we continue to see a benefit from our work looking for potential Short candidates as everyone on the VGI Partners Investment Team is constantly on the lookout for what we call 'red flags'. Red flags can come in many forms, including key insiders selling stock, accounting issues or the competitive landscape of an industry deteriorating. The VGI Partners Investment Team analyses this data with a sceptical eye, a key skill which we believe adds value to our analysis of the Long Portfolio by helping us identify any early emerging red flags in our Long Investments.

When market conditions change we will once again use Short Positions to reduce market exposures and profit from falling equity markets during periods of uncertainty and heightened volatility. This has the potential to be valuable insurance, providing us with a tool with which to cushion VG8's returns during a downward trending market.

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Currency

VGI Partners Asian Investments Limited is denominated in Australian Dollars (AUD). At VGI Partners we actively manage the currency exposure of each of our AUD denominated funds as our analysis of the economic outlook for Australia evolves relative to the US, Europe, the UK and Asia.

The success of our purposeful and active management of the currency is evident in the returns achieved by the VGI Partners Master Fund; currency movements have enhanced the Master Fund's total return by 21.9% since inception in 2009.

We took a similar approach to managing VG8's currency exposure to that taken for all of our AUD denominated funds, including the Master Fund, over the Period. VG8 started the Period with 100% exposure to the US Dollar before taking on a modest level of Japanese Yen exposure and also hedging a small part of our overall USD exposure in March 2020 when the AUD was 57-58 US Cents. We subsequently added to this partial hedge in June 2020 when the AUD was 68-69 US Cents with the result that the Fund now has 50% USD exposure. The Yen exposure has also now been fully hedged.

The decision to move to 50% AUD exposure in June was made after several months in which the performance of the Australian Dollar was highly correlated with global equity indices, with the result that currency exposure detracted significantly from VG8's performance in the June quarter.

It has become clear that currency is now unbounded from our fundamental view as liquidity is fuelling prices far more than underlying fundamentals. This momentum may continue for several more months, with unpalatable consequences for VG8's returns if we had chosen to remain largely exposed to the US Dollar. By being half hedged, and thereby retaining meaningful US Dollar exposure, we will benefit if there is a break in current market conditions and perceptions of risk.

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VG8's Performance as a Listed Company

While the Net Tangible Assets per share of VG8 finished the Period down just **-0.2%** on their $2.50 issue price, the share price of the company recorded materially worse performance. The 30 June 2020 share price of $1.905 represented a discount of 23.7% to Net Tangible Assets.

We expect that over the long-term the performance of VG8 as a listed security will closely track the performance of the portfolio, but we are aware that this expectation provides little comfort to current investors who are concerned by the size of the current discount.

With the benefit of hindsight, we believe that the structure of the VG8 IPO provides a partial explanation for the discount. Investors would recall that VGI Partners sought to align its interests with participants in the VG8 IPO through the issue of valuable Alignment Shares in VGI Partners itself at no additional cost. Nobody had ever used this structure previously, and it meant that anyone who was already invested with us received VGI Partners shares, at no cost, to the value of around 7.5% of their VG8 investment.

An unintended consequence of this approach was that it led to some participants in the IPO investing with an extremely short-term perspective, which saw them seek to crystallise value by selling out of VG8 shortly after listing. Due to this selling, VG8 shares traded at a discount immediately upon listing, and the discount only widened as market volatility increased in more recent months.

We think the current discount to Net Tangible Assets represents an opportunity for new investors, and VGI Partners has been actively buying VG8 shares on-market to hold for the long term. Subsequent to listing, we have purchased in excess of $6 million worth of VG8 on-market to hold on the VGI Partners balance sheet, taking the manager's total investment in VG8 to more than $26 million. In addition, the Investment Team and their families invested almost $14 million in the VG8 IPO, with the result that eliminating the discount to Net Tangible Assets is a focus for all of us.

We are still in the earliest stages of delivering on our long-term objectives for VG8. Our medium-term challenge is to deliver performance from the VG8 portfolio that is consistent with our objectives, and for the VGI Partners investor relations team to invest the necessary time and effort into working with financial advisers and investors who are new to VG8. We believe that delivering on these two objectives in combination is the best recipe for closing, and in due course eliminating, the discount.

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Alignment of Interests

At VGI Partners, we take alignment of interest between ourselves and our investors very seriously.

VGI Partners' investment staff have the vast proportion of their net worth invested in our two Funds, our ASX listed investment companies (VGI Partners Global Investments Limited (VG1), VGI Partners Asian Investments Limited (VG8)) and VGI Partners itself. All staff are prohibited from purchasing securities outside the Funds, the listed investment companies and VGI Partners. We subscribe to the view that a manager should eat his or her own cooking and at VGI Partners that's exactly what we do. As a result, we and our families and close friends are the first ones to know if the cooking is not up to scratch!

"In the building practices of ancient Rome, when scaffolding was removed from a completed Roman arch, the Roman engineer who built the arch stood beneath. If the arch came crashing down, he was the first to know! His concern for the quality of the arch was intensely personal, and it is not surprising that so many Roman arches have survived."

- Seth Klarman, 'Margin of Safety'

Over the past twelve and a half years (since inception of VGI Partners), all members of the VGI Partners Investment Team have consistently added to their investment in the Funds managed by VGI Partners. Further strengthening alignment, subsequent to the IPO of VGI Partners the manager itself has been investing in VG1 and VG8. We all view these investments, which includes $40 million invested in VG8 by VGI Partners and staff, as our primary capital growth vehicle and thus our most important financial investment.

As a result of the above, you should be confident that our Investment Team's energy and effort is focussed on a singular outcome – to maximise returns while preserving capital for our collective portfolio.

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At VGI Partners we focus all of our time and energy on managing your money.

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Company Meetings

Over the past twelve months the VGI Partners Investment Team conducted over 700 meetings and conference calls with company management teams and industry experts around the world. We met with companies such as Yum China, Prada, SoftBank, China Resources Beer, Dentsu and Daikin, and spoke with a wide variety of industry experts.

While travel has been curtailed for several months, around half of these meetings were with companies that are based in the Asian region.

We continue also to meet with companies outside of Asia that derive a substantial percentage of their revenue from the Asian region and could also be considered for VG8 on this basis.

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Operational Update

We announced a significant operational change in late June, when **Douglas Tynan** unfortunately resigned as an Executive Director of the firm for personal reasons. Douglas had made a valuable contribution to the growth of VGI Partners over 12 years, particularly in relation to the development of the Investment Team in his role as Head of Research. Importantly, we will continue to access Douglas' knowledge and expertise in his ongoing role as a Non-Executive Director and we hope to have the opportunity to work with him more closely again in the future.

Douglas' departure prompted a re-examination of our investment processes and the way we work together. The response from the team has been everything we could have hoped for as they have seen this change as an opportunity for reinvigoration and a chance to further strengthen our investment process.

We are fortunate to have built good bench strength across our 12-person Investment Team. Three of our senior analysts – **Robert Poiner** (11 years' experience with VGI Partners)**, Thomas Davies** (8 years' experience with VGI Partners) and **Marco Anselmi** (7 years' experience with VGI Partners) – are now reporting directly to **Robert Luciano** on all portfolio activity. Each of these three were ready for a new challenge, and we now have a tighter and more collaborative investment team, with greater emphasis on peer review.

A further change that we made during the most recent half year was to move more of our core investment activity back to Sydney. We did this when the emergence of market volatility in February and March highlighted the benefit of a more streamlined investment process, with more of our key analysts located in Sydney headquarters. As part of this process, **Thomas Davies** returned to Sydney after a year in New York. We also hired a new Head of Trading, **William Bowler**, in Sydney.

There have been no changes to our Tokyo office, which is expertly managed by **Andrew Chou** and provides us with localised fundamental research capabilities and infrastructure in Asia.

Investors may be aware that during the VGI Partners IPO process last year **Robert Luciano** made it clear that his commitment to VGI Partners and its investors would be unwavering and for the long term. Robert's commitment to the organisation and all our investors is undiminished.

Our Operations Team, spearheaded by **Adam Philippe** (Chief Operating Officer) and **Ian Cameron** (Chief Financial Officer) continues to maintain the highest standards across financial reporting, IT infrastructure and security, risk management capabilities, back office processing and investor relations. We invest heavily in our systems and infrastructure while carefully selecting and partnering with best in class experts and advisors in all operational areas. We have a robust business continuity plan (BCP) and remote connectivity platform in place, and our staff are used to communicating across multiple locations and time zones.

Any operational update would be incomplete without discussing the impact of COVID-19 on our business activities. The pandemic had practical ramifications for our business as we got used to many of our staff working from home in Sydney, while our staff in Tokyo and New York all worked remotely. Social distancing and twice daily temperature checks were a necessity for the investment team members who worked from our Sydney office through this period as we followed World Health Organisation and government guidelines and best practices.

All of our business activities functioned smoothly notwithstanding these exceptional circumstances. However, our annual Advisory Council meeting, which had been scheduled for Tokyo in May 2020, was an unfortunate casualty of the environment. The VGI Partners Advisory Council is an external and independent group of experienced investment management, finance and industry professionals.

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In Closing

At VGI Partners we are entirely focussed on managing our portfolios, which contain our best investment ideas. We are highly selective about what we include in our portfolios and unemotional about when we should divest an investment.

Our unwavering commitment is to preserve your capital over the long term, regardless of the market environment, by owning high-quality assets which have been purchased with a margin of safety. We cannot eliminate short-term volatility from our returns, however we are confident our process and investment philosophy positions our portfolio to produce acceptable returns even when global stock market indices are lacklustre.

We remain optimistic about the long-term opportunity to apply the VGI Partners investment philosophy to our Asian Strategy. It is very early days, but we are very grateful to all those long-term oriented investors who entrust us with their capital.

Once again, we thank you for your investment with VGI Partners.

Yours faithfully,

VGI Partners

"To know and not to act is not to know."

- Wang Yangming, Chinese Philosopher

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The historical financial information and performance figures given in this document are given for illustrative purposes only and should not be relied upon as (and are not) an indication of VGI Partners views on the future performance of the Funds. You should note that past performance of the Funds cannot be relied upon as an indicator of (and provide no guidance as to) future performance.

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This document contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking words such as, “expect”, “anticipate”, “likely”, “intend”, “should”, “could”, “may”, “predict”, “plan”, “propose”, “will”, “believe”, “forecast”, “estimate”, “target” “outlook”, “guidance” and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this document speak only as of the date of this document and are based on assumptions and contingencies and are subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this document are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of VGI Partners, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including VGI Partners or any of its directors, officers, employees, agents or advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Except as required by law or regulation, VGI Partners disclaims any obligation or undertaking to update forward-looking statements in this document to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.