

# VG1 GLOBAL INVESTMENTS

## JUNE 2024<sup>1,2</sup>

Post-Tax Net Tangible Assets (NTA) per share	\$2.23
Net Portfolio Return – June	1.8%
Net Portfolio Return – Last 12 Months	17.8%
Net Portfolio Return – Since Inception (p.a.)	4.9%
Share Price at Month End	\$1.935
Share Price Premium/(Discount) to NTA	-13.1%
Dividend Yield Pre Franking – Last 12 Months	5.2%
Dividend Franking – Last 12 Months	100%
Portfolio Size (\$m)	\$635 million
Portfolio Currency Exposure	Hedged to AUD

VG1 generated a net portfolio return of +1.8% in the month of June.<sup>2</sup>

The portfolio's large-cap technology holdings - Amazon, Meta and Alphabet - continued to perform strongly. The backdrop for these business across e-commerce, cloud computing and digital advertising remains healthy and these businesses continue to enjoy tailwinds from artificial intelligence (AI) as the bigger players further entrench their advantaged positions. A number of market participants criticise the large-cap companies for being expensive, but Meta and Alphabet are trading on 22-23x P/E - only marginally above market multiples despite being far superior business with well above average growth prospects in our view. While Amazon is on a higher multiple, it is also delivering 2x the growth so we think valuations for our large cap technology positions remain attractive.

Our Korean holdings, SK Hynix and Samsung, were also strong contributors in June as they continue to benefit from the AI capex cycle that shows little signs of slowing. When we enter second quarter earnings season in late July, we will be watching closely the commentary by the big technology companies on AI spend, because SK Hynix and Samsung are direct beneficiaries.

GQG Partners, the Australian-listed, US-based funds management business, was a new top 10 position. We think the business is a global leader and well positioned to continue strong momentum in both investment performance and FUM growth. The stock has already been a strong contributor for the VG1 portfolio.

More broadly, we continue to shift exposure away from the US, where valuations relative to other markets remain significantly higher. We continue to favour markets like Europe and Japan, where we are finding more attractively priced opportunities.

**Buy-back:** In June, approximately 7.5m VG1 shares were bought at an average price of \$1.92.

**FY24 result:** VG1 expects to release its FY24 result on Tuesday, 20 August.

## ABOUT VG1

VG1 provides investors with access to an actively-managed, concentrated portfolio, comprising long investments and short positions in global listed securities. Utilising a fundamental, bottom-up investment approach, the portfolio leverages the extensive experience, network and specialist investment team of Regal Partners, the Investment Manager.

VG1 seeks to pay fully franked dividends of at least 5.0c every six months.

## COMPANY INFORMATION

Name	VG1 Partners Global Investments Limited
ASX Code	ASX:VG1
Structure	Listed Investment Company
Inception	28 September 2017
Shares on Issue	288 million
Registry	Boardroom Pty Ltd
Custodian	Morgan Stanley, Goldman Sachs, BNP Paribas

## ABOUT REGAL PARTNERS

Regal Partners Limited (ASX:RPL), the Investment Manager of VG1, is an ASX-listed specialist alternative investment manager with approximately \$15 billion in funds under management.<sup>3</sup> The group manages a broad range of investment strategies covering long/short equities, private markets, real & natural assets and credit & royalties on behalf of institutions, family offices, charitable groups and private investors. With offices located in Australia and Asia, the business has a long history of successfully investing in equity markets.



### PHILIP KING

Philip King is the Co-founder and Chief Investment Officer – Long/Short Equities of Regal Funds Management (a core business of Regal Partners Limited) and oversees VG1.

Prior to co-founding Regal, Philip was a Portfolio Manager at London-based De Putron Funds Management (DPFM), specialising in relative value and special situations investment strategies.

Philip is widely recognised as one of the key pioneers of the Australian alternative investment industry, having managed absolute return vehicles at Regal for over 18 years. In 2019, Philip was inducted into the Australian Fund Managers Hall of Fame.

## CONTACT DETAILS

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## PORTFOLIO EXPOSURES (% OF NTA)

Sector (GICS)	Long	Short	Net	Gross
Communication Services	21%	0%	21%	22%
Consumer Discretionary	13%	-7%	7%	20%
Consumer Staples	0%	-1%	-1%	1%
Energy	8%	-1%	7%	9%
Financials	30%	-4%	27%	34%
Health Care	10%	-1%	9%	11%
Industrials	4%	-3%	1%	7%
Information Technology	15%	-8%	7%	23%
Materials	17%	0%	17%	17%
Real Estate	0%	0%	0%	0%
Utilities	4%	0%	4%	4%
<b>Total</b>	<b>124%</b>	<b>-24%</b>	<b>99%</b>	<b>148%</b>

Region (by listing)	Long	Short	Net	Gross
Asia including Australia/NZ	39%	-4%	34%	43%
Europe, Middle East, Africa	46%	0%	46%	46%
Americas	40%	-20%	19%	60%
<b>Total</b>	<b>124%</b>	<b>-24%</b>	<b>99%</b>	<b>148%</b>

## PORTFOLIO SUMMARY STATISTICS

Long Exposure:	124%
Short Exposure:	-24%
Net Exposure:	99%
Gross Exposure:	148%

## NET PORTFOLIO RETURN<sup>2,4</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	3.1%	4.6%	7.2%	-2.7%	2.9%	1.8%							17.8%
2023	10.7%	-1.3%	5.7%	-1.2%	3.0%	2.0%	2.1%	-5.1%	-2.3%	3.4%	0.1%	2.1%	19.8%
2022	-3.3%	-3.6%	-1.2%	-6.4%	-4.3%	-1.1%	1.8%	-0.9%	-4.2%	1.6%	0.1%	-3.3%	-22.3%
2021	0.2%	2.6%	-1.0%	3.6%	-0.5%	4.4%	-3.9%	-1.9%	-3.4%	2.2%	-4.2%	-0.1%	-2.5%
2020	5.3%	-2.2%	1.4%	-4.9%	-2.1%	-4.2%	2.4%	4.1%	-1.2%	-2.8%	11.5%	0.6%	6.8%
2019	-0.2%	2.6%	-0.5%	2.7%	1.5%	2.0%	2.3%	1.6%	-2.2%	-1.4%	2.4%	-2.5%	8.5%
2018	-1.6%	3.3%	0.7%	1.2%	1.3%	2.6%	0.6%	3.1%	-0.5%	1.0%	-3.2%	2.1%	10.8%
2017										2.1%	1.5%	-2.6%	1.0%

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

<sup>1</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. As at 30 June 2024, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.24 per share, which includes \$0.01 per share of income tax losses available to the Company in future periods.

<sup>2</sup> 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 VGI's capital raising in 2019. Last 12 Months is the 12-month period ending on the last day of the month of the performance that is reported in this document ("Month End"). Dividend Yield refers to dividends that have been determined by VGI's Board where the ex-date occurred during the relevant Last 12 Months period and has been calculated using the Share Price at the Month End of this report. Past performance is not a reliable indicator of future performance.

<sup>3</sup> Preliminary estimate by RPL of funds under management ("FUM") which is pro forma for RPL's acquisition of Merricks Capital. Pro forma FUM (including 100% of Taurus Funds Management, Attunga Capital and Kilter Rural) is rounded, unaudited, includes non-fee earning FUM and remains subject to finalisation of distributions and period-end fund accounting.

<sup>4</sup> Monthly returns are shown from October 2017 given VGI's inception of 28 September 2017. VGI's net portfolio return was approximately nil for its two trading days in September 2017.

Date of release: 12 July 2024. Authorised for release by Candice Driver, Company Secretary.  
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## PORTFOLIO HOLDINGS AND NET RETURN

### TOP TEN LONG INVESTMENT WEIGHTS (% OF NTA)

London Stock Exchange Group	9%
Amazon.com	9%
SK Hynix	7%
Meta Platforms	6%
GQG Partners	6%
DSM-Firmenich	5%
Shell	5%
Alphabet	5%
Teck Resources	5%
GE HealthCare Technologies	5%

### CUMULATIVE NET PORTFOLIO RETURN<sup>2</sup> SINCE 1 JULY 2022



Cumulative returns based on monthly returns from 1 July 2022 (being the start of the first full month following completion of the merger between the investment manager of VGI and Regal Funds Management Pty Limited). Returns have been rebased to 100% at 1 July 2022.

