

## Our philosophy

- Deep research → conviction  
→ concentrated portfolio
- A long-term investment horizon  
provides a competitive advantage
- Capital preservation focus
- 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	Post-Tax NTA <sup>2</sup>
VG8	\$2.39	\$2.82

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

12.7%

### Dividend Yield Target

4% p.a. Fully Franked

### Investment Guidelines

No. of Long Investments	No. of Short Positions
Typically 15 to 30, currently 24	Typically 5 to 25, currently 9

Listing Date **13 November 2019**

Portfolio Value **\$635 million**

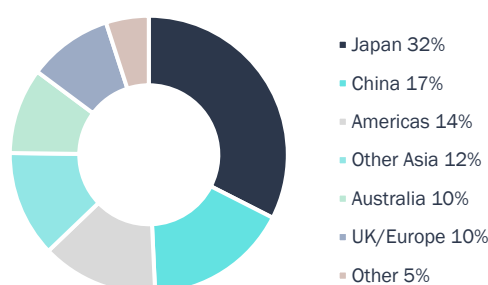
Portfolio Currency Exposure **AUD 100%**

Return <sup>3</sup>	Portfolio Return (Net)	Share Price
1 Month	1.2%	3.0%
3 Months	3.0%	3.0%
6 Months	7.7%	5.8%
1 Year	12.7%	14.4%
Since Inception (p.a.)	8.9%	(2.9%)

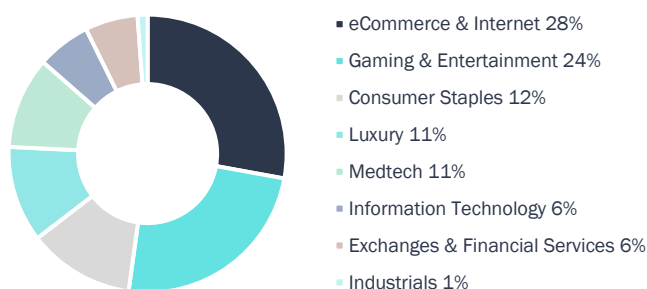
#### Month End Exposures

Long Equity Exposure	84%
Short Equity Exposure	(4%)
Net Equity Exposure	80%

### Long Portfolio by Regional Exposure (Proxied by Revenue)<sup>4</sup>



### Long Portfolio by Sector<sup>4</sup>



Source: Citco Fund Services (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.

<sup>3</sup> Portfolio Return is defined as the movement in pre-tax NTA plus dividends and is shown after all applicable fees and expenses. 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.

Date of release: 9 June 2021

Authorised for release by the Company Secretary

**Top Ten Long Investments: 64% of VG8 Portfolio**

**RICHEMONT**

**9%**

**Luxury**

Cie Financière Richemont SA  
(SWX: CFR)

**OLYMPUS**

**9%**

**Medtech**

Olympus Corporation (TYO: 7733)



**8%**

**Gaming & Entertainment**

Nintendo Co. Ltd (TYO: 7974)



**6%**

**eCommerce & Internet**

Alibaba Group Holding Ltd  
(HKG: 9988)



**6%**

**Gaming & Entertainment**

Crown Resorts Ltd (ASX: CWN)



**6%**

**eCommerce & Internet**

Rakuten Inc. (TYO: 4755)



**6%**

**Consumer Staples**

Yakult Honsha Co. Ltd (TYO: 2267)



**5%**

**Exchanges & Financial Services**

Japan Exchange Group Inc.  
(TYO: 8697)



Pernod Ricard

**5%**

**Consumer Staples**

Pernod Ricard SA (EPA: RI)



**4%**

**Gaming & Entertainment**

Tencent Music Entertainment Group  
(NYSE: TME)

**Commentary**

The portfolio's return (net of all fees and expenses) for the month of May was +1.2%. The portfolio's Long Investments added +1.3% to performance and the Short portfolio, currently comprising 9 Short Positions, detracted -0.1% 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 May.

Key contributors to the return were Richemont +1.4%, Nintendo +0.6% and Yakult +0.6%. These were partly offset by Rakuten -0.6% and Alibaba -0.4%.

Richemont was up 17% in May following the announcement of full year results which showed ongoing strength in the jewellery division (Cartier and Van Cleef) as well as narrowing losses in their online business and significant margin expansion in their watch business. The strong sales came despite many stores still being closed in the quarter; we expect performance will continue to improve as more stores reopen.

Nintendo and Yakult also reported strong sets of results that strengthened our conviction in both investments.

Meanwhile Rakuten was weak during the month due to short-term volatility and no fundamental news.

During May, four new Short Positions were initiated and one closed.

**Dividend Yield Target of 4% p.a.**

During May, the VG8 Board has announced its intention to target a fully franked dividend yield of 4% p.a., with reference to the VG8 share price, commencing from the 30 June 2021 dividend payable in September. More details are available in the ASX release on 11 May 2021.

**Company Details and Key Contacts**

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