

4 February 2021

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

BY ELECTRONIC LODGEMENT

### **Investor Briefing Presentation**

Robert Luciano, Executive Chairman and Portfolio Manager of VGI Partners Limited, will host a webinar at **11:00am (AEDT) today, Thursday, 4 February 2021**. Attached is a copy of the presentation to be given.

The focus of the webinar will be the group's two listed investment companies: VGI Partners Asian Investments Limited (ASX:VG8) and VGI Partners Global Investments Limited (ASX:VG1). Mr Luciano and senior members of the VGI Partners Investment Team will provide an update on the portfolio strategies and key portfolio positions.

If you are interested in participating, please register at the following link:

[https://vgipartners.zoom.us/webinar/register/WN\\_r-vLXhL-R7auKxaxrvLPWw](https://vgipartners.zoom.us/webinar/register/WN_r-vLXhL-R7auKxaxrvLPWw)

Once you have successfully pre-registered, you will receive a confirmation email with your unique link to join the Zoom webinar. Please note that the webinar will be accessible by browser if you do not have the Zoom software or app already installed.

Questions for Mr Luciano and the team can be submitted online during the briefing. Please use the Q&A button on the bottom ribbon of your browser to type any question you would like addressed. Questions can also be pre-submitted to [events@vgipartners.com](mailto:events@vgipartners.com).

Please do not hesitate to contact us if you have any questions on how to participate in the webinar. Further information on how to join and participate in a Zoom webinar can also be found at the Zoom Help Centre "[Joining and participating in a webinar \(attendee\)](#)".

A recording will be available on the VG8 website at [www.vgipartners.com/lics/vg8](http://www.vgipartners.com/lics/vg8) shortly after the event.

For those who prefer, listen-only dial-in details are also available.

**VGI  
PARTNERS**  
Asian Investments

**Listen-Only Participant Dial-in Numbers (meeting ID 996 5628 8283, passcode 923229):**

Australia	1800 945 157 (Toll Free) +61 2 8015 6011 +61 3 7018 2005 +61 7 3185 3730 +61 8 6119 3900 +61 8 7150 1149	US	877 853 5257 (Toll Free) +1 929 205 6099 (New York)
		UK	0800 456 1369 (Toll Free) +44 330 088 5830
		Japan	+81 524 564 439
		New Zealand	+64 9 884 6780
Other	Available at: <a href="https://vgipartners.zoom.us/j/99656288283">https://vgipartners.zoom.us/j/99656288283</a>		

Please note, there is no participant ID required to join by phone. Please skip this step when prompted and use the meeting ID and passcode provided to join the briefing.

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](mailto:investor.relations@vgipartners.com)

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# VGI Partners Global & Asian Fund Updates

4 February 2021

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**VGI  
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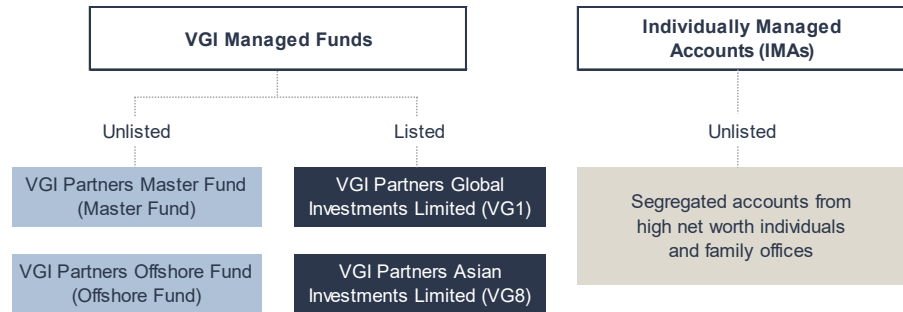
# **VGI Partners The Manager**

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# VGI PARTNERS

## VGI Partners (The Manager) Overview

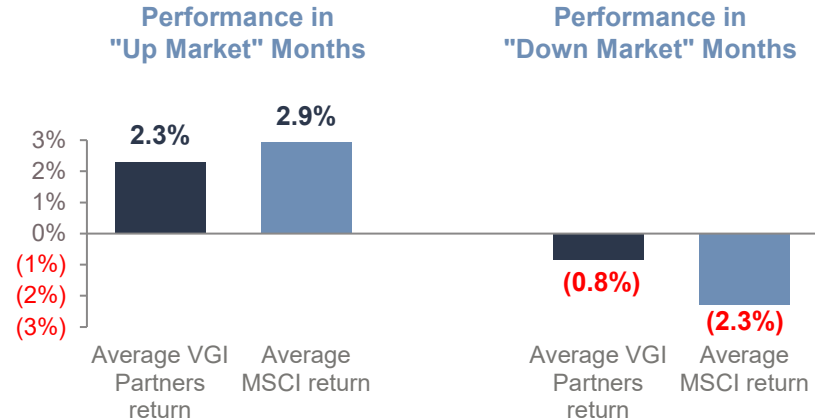
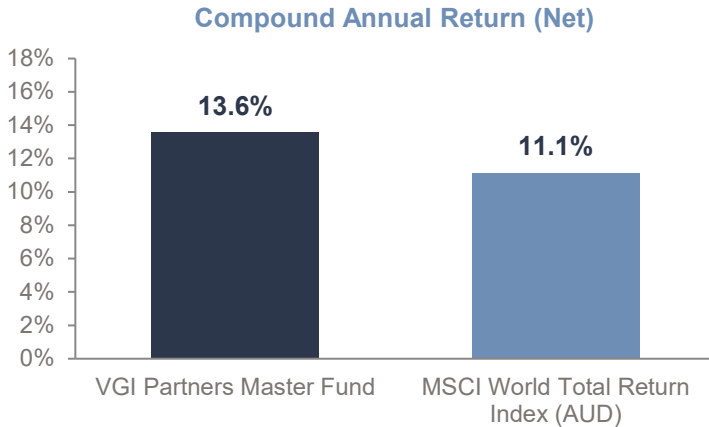
- Specialist manager focusing on global equities. Long biased, concentrated strategy with selective short selling. Minimal to no leverage utilised
- Offices in Sydney, New York and Tokyo
- FUM of A\$3.1 bn<sup>1</sup>
- Two investment strategies:
  - Global Strategy with 12 year track record
  - Asian Strategy launched in 2019
- VGI Partners is closed to net new investment into its unlisted funds and segregated accounts. Other than limited capacity in a Charitable Foundation Class, VGI Partners' strategies are now accessible only via investing in VG1 or VG8 shares listed on the ASX



<sup>1</sup> FUM as at 31 December 2020. Data is unaudited and based on VGI Partners' estimates and Citco Fund Services.

# VGI PARTNERS

## VGI Partners Master Fund: Capital Preservation Performance in Up/Down Months



Source: Citco Fund Services and Bloomberg. Performance is shown after all applicable management and performance fees charged. In the period to 31 December 2020 (a total of 144 months since inception), there has been 89 "up market" months and 55 "down market" months. MSCI = MSCI World Total Return Index (AUD).

# VGI PARTNERS

## VGI Partners Master Fund Returns After All Applicable Fees

Year to 30 June	VGI Partners Master Fund	Index	Relative	Master Fund Net Exposure
2009 (6 months)	2.3%	(3.4%)	5.6%	15%
2010	8.3%	5.1%	3.2%	76%
2011	18.4%	3.2%	15.2%	88%
2012	5.4%	(0.6%)	5.9%	71%
2013	27.5%	33.1%	(5.6%)	77%
2014	9.4%	20.1%	(10.7%)	86%
2015	38.1%	24.0%	14.1%	76%
2016	13.0%	0.6%	12.4%	75%
2017	5.9%	14.6%	(8.8%)	58%
2018	20.2%	15.4%	4.8%	54%
2019	13.1%	12.1%	1.0%	62%
2020	(7.2%)	4.6%	(11.9%)	69%
<b>2021 (6 months)</b>	<b>14.7%</b>	<b>10.1%</b>	<b>4.6%</b>	<b>73%</b>
Total return since inception	360.4%	255.1%	105.3%	70%
<b>Compound annual return</b>	<b>13.6%</b>	<b>11.1%</b>	<b>2.5%</b>	

Source: VGI Partners and Citco Fund Services. Performance is shown after all applicable management and performance fees charged. The VGI Partners Master Fund inception date was 20 January 2009 and the Fund is AUD denominated. Past performance is not indicative of future performance. Index = MSCI World Total Return Index (AUD). The MSCI Index is 100% net invested at all times.

# VGI PARTNERS

## Attributes of a Great Business What We Look For in an Investment

Attractive industry  
structure

Secular growth

Sustainable competitive  
advantage

Management display  
honesty, intelligence  
and capability

Superior return on  
capital and a strong  
balance sheet

Sufficient “margin of  
safety”

# VGI PARTNERS

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## VGI Partners (The Manager) Philosophy and Alignment of Interests

<b>Capital Preservation</b>	Do not lose money
<b>Long-Term Compound Growth</b>	10-15% p.a. net of fees
<b>Portfolio Concentration</b>	Invest in best ideas

### Alignment of Interests

- All operating costs of VG1 and VG8 (where permitted) paid by VGI
- Founders of VGI Partners reinvest their pro-rata amount of VG1 and VG8 performance fees (after tax) back into VG1 and VG8 shares
- VGI Partners is an ongoing buyer of VG1 and VG8

### Staff

- Prohibited from buying securities outside of the Manager's funds and VGI Partners itself
- The entire investment team invests a material proportion of their net worth in VGI Partners and VGI Partners' funds
- Board members, staff and their families have well over \$140m<sup>1</sup> invested in VGI Partners' funds (including approximately \$41m in VG1 and \$41m in VG8)

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<sup>1</sup> Includes Master Fund, Offshore Fund, VG1 and VG8. Based on post-tax NTA of \$2.57 for VG1 and \$2.76 for VG8 as of 29 January 2021 (per the latest Weekly NTA Updates released to the ASX). Includes look-through interest in shareholdings in VG1 and VG8 owned by VGI Partners (given VGI Partners is over 77% owned by VGI Partners' Board, staff and their families).

## Key VG1 and VG8 Initiatives

### 1. Enhanced Adviser Relations and Shareholder Communication

- Continuing our recruitment efforts and engagement with advisers across Australia
- Increased focus on large investors who can build stakes in VG1 and VG8 (noting VGI Partners' unlisted funds are closed to net new investment<sup>1</sup>)
- Monthly NTA now includes Top 10 Long positions (64% of VG1 NAV, 57% of VG8 NAV) and enhanced commentary
- Quarterly portfolio update webcasts and increased use of video with the Senior Investment Team

### 2. Capital Management

- VG1 on-market buy-back announced in August 2020
- Commitment not to raise additional capital<sup>2</sup>

### 3. VG1 Dividend Policy

- Two fully franked dividends each year at a level that we expect to maintain and grow over the longer term
- Most recent dividend (declared in February 2021) was 1.5 cps fully franked. DRP election due 15 February 2021 (5pm AEDT)

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<sup>1</sup> Excluding c.\$15m of capacity in the Charitable Foundation Class of the VGI Partners Master Fund.

<sup>2</sup> VG1 until at least June 2022 (per VG1 Entitlement Offer booklet) and VG8 until at least November 2022 (per VG8 IPO Prospectus).

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Global Investments

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**VGI Partners Global  
Investments Limited (ASX:VG1)**

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## VG1 Performance

### Year to 31 December 2020

Post-tax NTA +8.4%  
Average net cash of 32%<sup>1</sup>

#### Top Long Contributors

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<sup>1</sup> VG1's CY20 NTA return of +8.4% was net of fees and achieved with an average net cash weight of 32%. As at 29 January 2021, VG1 had net equity exposure of 79% and cash 21%. Post-tax Net Tangible Assets (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.

Source: VGI Partners.

## VG1 Portfolio Update as at 31 December 2020

Portfolio Size \$1,020m

### Month End Exposures<sup>1</sup>

Long Equity Exposure	86%
Short Equity Exposure	(12%)
Gross Equity Exposure	98% (86% + 12%)
Net Equity Exposure	74% (86% - 12%)
Cash Weighting	26%

### Net Currency Exposure

AUD	100%
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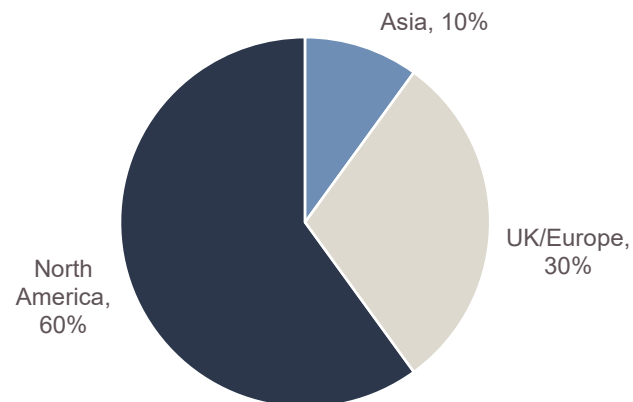
### Investments

Number of Long Investments:	26
Number of Short Positions:	3
Top Ten Long Investments	64% of NAV

<sup>1</sup> As at 29 January 2021, VG1 had net equity exposure of 79% (long 91%, short 12%) and cash 21%.

<sup>2</sup> Asia includes ASX-listed securities.

Long Portfolio by Location of Exchange Listing<sup>2</sup>



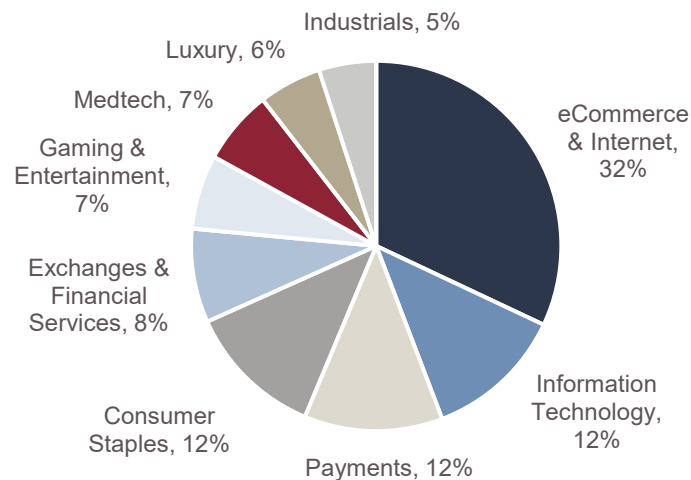
## VG1 Portfolio Update as at 31 December 2020

Portfolio Size \$1,020m

### Top 10 Long Investments

	Sector	% of Portfolio
Amazon.com Inc.	eCommerce & Internet	13%
Mastercard Inc.	Payments	10%
Pinterest Inc.	eCommerce & Internet	8%
CME Group Inc.	Exchanges	6%
SAP SE	Information Technology	5%
Cie Financière Richemont SA	Luxury	5%
Olympus Corporation	Medtech	5%
Otis Worldwide Corporation	Industrials	4%
Française des Jeux	Gaming & Entertainment	4%
Yakult Honsha Co. Ltd	Consumer Staples	3%
<b>Total</b>		<b>64%</b>

### Long Portfolio by Sector



Source: VGI Partners, Bloomberg. Sectors have been internally defined.

## Portfolio Holding: Cie Financière Richemont

- The key driver of earnings for Richemont is *Jewellery Maisons*, which largely consists of Cartier and Van Cleef & Arpels
  - Cartier was founded c.170 years ago, Van Cleef has c.110 years of rich history
  - Cartier and Van Cleef have one of the key elements of true luxury brands – heritage
  - We believe these are the best luxury jewellery brands
- The luxury jewellery market benefits from key secular trends
  - Shift towards branded jewellery
  - Increased instances of self-purchasing
  - Bifurcation of wealth
- *Jewellery Maisons* has grown at +10% p.a. over the past ten years
  - We believe this growth should continue over the next ten years

RICHMONT



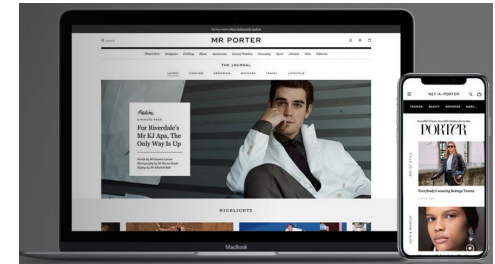
Van Cleef & Arpels



## Portfolio Holding: Cie Financière Richemont

- At the current price, we still see a lot of upside, looking only at the earnings potential of *Jewellery Maisons*
- You are receiving a leading luxury e-commerce platform, a multibillion-dollar luxury watch business and a high-quality accessories business for free
  - The market is ascribing zero to negative value to YOOX Net-a-Porter (YNAP), capitalising its current losses
    - YNAP is a very valuable asset, which is being overlooked due to temporary headwinds
  - You are getting the company's watches and accessories businesses for free, which combined, generate c.€3.5bn in revenue
    - Key brands, include: Mont Blanc, Chloe, Dunhill, Piaget, Panerai, IWC, Jaeger-LeCoultre, Vacheron Constantin, A Lange & Sohne

RICHMONT



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Asian Investments

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**VGI Partners Asian  
Investments Limited (ASX:VG8)**

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## VG8 Performance

### Year to 31 December 2020

**Post-tax NTA +12.7%**  
**Average net cash of 52%<sup>1</sup>**

#### Top Long Contributors

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RICHEMONT

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<sup>1</sup> VG8's CY20 NTA return of +12.7% was net of fees and achieved with an average net cash weight of 52% (given capital from VG8's Initial Public Offering (IPO) in November 2019 was still in the process of being deployed). As at 29 January 2021, VG8 had net equity exposure of 83% and cash 17%. Post-tax Net Tangible Assets (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.

## VG8 Portfolio Update as at 31 December 2020

Portfolio Size \$607m

### Month End Exposures<sup>1</sup>

Long Equity Exposure	74%
Short Equity Exposure	(0%)
Gross Equity Exposure	74% (74% + 0%)
Net Equity Exposure	74% (74% - 0%)
Cash Weighting	26%

### Net Currency Exposure

AUD	100%
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### Investments

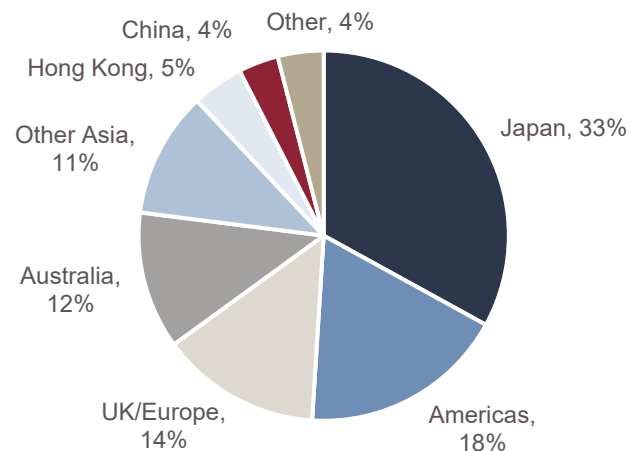
Number of Long Investments:	24
Number of Short Positions:	0
Top Ten Long Investments	57% of NAV

<sup>1</sup> As at 29 January 2021, VG8 had net equity exposure of 83% (long 84%, short 1%) and cash 17%.

<sup>2</sup> The revenue mix of each equity investment has been used as a proxy for regional exposure.

Source: VGI Partners, Citco Fund Services, Bloomberg.

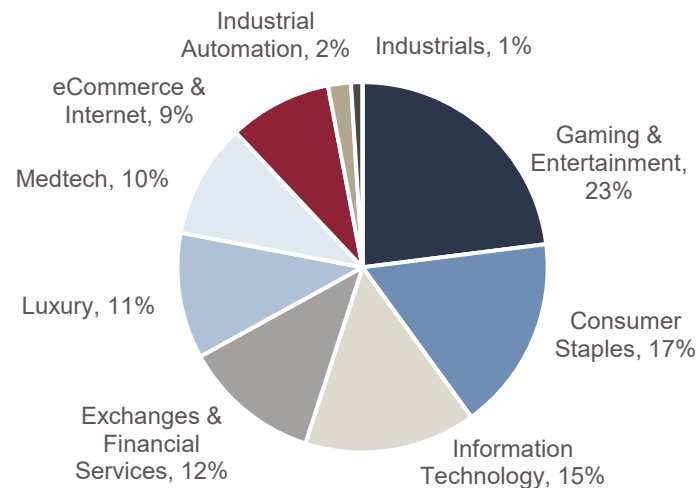
Long Portfolio by Regional Exposure –  
 Proxied by Revenue<sup>2</sup>



## VG8 Portfolio Update as at 31 December 2020

Portfolio Size \$607m	Sector	% of Portfolio
<b>Top 10 Long Investments</b>		
Nintendo Co. Ltd	Gaming & Entertainment	9%
Cie Financière Richemont SA	Luxury	7%
Olympus Corporation	Medtech	7%
Crown Resorts Ltd	Gaming & Entertainment	7%
Nuix Limited	Information Technology	6%
Yakult Honsha Co. Ltd	Consumer Staples	6%
Japan Exchange Group Inc.	Exchanges	5%
Pernod Ricard SA	Consumer Staples	4%
Hong Kong Exchanges & Clearing Ltd	Exchanges	4%
Active Position	eCommerce & Internet	3%
<b>Total</b>		<b>57%</b>

**Long Portfolio by Sector**



Source: VGI Partners, Bloomberg. Sectors have been internally defined.

## Portfolio Holding: Crown Resorts

- Largest gaming and entertainment group across Australia (with exclusive licenses in Melbourne and Perth)
- High-quality, strategic asset:
  - Favourable industry structure
  - Economically resilient
  - Sticky customer base
  - Highly cash-generative
  - Long-dated concessions
  - Tangible asset-backing
  - Strong balance sheet



## Portfolio Holding: Crown Resorts

- Opportunity to build a position in a high-quality, mispriced asset as a result of:
  1. Negative COVID-19 impact
  2. Threats of regulatory inquiries
- Risks were more than priced-in and Crown will come out in a stronger position
- Significant optionality
  - Increased shareholder returns (dividends + buy-backs)
  - Property sale-and-leaseback
  - Takeover



# VGI PARTNERS

## Shareholder Engagement for VG1 and VG8

**Please elect electronic communications to stay informed**

Quarterly portfolio briefings including half-year and full-year results

Monthly NTA commentary

Independent Research

- Zenith
- Independent Investment Research (IIR)

Investor Letter from the Manager in January and July each year

AGM in November each year

Annual national roadshow each October

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## VGI Partners Office Locations

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Representative Office  
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Tokyo 106-0032  
Japan

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# Appendix

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## Investment Guidelines

Exposure	VG1	VG8
Number of Long Investments	Typically 10-25 (10-15 Core)	Typically 15-30
Concentration of Long Investments	Top five 40-50% of NAV on average	Top ten 40-50% of NAV on average
Average Size of Long Investments	Start at 1-3% and build to 4-10% of Portfolio's NAV	Start at 1-2% and build to 4-8% of Portfolio's NAV
Single Security Long Investment Limit	15% at purchase; maximum of 20%	8% at purchase; maximum of 20%
Number of Short Equity Positions	Typically 10-35	Typically 5-25
Average Size of Short Equity Positions	Start at 0.5% and build to 1-2% of Portfolio's NAV	Start at 0.5% and build to 1-2% of Portfolio's NAV
Single Security Short Equity Position Limits	5% at purchase; maximum of 7.5%	5% at purchase; maximum of 7.5%
Net Equity Exposure Limits	Limited to 100% of Portfolio's NAV; typically between 50-100%	Limited to 100% of Portfolio's NAV; typically between 50-100%
Gross Exposure Limits	Maximum of 150% of Portfolio's NAV; typically between 80-120%	Maximum of 150% of Portfolio's NAV; typically between 70-120%

Source: VGI Partners.

# VGI PARTNERS

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