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ASX Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

2024 Annual General Meeting – Chairman’s Address

In accordance with ASX Listing Rule 3.13.3, VGI Partners Global Investments Limited (ASX:VG1) attaches a copy of the address to be given at today’s Annual General Meeting by David Jones, Chairman.

AUTHORISED FOR RELEASE BY:

Candice Driver, Company Secretary

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ABOUT VG1

VG1 provides investors with access to an actively managed, concentrated portfolio, comprised of 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.

VGI Partners Global Investments Limited 2024 Annual General Meeting Monday 25 November 2024 – 9am

On behalf of the Board of VGI Partners Global Investments Limited (VG1 or the Company), I would like to welcome all shareholders to today's annual general meeting. We thank you for your support of VG1.

To begin, I hope that you all had an opportunity to hear the portfolio update that Phil King and members of the VG1 investment team gave last month. That session provided a comprehensive discussion of key VG1 holdings, earnings drivers and market commentary – and a replay of that webinar is available on the VG1 website.

Given that recent update, today's meeting will be focused on the Formal Business set out in the Notice of Meeting, and I will keep my opening remarks relatively brief to allow ample time for shareholder questions.

FY24 IN REVIEW

Turning firstly to a review of FY24, in the 12 months to June 2024, the Company reported a net profit after tax of \$64.1 million, representing earnings per share of 20.2 cents. This was achieved through the portfolio delivering a net return of +17.8% with an average net exposure of 81%. Key contributors to VG1's performance were investments in stocks exposed to the artificial intelligence semiconductor thematic, along with energy and defence stocks.

Pleasingly, VG1 shareholders also benefited from a reduction in the discount of the share price to the Net Tangible Assets (or "NTA") over the year. As a result, VG1 delivered a total shareholder return, inclusive of franking, of +29.5% during FY24. As a reminder, this metric takes into account the increase in VG1's share price plus the grossed-up value of the fully franked dividends, assuming they were reinvested.

On the subject of dividends, during FY24, two fully franked dividends of 5 cents per share were paid – one in September 2023 and another in March 2024. This approach was maintained at the time of the Company's most recent results, with the Company announcing a further fully franked dividend of 5 cents per share, which was paid in September 2024.

These payments were all in line with the Company's approach of targeting a dividend of at least 5 cents per share every six months.

For reference, the annualised dividend rate of 10 cents per share represents a net yield of 5.2% at last Friday's closing share price, or a grossed-up yield of 7.4%¹ if those dividends are fully franked.

It is also worth reiterating at this point that a key benefit of VG1 being a Listed Investment Company (or "LIC") is its ability to smooth its dividends. This is because a feature of LICs is the ability to allocate undistributed profits to a profits reserve, in effect setting them aside for the payment of future dividends and increasing the ability to provide a steady income stream to shareholders. At 30 June 2024, the Company's profits reserve was \$274 million. After adjusting for the payment of the most recent dividend in September, the profits reserve is just over \$260 million, which is equivalent to almost 10 years of coverage if dividends are maintained at the current annual rate of 10 cents per share (and assuming no change to the Company's current number of shares on issue).

During the year, the Company also continued to operate its on-market share buy-back program, acquiring approximately 52 million shares for \$91 million in FY24. A further 24 million shares have been bought between the end of June 2024 and today. This represents a total of 144 million shares (or approximately 35% of VG1's issued capital) that have been purchased since VG1's buy-back initially launched in mid-2020. The Board continues to support this buy-back program on the basis that it is accretive to shareholders (when conducted at a discount) and provides additional liquidity to those seeking to trade.

¹ Grossed-up dividend yield includes the benefits of franking credits and is based on a tax rate of 30%.



As shareholders would be aware, later today, we will be seeking shareholder approval to allow VG1 to buy back up to 25% of its share capital over the next 12 months. This is materially higher than the 10% cap which is permitted under the *Corporations Act 2001* (Cth) and will provide the team with greater scope for capital management, should the resolution be carried.

One other development during the year that I would like to mention was the decision in May 2024 to refine VG1's investment guidelines, effective 1 July 2024. The most notable outcome of this review was an increase in VG1's gross exposure limit from 150% to 200%. This percentage reflects the value of VG1's long positions plus its short positions, relative to the Company's Net Tangible Assets. The investment team of VG1 proposed this change as it can provide additional flexibility in managing the portfolio and allows a wider range of investment opportunities to be pursued. In recent months, we have already seen the team utilise this additional capacity, with gross exposure rising from 148% at 30 June 2024 to 194% at 31 October 2024. Importantly, the net exposure limit of 100% (reflecting the value of VG1's long positions minus its short positions, relative to VG1's NTA) was unchanged. For reference, VG1's net exposure sat at 99% at 30 June 2024 and has generally remained in the range of 90-100% since then.

MANAGER UPDATE

Turning now to corporate aspects, many of you would recall that VG1's investment manager, VGI Partners, merged with Regal Funds Management in June 2022 to form Regal Partners Limited.

During 2023, investment responsibilities were then transitioned from VG1's Chief Investment Officer, Robert Luciano, to Regal's Chief Investment Officer for Long/Short Equities, Philip King. We believe this handover has been very smooth and furthermore, Regal Partners itself has continued to grow and now has over 90 investment professionals across the entire group. This gives Phil and the VG1 investment team the opportunity to collaborate with other teams within Regal Partners that have expertise across a broad range of sectors, regions and asset classes. We look forward to VG1 shareholders benefiting further from this deep pool of talent.

Also, with regard to shareholder engagement, it was pleasing to see Regal Partners hire two new investment directors in FY24 who have strong relationships across financial advisers, brokers and individual investors. Both have been very helpful in marketing VG1, through a combination of roadshows, meetings, webinars and newsletters, and ultimately increasing buyer demand for VG1 shares.

We are also aware that shareholders are always keen to see that the investment manager is aligned with them. On this point, I note that entities and funds associated with Regal Partners and Phil King, on a combined basis, are a substantial shareholder in VG1 and that their stake recently rose to 9.6%. Consequently, Regal Partners and Phil are very aligned with you, VG1's shareholders, in wanting to increase both the Company's Net Tangible Assets and its share price.

Pleasingly, if we look at the period since the merger between VGI Partners and Regal Funds Management in June 2022, I think we've made good progress on this front. For example, for the 28 months to the end of October 2024, VG1's net portfolio return has been +32.9% and its total shareholder return +69.6%, when including dividends grossed up for franking.²

That said, the team needs to work hard if we want to sustain this and close the discount to NTA further. As we've said previously, investment performance, shareholder engagement and capital management are all key to achieving success, and the team is continuing to focus on all these areas.

CONCLUSION

To conclude my address, I would like firstly to thank the investment and operations teams at Regal Partners for their ongoing efforts in managing VG1.

Thank you also to you, our shareholders. We greatly appreciate your interest and support and look forward to providing further updates in the future.

² Based on monthly compounded returns with dividends reinvested.

Key Metrics

+17.8%

FY24 Net
Portfolio Return

+29.5%

FY24 Share Price
Return (incl. Franking)

10cps

FY24 Dividends

**5cps each
six months**

Dividend Target

+7.4%

Dividend Yield¹
at Target (incl. Franking)

\$91m

FY24 On-Market
Buy-back

¹Based on VG1's share price at 22 November 2024.

Source: Bloomberg, Regal Partners. Past performance is not a reliable indicator of future performance.