

Our philosophy

- › Deep research → conviction
→ concentrated portfolio
- › A long-term investment horizon provides a competitive advantage
- › Avoid permanent loss of capital
- › VGI staff invest alongside VG1 shareholders

Key Details

ASX Code	Share Price	Post-Tax NTA ¹
VG1	\$1.625	\$1.99

1 Month Portfolio Return (Net of Fees and Expenses)²

2.0%

Dividends

Targeting 4.5c each six months

Investment Guidelines

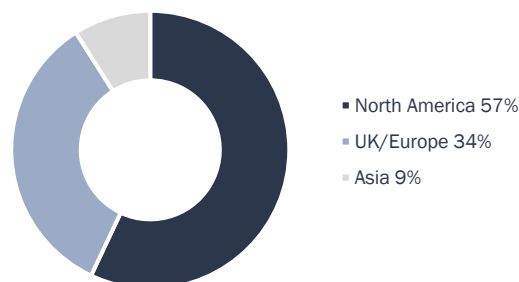
No. of Long Investments	No. of Short Positions
Typically 10 to 25, currently 23	Typically 10 to 35, currently 18

Listing Date	28 September 2017
Portfolio Value	\$677 million
Portfolio Currency Exposure	Fully hedged to AUD

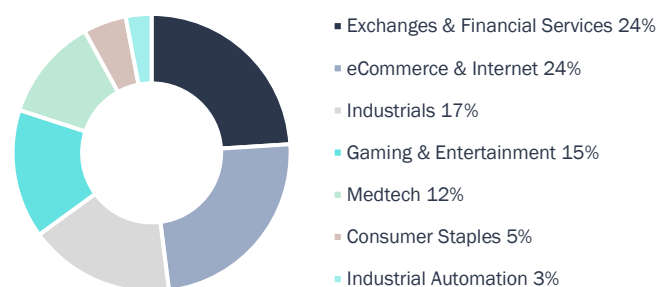
Return ²	Portfolio Return (Net)
1 Month	2.0%
3 Months	3.7%
6 Months	19.7%
1 Year	13.9%
Since Inception (p.a.)	2.9%

Month End Exposures	
Long Equity Exposure	98%
Short Equity Exposure	(25%)
Net Equity Exposure	73%

Long Portfolio by Location of Exchange Listing³



Long Portfolio by Sector³



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

¹ Post-Tax NTA¹ 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 30 June 2023, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.07 per share, which includes \$0.08 per share of income tax losses available to the Company in future periods.

² 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. All data has been adjusted for VG1's capital raising in 2019. Past performance is not a reliable indicator of future performance.

³ Asia includes ASX-listed securities. Sectors have been internally defined. Exposures may not add to 100% due to rounding.

Date of release: 14 July 2023

Authorised for release by Ian Cameron, Company Secretary

Top Ten Long Investment Weights: 70% of VG1 Portfolio

 CME Group

9%

Exchanges & Financial Services
CME Group Inc. (NASDAQ: CME)



9%

eCommerce & Internet
Amazon.com Inc. (NASDAQ: AMZN)

 GE HealthCare

9%

MedTech
GE HealthCare Technologies Inc.
(NASDAQ: GEHC)

 DEUTSCHE BÖRSE
GROUP

8%

Exchanges & Financial Services
Deutsche Börse AG
(ETR: DB1)



7%

Exchanges & Financial Services
London Stock Exchange Group Plc
(LON: LSEG)

 RHEINMETALL

7%

Industrials
Rheinmetall AG (ETR: RHM)



6%

Industrials
Schlumberger NV (NYSE: SLB)

 Pinterest

5%

eCommerce & Internet
Pinterest Inc. (NYSE: PINS)

The


5%

Gaming & Entertainment
The Walt Disney Company
(NYSE: DIS)



5%

Consumer Staples
DSM-Firmenich AG (AEX: DSFIR)

Commentary

The portfolio's net return for the month of June was +2.0%.² The portfolio's long investments added +4.9% to performance for the month while the short portfolio detracted -2.9%. The portfolio is fully hedged to AUD (and excess cash is held in AUD) and therefore currency fluctuations did not directly impact the return in June.

The largest long contributors were Amazon, Schlumberger (SLB) and Pinterest. There was limited company-specific news driving the Amazon share price strength, however analysts have started to focus more on their potential in AI computing through the AWS business, alongside a continued rally in megacap tech. SLB rose as management spoke at conferences and on a roadshow about the resilience of the international and offshore energy investment cycle, where SLB is primarily focused. Pinterest rose after engagement data was positively reported by a number of analysts.

During the month we increased a recently established position in DSM-Firmenich and it now sits within the Top 10 long positions of the portfolio. DSM-Firmenich is the combination of publicly traded DSM and the privately held Firmenich. The resulting company makes up one of the 4 major players in the concentrated Flavours & Fragrances industry and the transaction marks the completion of a major portfolio transformation at DSM over the last few decades. DSM has repositioned itself from a commodity chemicals supplier to a high value-add Flavours and Fragrances solutions provider. We believe the stock has been overlooked by the investment community given the historical business profile but expect material upside to be realised over the coming years as the earnings quality of the merged business, improving margin profile and resulting high ROIC are better appreciated.

The largest detractor was the short portfolio detracting -2.9% as a result of broader markets rallying during June. Continued strength in US housing construction was a component of this short portfolio performance.

Buy-back: Approximately 4.2 million VG1 shares were bought at an average price of \$1.63 during June.

FY23 result: VG1 expects to release its FY23 result on Tuesday, 15 August.

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