VGI PARTNERS
Asian Investments

Monthly NTA Statement
as at 31 December 2021

Our philosophy

- Deep research → conviction → concentrated portfolio
- A long-term investment horizon provides a competitive advantage
- Avoid permanent loss of capital
- Absolute return – targeting 10-15% p.a. through the cycle[1]
- VGI staff invest alongside VG8 shareholders

Key Details

ASX Code	Share Price	Post-Tax NTA[2]
VG8	$2.09	$2.59

1 Year Portfolio Return (Net of Fees and Expenses)[3]

(2.2%)

Dividend Yield Target

4% p.a. Fully Franked

Investment Guidelines

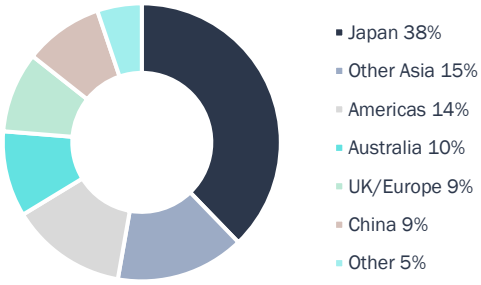
No. of Long Investments	No. of Short Positions
Typically 15 to 30, currently 21	Typically 5 to 25, currently 7

Listing Date	**13 November 2019**
Portfolio Value	**$570 million**
Portfolio Currency Exposure	**AUD 100%**

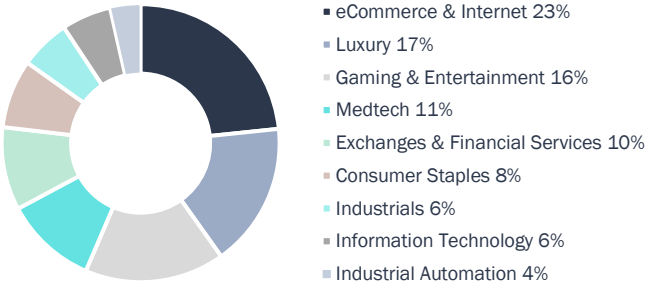
Return[3]	Portfolio Return (Net)	Share Price
1 Month	0.6%	(0.9%)
3 Months	2.9%	2.5%
6 Months	(6.6%)	(11.8%)
1 Year	(2.2%)	(5.5%)
Since Inception (p.a.)	3.1%	(6.9%)

Month End Exposures	
Long Equity Exposure	82%
Short Equity Exposure	(5%)
Net Equity Exposure	77%

Long Portfolio by Regional Exposure (Proxied by Revenue)[4]



Long Portfolio by Sector[4]



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

[1] 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.

[2] '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 December 2021, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was $2.57 per share, which includes $0.03 per share of income tax losses available to the Company in future periods.

[3] 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. Share Price Return is defined as the movement in the VG8 share price at the end of the period plus dividends.

[4] 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: 12 January 2022
Authorised for release by the Company Secretary

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Top Ten Long Investments: 69% of VG8 Portfolio

14%
Luxury
Cie Financière Richemont SA (SWX: CFR)

9%
Medtech
Olympus Corporation (TYO: 7733)

8%
eCommerce & Internet
Rakuten Inc. (TYO: 4755)

8%
Exchanges & Financial Services
Japan Exchange Group Inc. (TYO: 8697)

7%
Consumer Staples
Yakult Honsha Co. Ltd (TYO: 2267)

6%
Gaming & Entertainment
Crown Resorts Ltd (ASX: CWN)

5%
Gaming & Entertainment
Nintendo Co. Ltd (TYO: 7974)

5%
Industrials
Panasonic Corporation (TYO: 6752)

4%
eCommerce & Internet
Alibaba Group Holding Ltd (HKG: 9988)

4%
eCommerce & Internet
Mercari Inc. (TYO: 4385)

Commentary

The portfolio's return (net of all fees and expenses) for the month of December was +0.6%. The portfolio's Long Investments added +0.9% to performance and the Short portfolio, currently comprising 7 Short Positions, detracted -0.3% 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 December.

The largest contributor to returns was Crown Resorts +0.6%. During the month, Crown rejected the most recent acquisition proposal for its business, but invited the potential suitor to conduct due diligence on non-public information, in the hope of eliciting a higher or competing offer. Crown also confirmed at an investor day that it may consider selling some non-core assets or pursue other options to realise value.

Other key contributors were Yakult +0.5% and Nintendo +0.5%.

The largest detractor was Mercari -0.8%, which saw a derating along with many other high growth technology names.

Alibaba also detracted from returns by -0.3%.

One new Long Investment was made in December and two were exited. The number of Short Positions fell by six.

Company Details and Key Contacts

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