

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	\$1.58	\$1.92

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

3.4%

Dividends

Targeting 5.0c each six months

Investment Guidelines

No. of Long Investments

Typically 10 to 25,
currently 31

No. of Short Positions

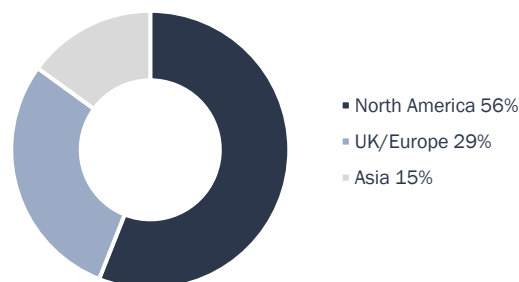
Typically 10 to 35,
currently 23

Listing Date	28 September 2017
Portfolio Value	\$626 million
Portfolio Currency Exposure	Fully hedged to AUD

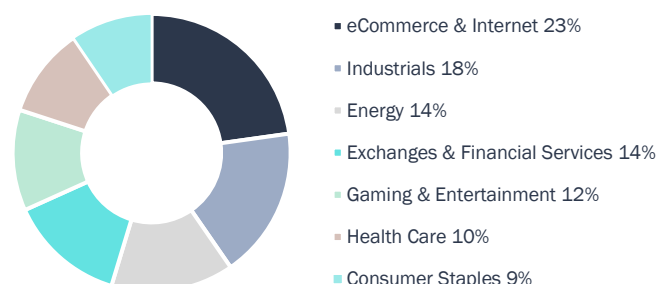
Return ²	Portfolio Return (Net)
1 Month	3.4%
3 Months	(4.2%)
6 Months	2.8%
1 Year	13.4%
Since Inception (p.a.)	2.3%

Month End Exposures	
Long Equity Exposure	98%
Short Equity Exposure	(30%)
Net Equity Exposure	67%

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 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 October 2023, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$1.99 per share, which includes \$0.10 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.


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Authorised for release by Ian Cameron, Company Secretary

Top Ten Long Investment Weights: 56% of VG1 Portfolio


 **CME Group**
9%
Exchanges & Financial Services
CME Group Inc. (NASDAQ: CME)


 **amazon**
6%
eCommerce & Internet
Amazon.com Inc. (NASDAQ: AMZN)

 **GE HealthCare**
6%
Health Care
GE HealthCare Technologies Inc.
(NASDAQ: GEHC)


 **RHEINMETALL**
6%
Industrials
Rheinmetall AG (ETR: RHM)


 **kenvue**
6%
Consumer Staples
Kenvue Inc. (NYSE: KVUE)

 **Shell**
6%
Energy
Shell PLC (LON: SHEL)

 **The Walt Disney Company**
5%
Gaming & Entertainment
The Walt Disney Company
(NYSE: DIS)

 **Meta**
4%
eCommerce & Internet
Meta Platforms Inc. (NYSE: META)

 **FDJ**
4%
Gaming & Entertainment
Française des Jeux (EPA: FDJ)

 **Teck**
4%
Industrials
Teck Resources Ltd
(NYSE: TECK)

Commentary

The portfolio's net return for the month of October was +3.4%², which was particularly pleasing when all major global indices were down significantly, with the S&P500 and MSCI ACWI down 2.1% and 2.9% in total return terms respectively.

Whilst the long portfolio was down slightly in aggregate, there were a number of positive contributors with Amazon, CME and Rheinmetall all providing positive earnings updates during the quarter.

Shorts for the month provided the portfolio with a +4.6% return. We recently detailed our focus on shorting companies in the fintech space with funding holes, companies where growth expectations had become divorced from reality and business models based on fads. These themes all contributed to short performance across a number of single stock names alongside well-timed index shorts.

As markets recalibrated growth assumptions and the correction in major indices reached over 10%, we exited a number of index hedges at good levels in order to increase our net exposure.

During October, we added to the basket of Japanese stocks to increase the portfolio exposure to this market. Corporate governance reforms, a weakening yen and normalisation of interest rates are all providing strong tailwinds for Japanese markets and, coupled with compelling valuations, we see great investment opportunities in this region.

Buy-back: Approximately 3.0 million VG1 shares were bought at an average price of \$1.55 during October.

Investor briefing replay: Our team held a webinar on Friday 27 October to provide an update on the portfolio and markets. Please click on this [link](#) to watch the replay.

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