

# VGI Partners Limited

## ACN 129 188 450

# Prospectus

For the offer of new fully paid ordinary shares (**Alignment Shares**) in the Company for nil consideration (**Offer**)

#### **IMPORTANT NOTICE**

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This is an important document that should be read in its entirety. If after reading this Prospectus, you have any questions about the Alignment Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

#### **NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES.**

This Prospectus does not constitute an offer of securities in the United States. The Alignment Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

# Important notices

This is an important document which should be read in its entirety before making any decision. You should obtain independent advice if you have any questions about any of the matters contained in this Prospectus.

## Offer

The Offer contained in this prospectus (**Prospectus**) relates to the invitation to apply for fully paid ordinary shares in VGI Partners Limited (ACN 129 188 450) (**Company** or **VGI Partners**) for nil consideration (**Alignment Shares**) and is only being made available to Eligible Applicants.

## Lodgement

This Prospectus is dated 23 September 2019 and was lodged with ASIC on that date. None of ASIC, ASX or their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates. The Company has applied to ASX for quotation of the Alignment Shares. This Prospectus expires on 23 October 2020, the date which is 13 months after the Lodgement Date, and no Alignment Shares will be issued on the basis of this Prospectus after that date.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus does not contain the same level of disclosure as an initial public offering prospectus. Investors should therefore have regard to the other information disclosed to ASX in relation to the Company before deciding whether to invest.

## No investment advice

The information contained in this Prospectus is not financial product advice and does not take into account the investment objectives, financial situation or particular needs of any prospective investor.

It is important that you read this Prospectus carefully and in full before deciding whether to invest in the Company. In particular, in considering the prospects of the Company, you should consider the risks that could affect the financial performance of the Company. You should carefully consider these risks in the light of your investment objectives, financial situation and particular needs (including financial and taxation issues) and seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Company. Some of the risks that should be considered by prospective investors are set out in Section 3. There may be risks in addition to the risks set out in Section 3 that should be considered in light of your personal circumstances.

No person named in this Prospectus, nor any other person, guarantees the performance of the Company, the repayment of capital by the Company or the payment of a return on the Alignment Shares.

Rights to acquire Alignment Shares under the Offer are not transferrable. This Prospectus will be accompanied by the VG8 Prospectus and completion of an Application Form will be an application for shares in VG8 and Alignment Shares. Eligible Applicants should carefully read and follow the instructions in Section 1 of this Prospectus, Section 2 of the VG8 Prospectus and on the back of the Application Form when making the decision to apply for Alignment Shares.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company or its Directors. You should rely only on information in this Prospectus.

## No cooling-off rights

No cooling-off regime (whether provided by law or otherwise) applies in respect of the acquisition of Alignment Shares offered for issue under this Prospectus. This means that, in most circumstances, you cannot withdraw your Application once it has been accepted.

## Electronic Prospectus

An electronic version of this Prospectus (**Electronic Prospectus**) can be downloaded from [www.vg8offer.com](http://www.vg8offer.com). The Offer or invitation to which the Electronic Prospectus relates is only available to persons receiving the Electronic Prospectus in Australia and New Zealand.

The Company will send a copy of the paper Prospectus (accompanied by the VG8 Prospectus and paper Application Form) free of charge to any person on request during the Offer Period. If you download the Electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the VG8 Prospectus and a copy of the Application Form (under which an Eligible Applicant can apply for both VG8 Shares and Alignment Shares).

## Important information for New Zealand investors

This offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the *Corporations Act 2001* (Cth) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the *Corporations Act 2001* (Cth) and the regulations made under that Act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

## Hong Kong

**WARNING:** This Prospectus has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the **SFO**). No action has been taken in Hong Kong to authorise or register this Prospectus or to permit the distribution of this Prospectus or any documents issued in connection with it. Accordingly, the Alignment Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the Alignment Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Alignment Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted Alignment Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Prospectus have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this Prospectus, you should obtain independent professional advice. If you (or any person for whom you are acquiring the New shares) are in Hong Kong, you (and any such person) are a 'professional investor' as defined under the SFO.

## Singapore

This Prospectus and any other materials relating to the Alignment Shares have not been, and will not be, lodged or registered as a prospectus with the Monetary Authority of Singapore (**MAS**). Accordingly this Prospectus and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of Alignment Shares, may not be issued, circulated or distributed, nor may the Alignment Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**) or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA

This Prospectus has been given to you on the basis that you are (i) an existing holder of Shares, (ii) an "institutional investor" (as defined under the SFA) or (iii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the Alignment Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Alignment Shares. As such, you are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly. If you (or any person for whom you are acquiring Alignment Shares) are in Singapore, you (and any such person) (i) are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA; (ii) will acquire the Alignment Shares in accordance with applicable provisions of the SFA; and (iii) acknowledge that the offer of the Alignment Shares is subject to restrictions (including selling restrictions) set out in the SFA.

## Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including ASX's website [www.asx.com.au](http://www.asx.com.au)). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offer. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Alignment Shares or the Company.

No person is authorised to give any information or to make any representation in relation to the Offer which is not contained in this Prospectus and any such information may not be relied upon as having been authorised by the Directors.

## Selling restrictions

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Alignment Shares or the Offer, or to otherwise permit a public offering of Alignment Shares, in any jurisdiction outside Australia or New Zealand. The distribution of this Prospectus outside Australia or New Zealand (including electronically) may be restricted by law and persons who come into possession of this

Prospectus outside Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

The Alignment Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Alignment Shares may not be offered or sold, directly or indirectly, in the United States unless the Alignment Shares have been registered under the US Securities Act or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws.

## Privacy

By filling out the Application Form to apply for the VG8 Shares together with the Alignment Shares you are providing personal information to the Company through its Share Registry, which is contracted by the Company to manage Applications.

The Company, and the Share Registry on its behalf, may collect, hold and use that personal information in order to process your Application, service your needs as a Shareholder, provide facilities and services that you request and carry out appropriate administration.

If you do not provide the information requested in the Application Form, the Company and the Share Registry may not be able to process or accept your Application.

Your personal information may also be used from time to time to inform you about other products and services offered by the Company, which it considers may be of interest to you. Your personal information may also be provided to the Company's members, agents and service providers on the basis that they deal with such information in accordance with the Company's privacy policy and applicable laws.

The members, agents and service providers of the Company may be located outside Australia where your personal information may not receive the same level of protection as that afforded under Australian law.

The types of agents and service providers that may be provided with your personal information and the circumstances in which your personal information may be shared are:

- the Share Registry for ongoing administration of the Shareholder register;
- printers and other companies for the purpose of preparation and distribution of statements and for handling mail;
- market research companies for the purpose of analysing the Shareholder base and for product development and planning; and
- legal and accounting firms, auditors, contractors, consultants and other advisers for the purpose of administering, and advising on, the Shares and for associated actions.

You may request access to your personal information held by or on behalf of the Company. You may be required to pay a reasonable charge to the Share Registry in order to access your personal information. You can request access to your personal information by writing to or telephoning the Share Registry as follows:

Telephone: 1300 046 609 (toll free within Australia)  
+61 2 9290 9611 (outside Australia)

Address: Level 12, 225 George Street  
Sydney, NSW 2000, Australia

## How to apply

This Prospectus will be accompanied by the VG8 Prospectus. Completion of an Application Form will be an application for VG8 Shares and the accompanying Alignment Shares. **Once you have applied for VG8 Shares under the VG8 IPO, no further action is required to apply for Alignment Shares.**

Applications for VG8 Shares under the VG8 IPO, and the accompanying Alignment Shares, can only be made by completing and submitting an Application Form. If you are applying online at [www.vg8offer.com](http://www.vg8offer.com), you will be provided with prompts and instructions to assist you to complete the electronic Application Form. You can also find detailed instructions on completing the Application Form on the back of the paper Application Form which accompanies the VG8 Prospectus and this Prospectus.

## Defined terms and abbreviations

Defined terms and abbreviations used in this Prospectus have the meanings given in the Glossary set out in Appendix A. Unless otherwise stated or implied, references to dates and times in this Prospectus are to the date or time in Sydney, Australia. All financial amounts contained in this Prospectus are expressed in Australian dollars unless otherwise stated. There may be discrepancies between totals and sums of components in tables contained in this Prospectus due to rounding.

## Questions

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Questions relating to the Offer can be directed to the Offer Information Line on 1300 046 609 (within Australia) or +61 2 9290 9611 (outside Australia) between 8:30am and 5:30pm (Sydney, Australia time) Monday to Friday during the Offer Period or via email to [vg8offer@boardroomlimited.com.au](mailto:vg8offer@boardroomlimited.com.au).

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# Important dates

Important dates	
Lodgement of Prospectus with ASIC	23 September 2019
Offer opens	23 September 2019
Offer closes	22 October 2019
Expected date for issue of Alignment Shares	12 November 2019
Alignment Shares expected to commence trading on ASX on a normal settlement basis	13 November 2019

**Note:** This timetable is indicative only and may change. Unless otherwise indicated, all times are stated in Sydney, Australia time. The Company reserves the right to vary any and all of the above dates and times without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Offer Period, or to accept late Applications, either generally or in particular cases, or to cancel or withdraw the Offer before the issue of Alignment Shares under the Offer, in each case without notifying any recipient of this Prospectus or Applicants). Investors are encouraged to submit their Applications as soon as possible after the Offer opens.



# 1. Details of the Offer and how to apply

Except as expressly stated otherwise, this Section describes the Offer and how Eligible Applicants (as defined in Section 1.1 below) can apply for Alignment Shares. References to 'you' in this Section 1 are references to Eligible Applicants.

## 1.1 The Offer

As noted above, the Company is making an invitation to Eligible Applicants to apply for Alignment Shares.

VGI Partners Asian Investments Limited (ACN 635 219 484) (**VG8**), a newly incorporated company which will be managed by VGI Partners, is offering for subscription up to 320 million ordinary shares (**VG8 Shares**) at an offer price of \$2.50 per VG8 Share, to raise up to \$800 million (before acceptance of any oversubscriptions) (the **VG8 IPO**). VG8 reserves the right to accept oversubscriptions under the VG8 IPO to raise up to an additional \$200 million.

Alignment Shares will be issued to all Applicants that receive an allocation of VG8 Shares under the VG8 IPO (**Eligible Applicant**).

The number of Alignment Shares to be issued to an Eligible Applicant will be based on that Eligible Applicant's allocation of VG8 Shares under the relevant component of the VG8 IPO. Accordingly, the number of Alignment Shares to be issued to each Eligible Applicant will be calculated based on the following ratios:

- One (1) Alignment Share for every 75 VG8 Shares allocated to that Eligible Applicant under the VG8 Cornerstone Offer and the VG8 Priority Offer components of the VG8 IPO; and
- One (1) Alignment Share for every 125 VG8 Shares allocated to that Eligible Applicant under the VG8 Broker Firm Offer and the VG8 General Offer components of the VG8 IPO.

Alignment Shares calculated based on the above ratios will be rounded to the nearest Alignment Share.

The Alignment Shares will be issued to the same legal registered holder who received the corresponding allocation of VG8 Shares under the VG8 IPO<sup>1</sup>.

### **The Offer is only open to Eligible Applicants.**

Please consult with your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser if you have any queries or are uncertain about any aspects of the Offer. You should also refer to the risks associated with an investment in the Company and the Alignment Shares which are set out in Section 3 of this Prospectus.

An investment in Alignment Shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Company. The Company does not guarantee any particular rate of return or the performance of the Company, nor does it guarantee the repayment of capital from the Company or any particular tax treatment.

## 1.2 How do I apply for Alignment Shares under the Offer

This Prospectus is accompanied by the VG8 Prospectus and an Application Form pursuant to which Applicants may apply for both VG8 Shares and Alignment Shares.

To apply for VG8 Shares and Alignment Shares, you can apply online at [www.vg8offer.com](http://www.vg8offer.com) by completing the Application Form that forms part of the electronic version of this Prospectus and paying your application monies by BPAY.

Alternatively, you can submit a paper-based application by completing the Application Form attached to, or accompanying, this Prospectus. Completed Application Forms and application monies must be received by the Share Registry by 5:00pm (Sydney, Australia time) on the Closing Date.

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<sup>1</sup> Unless otherwise agreed by VG8 and the Company for certain VG8 Cornerstone Offer investors.

**Once you have applied for VG8 Shares under the VG8 IPO, no further consideration is payable by you (nor is any further action required by you) to apply for and acquire Alignment Shares under the Offer.**

### **1.3 Confirmation of your Application and managing your holding**

You may access information on your holding, including the Alignment Shares issued to you under this Offer, and manage the standing instructions the Share Registry records on your holding on the Investor Services website ([www.investorserve.com.au](http://www.investorserve.com.au)). To access the Investor Services you will need your Security Reference Number (**SRN**) or Holder Identification Number (**HIN**) as shown on your Issuer Sponsored/CHESS statements and you will need to pass the security challenge on the site.

### **1.4 ASX quotation and trading**

The Company will apply for quotation of the Alignment Shares on ASX. While the Company is not aware of any reason why quotation would be denied, there is no assurance that the application will be granted. If quotation is not granted, Alignment Shares will not be issued.

The fact that ASX may grant quotation of the Alignment Shares is not to be taken in any way as an indication of the merits of the Company or the Alignment Shares issued under the Offer.

It is expected that the quotation and trading of Alignment Shares issued under the Offer will commence on or about Wednesday, 13 November 2019 (on a normal settlement basis).

Confirmation of issue is expected to be sent in accordance with the ASX Listing Rules. It is the responsibility of each Eligible Applicant to confirm their holding before trading in Alignment Shares. Any Eligible Applicant who sells Alignment Shares before receiving their confirmation of issue will do so at their own risk. The Company and the Share Registry disclaim all liability in tort (including negligence), statute or otherwise, to any person who trades in Alignment Shares before receiving their confirmation of issue, whether on the basis of a confirmation of issue provided by the Company or the Share Registry or otherwise.

### **1.5 CHESS**

The Alignment Shares will participate from the date of commencement of quotation in the Clearing House Electronic Subregister System (**CHESS**), operated by ASX Settlement. These securities must be held in uncertificated form (i.e. no certificate will be issued) on the CHESS sub-register under sponsorship of a sponsoring participant (usually a broker) or on the issuer-sponsored subregister. Arrangements can be made at any subsequent time following quotation to convert your holdings from the issuer-sponsored subregister to the CHESS sub-register under sponsorship of a sponsoring participant or vice versa, by contacting your sponsoring participant.

### **1.6 Rights and liabilities attaching to Shares**

The Alignment Shares to be issued pursuant to this Offer will be in the same class and will rank equally in all respects with the existing Shares on issue with effect from their date of issue. The rights and liabilities attaching to Shares (and therefore the Alignment Shares) are further described in Section 4.4.

### **1.7 Minimum subscription**

There is no minimum subscription for the Offer.

### **1.8 No underwriting**

The Offer is not underwritten.

### **1.9 Overseas investors**

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or to extend such an invitation. No action has been taken to register this Prospectus or otherwise to permit an offering of Shares in any jurisdiction outside Australia or New Zealand. It is the responsibility of non-Australian or non-New Zealand resident investors to obtain all necessary approvals and comply with all relevant regulations for the issue to them of the Alignment Shares offered pursuant to this Prospectus.

Return of a duly completed Application Form will constitute a representation and warranty that there has been no breach of such regulations.

#### **1.10 Taxation**

It is the responsibility of all investors to satisfy themselves of the particular taxation treatment that applies to them in relation to the Offer and the acquisition of Alignment Shares, by consulting their own professional tax advisors. The Company and the Directors do not accept any liability or responsibility in respect of the taxation consequences of the matters referred to in this Prospectus.

#### **1.11 Enquiries**

This Prospectus is important and should be read in its entirety. Persons who are in any doubt as to the course of action to be followed should consult their stockbroker, solicitor, accountant or other professional advisor without delay. Questions relating to the Offer can be directed to the Offer Information Line on 1300 046 609 (within Australia) or +61 2 9290 9611 (outside Australia) between 8:30am and 5:30pm (Sydney, Australia time) Monday to Friday during the Offer Period or via email to [vg8offer@boardroomlimited.com.au](mailto:vg8offer@boardroomlimited.com.au).

## 2. Purpose and effect of the Offer

### 2.1 Purpose of the Offer

By this Prospectus, the Company is making an Offer to Eligible Applicants to acquire Alignment Shares for nil consideration. Accordingly, the primary purpose of the Offer is not to raise capital.

The Offer is being undertaken concurrently with the VG8 IPO. The VG8 IPO is being undertaken pursuant to the VG8 Prospectus which is dated 2 September 2019 and was lodged with ASIC on that date. Offers of ordinary shares under the VG8 IPO are being made under the VG8 Prospectus, a copy of which can be obtained at [www.vg8offer.com](http://www.vg8offer.com) or by calling the offer information line on 1300 046 609 (within Australia) or +61 2 9290 9611 (outside Australia) from 8:30am to 5:30pm (Sydney, Australia time) Monday to Friday. Applicants wishing to apply for ordinary shares in the VG8 IPO should read the VG8 Prospectus carefully and in full before deciding whether to apply for ordinary shares in the VG8 IPO. Applications for ordinary shares in the VG8 IPO must be made by completing the application form online at [www.vg8offer.com](http://www.vg8offer.com) or the application form that is in, or accompanies, the VG8 Prospectus.

### 2.2 Financial position

Eligible Applicants will not pay any consideration to the Company to acquire Alignment Shares. Accordingly, the Company will not receive funds in relation to the issue of the Alignment Shares, and their issuance will not increase the share capital account of the Company.

#### 2.2.1 Offer costs

VGI Partners will pay all establishment costs, legal and investigating accountant fees, printing and initial ASX listing fees relating to the VG8 IPO and this Offer. These costs have been estimated at \$7.3 million (including GST) (assuming the minimum subscription for the VG8 IPO is achieved) and \$27.1 million (including GST) (assuming the maximum subscription for the VG8 IPO is achieved and all oversubscriptions are accepted). The costs are expected to be paid out of the Company's cash reserves.

A breakdown of the estimated costs is provided below.

Offer costs (including GST) (\$m)	Minimum subscription for VG8 IPO of \$250 million	Subscription amount for VG8 IPO of \$500 million	Maximum subscription for VG8 IPO of \$800 million	Maximum subscription for VG8 IPO (including over-subscription) of \$1,000 million
Joint Lead Manager and Lead Arranger fees payable in connection with the VG8 IPO <sup>1</sup>	0.5	2.8	5.5	7.7
Broker Firm Offer fees and stamping fees payable in connection with the VG8 IPO <sup>1</sup>	3.9	7.2	11.1	14.2
Other adviser fees	2.4	2.8	3.4	4.4
Other expenses	0.5	0.6	0.8	0.8
<b>Total estimated offer costs</b>	<b>7.3</b>	<b>13.3</b>	<b>20.7</b>	<b>27.1</b>

Notes:

1. Fees will vary depending on the amount raised in each component of the VG8 IPO.

### 2.2.2 Co-investment

The Company has committed to invest \$20 million into the VG8 IPO (**VG8 Co-investment**). The Company will not receive any Alignment Shares in respect of the VG8 Co-investment.

### 2.2.3 The effect of the Offer on the capital structure

The theoretical maximum potential number of Alignment Shares to be issued under the Offer is 5.2 million. The actual number of Alignment Shares to be issued will likely be substantially less than this number and is dependent on:

- the total amount raised under the VG8 IPO; and
- the composition of the total amount raised under the VG8 IPO across each offer component of the VG8 IPO.

The table below presents an illustrative indication of the number of Alignment Shares to be issued based on various amounts being raised under the VG8 IPO:

	Minimum subscription for VG8 IPO of \$250 million	Subscription amount for VG8 IPO of \$500 million	Maximum subscription for VG8 IPO of \$800 million	Maximum subscription for VG8 IPO (including over-subscription) of \$1,000 million
Illustrative Alignment Shares issued <sup>1</sup>	1.2m	2.6m	3.7m	4.4m
Percentage of VGI Partners issued capital	1.8%	3.8%	5.6%	6.5%

It should be noted that, for current shareholders in VGI Partners, their percentage shareholding in the Company may be diluted by the issue of Alignment Shares pursuant to this Offer. The extent of the dilution will depend on their holding in VGI Partners prior to the Offer and level of participation in the VG8 IPO.

## 2.3 Effect of the Offer on control

The Offer will not have a material impact on control of the Company.

## 2.4 Acknowledgements

An Eligible Applicant under the Offer will be deemed to have:

- agreed to become a member of the Company and to be bound by the terms of the Constitution and the terms and conditions of the Offer;
- acknowledged having personally received a printed or electronic copy of the Prospectus (and any supplementary or replacement prospectus) including or accompanied by the Application Form and having read them all in full;
- declared that all details and statements in their Application Form are complete and accurate;
- declared that the Eligible Applicant, if a natural person, is/are over 18 years of age;
- acknowledged that, once the Company receives an Application Form, it may not be withdrawn;
- applied for an amount of Alignment Shares calculated in accordance with the ratios set out in Section 1.1 of the Prospectus;

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<sup>1</sup> The illustrative example of the Alignment Shares to be issued assumes the following composition of amounts raised under the VG8 IPO: (i) \$200 million under the VG8 Cornerstone Offer; (ii) up to \$400m in the VG8 Priority Offer (including an illustrative discretionary acceptance of up to \$100m in Straddle Applications – see Section 2.3 of the VG8 Prospectus); and (iii) the remainder under the VG8 Broker Firm Offer and VG8 General Offer. No Alignment Shares will be issued in respect of the VG8 Co-Investment.

- agreed to being allocated and issued the Alignment Shares applied for or no Alignment Shares at all;
- authorised the Company, and their respective officers or agents, to do anything on behalf of the Eligible Applicant necessary for Alignment Shares to be allocated to the Eligible Applicant, including to act on instructions received by the Share Registry using the contact details in the Application Form;
- acknowledged that, in some circumstances, the Company may not pay dividends, or that any dividends paid may not be franked;
- acknowledged that the information contained in this Prospectus (or any supplementary or replacement prospectus) is not financial product advice or a recommendation that the Alignment Shares are suitable for the Eligible Applicant, given the investment objectives, financial situation and particular needs (including financial and taxation issues) of the Eligible Applicant;
- declared that the Eligible Applicant is a resident of Australia or New Zealand; and
- acknowledged and agreed that the Offer may be withdrawn by the Company or may otherwise not proceed in the circumstances described in this Prospectus.

Each Eligible Applicant will be taken to have represented, warranted and agreed as follows:

- it understands that the Alignment Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state of the United States and may not be offered or sold in the United States, except in accordance with US Securities Act regulation requirements or in a transaction exempt from, or not subject to, registration under the US Securities Act and any other applicable state securities laws;
- it is not in the United States or a US Person;
- it has not sent and will not send the Prospectus or any other material relating to the Offer or the VG8 IPO to any person in the United States;
- it is applying for the Alignment Shares in an offshore transaction meeting the requirements of Regulation S; and
- it will not offer or sell the Alignment Shares in the United States or in any other jurisdiction outside Australia or New Zealand except in transactions exempt from, or not subject to, registration requirements of the US Securities Act and in compliance with all applicable laws in the jurisdiction in which Alignment Shares are offered and sold.

## **2.5 ASX waivers and confirmations**

No waivers or confirmations were sought from ASX in connection with the Offer.

## **2.6 ASIC exemptions, modifications and relief**

No exemptions, modifications or relief was sought from ASIC in connection with the Offer.

### 3. Risks

The future performance of the Company and the future investment performance of its Shares may be influenced by a range of factors, many of which are outside the control of the Company, the Directors and its senior management team. This Section 3 describes what the Company believes to be the key risks associated with the Company's business, the industry in which it operates and the general risks associated with an investment in the Company. It does not purport to list every risk that may be associated with the Company's business or the industry in which it operates or an investment in the Company now or in the future. The occurrence or consequence of some of the risks described in this Section 3 are partially or completely outside the control of the Company, the Directors and the Company's senior management team.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring, the ability to mitigate the risk and the impact of the risk if it did occur. The assessment is based on the knowledge of the Directors as at the date of this Prospectus, but there is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge. Any of these risks, and any other risks that may emerge, may in isolation or in combination, if they eventuate, have a material adverse effect on the Company's business, future financial position and future financial performance and cash flows. There can be no guarantee that the Company will achieve its stated objectives or that the potential future revenue of the Company or any forward-looking statements contained in this Prospectus will be achieved or realised. Investors should note that past performance is not a reliable indicator of future performance.

Before applying for the Alignment Shares, you should satisfy yourself that you have a sufficient understanding of the risks described in this Section 3 and all of the other information set out in this Prospectus, and consider whether the Alignment Shares are a suitable investment for you, having regard to your own investment objectives, financial circumstances and particular needs (including financial and taxation issues). If you do not understand any part of this Prospectus or have any questions about whether to invest in the Company, you should consult your accountant, financial advisor, stockbroker, lawyer or other professional advisor prior to deciding whether to invest in the Company.

#### 3.1 Risks specific to an investment in the Company

##### 3.1.1 Investment performance risks

The success or otherwise of the Company is highly dependent on its skill in carrying out its investment management services and, in combination with market forces outside the Company's control, the performance of the VGI Funds as a whole and individually. Astute investment decisions combined with favourable market conditions may produce outsized performance fees, enhance the ability to retain existing clients and to attract new clients, and to provide the opportunity to create new investment products. Poor investment decisions and/or unfavourable market movements may result in reduced or no performance fees, client redemptions, loss of investment mandates and inability to attract new FUM and curtail any potential for new investment products. In certain circumstances, the investment management agreements entered into by the Company may be terminated (see Section 9.10 of the prospectus prepared in connection with the Company's initial public offering dated 20 May 2019, a copy of which is available on ASX).

The performance of the Company in providing its investment management services is dependent on its expertise, the level of research it undertakes and ultimately its investment decisions. The Company's opinion about the intrinsic worth of an investment may be incorrect, the investment objective may not be achieved, and the market may continue to value the securities within the portfolio incorrectly from time to time, all resulting in the poor performance of the VGI Funds.

Even with astute investment decisions, market circumstances maybe such that the VGI Funds deliver poor returns.

The Company's past performance is not necessarily a guide to future performance of the VGI Funds.

##### 3.1.2 Performance fee risk

The revenue and earnings of the Company have a significant level of reliance on performance fees which are unpredictable in nature. Past good performance of the VGI Funds and consequently the Company's ability to earn performance fees are not necessarily a guide to future

performance fee generation. The ability of the Company to earn performance fees is contingent on numerous factors, some of which cannot be controlled by the Company.

A sustained period of poor performance may cause the value of units or shares in the VGI Funds to fall below the high water marks. If this occurs not only would the Company not generate performance fees during that period, but in future periods the relevant VGI Fund or funds would need to recoup past underperformance against the high water mark before recording a performance fee.

### 3.1.3 Reduced ability to retain and attract investors

With the exception of VG1 and VG8, the VGI Funds provide investors with the ability to redeem their investment at their discretion on relatively short notice. Redemptions reduce the Company's FUM balance and therefore its fee earning base - both management and performance fees.

Similarly, a reduced ability, or inability, of the Company to attract new clients for its existing Global Strategy or for new strategies which it may seek to establish in the future, will reduce its ability to grow fee revenue, and/or offset redemptions.

As described above the key risk which may cause a reduction in FUM, or reduce growth, is poor VGI Portfolio performance. Other risks which may also impact on FUM and/or the level of fees the Company can charge include:

- a deterioration in the Company's reputation due to, for example, the actions of its key executives, notwithstanding good investment performance;
- an increased level of competition in the market for professional funds management services;
- a decrease in the overall demand in the market for professional funds management services;
- market forces, in particular a reduction in liquidity, causing investor redemptions;
- specific financial circumstances of individual investors, resulting in redemptions;
- a decrease in investors' support of the Global Strategy or other changes in investors' asset allocation decisions; and
- changes in ratings (including holds or downgrades).

A material reduction in the VGI Portfolio's FUM is likely to have a material adverse effect on revenue and hence the financial performance of the Company and the Company's Share price. While VGI Partners typically invests in highly liquid securities, if there were to be major dislocation in global financial markets, it is possible that the Company's ability to meet redemption requests could be impaired. This may have a material adverse effect, including on the Company's reputation.

### 3.1.4 Competitive environment

The funds management industry is highly competitive, with a significant number of existing investment professionals and new entrants regularly developing new products and establishing funds management businesses. Actions of current or future competitors may result in loss of FUM, fee reductions, reduced margins or lower market share, and may have a material adverse effect on the Group's financial performance and growth prospects. In addition to actions of competitors, the growing influence of certain clients (such as portfolio administration services, master trusts and other distribution platforms) may exert commercial pressure to reduce fees, which could have an adverse effect on the Group's financial performance.

### 3.1.5 Investment strategy risk

#### (a) *Limited range of investment strategies*

VGI Partners currently employs the same investment strategy, being the Global Strategy, across each of the VGI Partners Master Fund, the VGI Partners Offshore Fund, VGI Partners Global Investments Limited and its IMAs (**Existing VGI Funds**). The Existing VGI Funds are all managed under VGI Partners' Global Strategy, where the Company seeks out what it considers to be the best investment opportunities in any country with a legal system with which it feels comfortable. Therefore, the Existing VGI Funds provide similar underlying asset exposures, notwithstanding some funds aim to maximise AUD returns, while some funds are fully hedged to the USD in order to achieve a pure USD return. If the Company's Global Strategy results in underperformance it is



likely that all of the Existing VGI Funds underperform. Similarly, if the Global Strategy outperforms then all of the Existing VGI Funds are likely to outperform.

Upon completion of the VG8 IPO, VGI Partners will employ two strategies, being the Global Strategy across its Existing VGI Funds, as well as the Asian Strategy. The establishment of VG8 will provide investors with a concentrated portfolio, predominantly comprised of long investments and short positions, in listed securities in the Asian region and in companies that do or may derive a substantial proportion of their revenues from the Asian region, actively managed with a focus on capital preservation.

Given VG8's regional focus, it is expected that there will be a limited degree of crossover between the positions held by VG8 and the Existing VGI Funds. Even with the introduction of VG8, unless VGI Partners implements further new investment strategies, the Company's performance fee revenue is likely, all else being equal, to be more volatile than investment managers which run multiple strategies.

(b) *Concentration risk*

The Existing VGI Funds typically hold shares in approximately 10 to 25 Long Investments while VG8 will typically hold 15 to 30 Long Investments. This represents a level of investment concentration. The lower the number of investments, the higher the concentration and, in turn, the higher the potential volatility of VGI Portfolio returns. Notwithstanding the Company's focus on capital preservation, the concentration in its VGI Funds may result in more volatile returns than a portfolio with a larger number of investments.

(c) *Short selling risk*

There are inherent risks associated with short selling. Short selling involves borrowing securities which are then sold. If the price of the securities falls, then the Company, through the portfolio(s) it manages, can buy those securities at a lower price to transfer back to the lender of the securities. Short selling can be seen as a form of leverage and may magnify the gains and losses achieved in the portfolios. While short selling may be used to manage certain risk exposures in the portfolios and increase returns, it may also have a significantly increased adverse impact on its returns. Short selling exposes the portfolios to the risk that investment flexibility could be restrained by the need to provide collateral to the securities lender and that positions may have to be liquidated at a loss and not at a time of the Company's choosing.

(d) *Derivatives*

The Company may invest in exchange traded and over-the-counter derivatives including options, futures, swaps, credit default exposures, currency forwards/contracts and related instruments. The Company may use derivative instruments (both exchange traded and over-the-counter) for risk management purposes and to take opportunities to increase returns. Investments in derivatives may cause losses associated with the value of the derivative failing to move in line with the underlying security or as expected. Derivative transactions may be highly volatile and can create investment leverage, which could cause the VGI Funds to lose more than the amount of assets initially contributed to the investment.

Typically the Company only employs relatively simple derivatives and the notional exposures of any open derivative positions are included in overall exposure limits.

The only derivatives that VGI Partners has employed since inception are exchange traded options, and the Company expects that the future use of derivatives would be limited to exchange trade derivatives and currency forwards/contracts.

(e) *Leverage*

While the Company does not typically use debt to increase the scale of the portfolio(s) it manages, the use of derivatives and short selling may have a similar effect to leverage that can magnify the gains and losses achieved in the portfolios. This magnification of gains and losses through the use of derivatives and short selling is similar to the use of debt in a leveraged portfolio. These risks give rise to the possibility that positions within the portfolio(s) may have to be liquidated at a loss and not at a time of the Company's choosing.

(f) *Under-investment*

The Company may be unable to identify suitable assets to invest in and consequently be unable to deliver wholly on its investment strategies.

### 3.1.6 Loss of key personnel

VGI Partners' success is dependent on the efforts of a number of key investment professionals. VGI Partners relies on its ability to attract, train and retain high quality employees and investment professionals to generate future earnings and returns. Loss of these key personnel may affect the Company's ability to execute its investment strategy, result in a withdrawal of a material amount of FUM (including loss of investment mandates) or give rise to an inability to attract new FUM, which may have a material adverse effect on the Company.

### 3.1.7 Brand and reputation

The success of VGI Partners is dependent on its reputation. While its reputation is heavily dependent on its investment performance track record, there are other risks of damage to its reputation.

(a) *Satisfactory performance*

The Company relies on generating sufficient returns for its investors. If it fails to deliver satisfactory performance, the Company's business reputation may be damaged leading to investor redemptions or challenges for the business in relation to securing new investor funds. Both scenarios could result in a reduction in FUM which would reduce fee revenue and adversely impact financial performance.

(b) *Conflicts of Interest*

Failure to deal appropriately with actual, potential or perceived conflicts of interest could damage the Company's reputation and materially adversely affect its business.

It is possible that actual, potential or perceived conflicts could give rise to client dissatisfaction, litigation or regulatory enforcement actions. Appropriately identifying and managing actual or perceived conflicts of interest is complex and difficult, and the Company's reputation could be damaged if it fails, or appears to fail, to deal appropriately with one or more potential or actual conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on reputation which could materially adversely affect VGI Partners' business in a number of ways, including a reluctance of some potential clients and counterparties to do business with the Company.

(c) *Employee misconduct*

Employee misconduct, which is difficult to detect and deter, could harm the Company by impairing its ability to attract and retain clients and by subjecting it to legal liability and reputational harm. There is a risk that employees could engage in misconduct that would adversely affect the Group's business. It is not always possible to deter employee misconduct, and the precautions taken to detect and prevent misconduct may not be effective in all cases. If employees engage in misconduct, the Group's business could be materially adversely affected.

### 3.1.8 Information technology systems and internal processes

The Company relies on third party products and services for its management of its information technology systems and has a range of critical internal processes. Any damage or interruptions from system failures, computer viruses, cyber-attacks or other events could impair the ability of the Company to deliver its services to its clients and could lead to third party disruptions, liability to clients, reputational damage, and regulatory and compliance problems, which may have a material adverse effect on the Group's financial performance and growth prospects. There is also a risk that inadequate or failed internal processes, people or systems (including failure of staff to follow defined processes, inadequate training or failure to implement appropriate controls) or external events may give rise to failures or disruptions in operational systems and controls (e.g. fraud, security failures, manual processing errors), which may result in losses to clients that the Company is liable to compensate.

Through its ordinary course of business, the Group will collect information about its clients (which would usually include personal and confidential information). A cyber attack or other cyber incident may compromise the systems used by the Group to protect that information. VGI Partners has put in place industry standard measures intended to prevent misuse or loss of, unauthorised access to, or unauthorised modification or disclosure of, the information that it holds. However, there is a risk that the measures taken may not be sufficient to detect, mitigate or prevent such an incident.

Any loss, damage or interruption to the Group's networks, systems, data or services, or a data breach affecting VGI Partners, whether arising from hardware, software or systems failures, computer viruses or other harmful code, third party service failures, or cyber attacks or other cyber incidents, could impair the ability of the Group to deliver services to its clients; expose the Company to reputation damage; result in a loss of confidence in the services it provides; result in claims by clients or a loss of clients or FUM; and give rise to regulatory scrutiny and legal action. Any of these events could adversely impact VGI Partner's reputation, business, financial condition and financial performance.

### **3.1.9 Changing market conditions, currency exchange rates and interest rates**

#### *(a) Market conditions risk*

The Group's revenue is directly linked to its FUM which is driven by market performance. As such, the Company's performance is significantly linked to market performance and funds managed by the Company will be exposed to market risk. The market risk of assets in the VGI Portfolio can fluctuate as a result of market conditions. The value of the VGI Portfolio may be impacted by factors such as economic conditions, interest rates, regulations, sentiment and geopolitical events, as well as environmental, social and technological changes. Unfavourable global market movements, or a decline related to an asset class in which the Company manages assets, may reduce the Company's existing FUM, negatively impact net flows, result in reduced or no performance fees, client redemptions and curtail any potential for new investment products. This would likely have a material adverse effect on revenue and hence the financial performance of the Group. The Company will seek to reduce market and economic risks to the extent possible. In addition, as the Company is listed on the ASX, the Alignment Shares will be exposed to market risks and may trade below the intrinsic value of the Company and/or the Offer Price (see Section 3.2.1 for further information).

#### *(b) Currency exchange risk*

Foreign exchange contracts, derivatives, natural hedging or other methods may be used in the VGI Portfolio to hedge against the movements of foreign currencies relative to the AUD (for funds denominated in AUD) and USD (for funds denominated in USD) as part of the investment strategy.

The AUD denominated funds managed by the Company may not be fully hedged to the AUD, and therefore have a currency exposure as a result of investments in global securities and foreign denominated assets (including cash).

Investing in assets denominated in a foreign currency creates an exposure to foreign currency fluctuations, which can change the value of the portfolio's investments managed by the Company that are measured in AUD or USD. For example, if an equity investment is denominated in a foreign currency and that currency depreciates in value against the AUD, the value of that investment may depreciate when translated into AUD, and the fund which holds the investment may suffer a loss as a result, notwithstanding that the underlying equity has appreciated in value in its currency of denomination.

VGI Partners' investment strategy seeks to assess the potential returns and risks created by currency exposures and to position the investment with the aim of capturing those returns while minimising those risks. The Company will seek to actively manage or mitigate the Portfolio's currency exposure using derivatives and cash foreign exchange trades.

Separate to currency exchange risk within the VGI Funds, the Company receives fees from the Offshore Fund and certain IMAs in USD. VGI Partners has also historically held cash in USD and therefore the Company is exposed to relative movements between the AUD and the USD.

#### *(c) Interest rate risk*

Interest rate movements may adversely affect the value of the funds managed by the Company through their effect on the price of securities. Any adverse movements will subsequently impact the performance of the VGI Portfolio and the Company's fee earnings.

### **3.1.10 Investing and trade execution**

#### *(a) Foreign issuer and market risk*

The Company's investment objective and strategies are focused on foreign listed securities. Investments in foreign companies may be exposed to a higher degree of sovereign, political, economic, market and corporate governance risks than domestic investments.

(b) *Counterparty and collateral risk*

The Company uses the services of prime brokers to facilitate the lending of securities to short sell. Until the Company returns a borrowed security, it will be required to maintain assets with the prime broker as collateral. As a result, the Company may be exposed to certain risks in respect of that collateral. In the event of the insolvency of a prime broker and/or a custodian, the VGI Funds might not be able to recover equivalent assets in full as they will rank among the prime broker and custodian's unsecured creditors in relation to assets which the prime broker or custodian borrows, lends or otherwise uses. In addition, the VGI Funds' cash held with a prime broker or custodian will not be segregated from the prime broker's or custodian's own cash, and the funds will therefore rank as unsecured creditors in relation to that cash.

There is also a risk of loss resulting from the insolvency or bankruptcy of a counterparty used by the Company to execute trades.

(c) *Default risk*

Investment in shares and financial instruments generally involves third parties as custodial and counterparties to contracts. Use of third parties carries risk of default and failure to secure custody, which could adversely affect the value of the portfolios managed by the Company and subsequently the value of VGI Partners.

(d) *Portfolio liquidity risk*

The Company is exposed to liquidity risk in relation to the investments within the VGI Portfolio. If a security cannot be bought or sold quickly enough to minimise potential loss, the Company may have difficulty satisfying commitments associated with financial instruments.

The Company's Shares are also exposed to liquidity risk. The ability of an investor in the Company to sell their Shares on the ASX will depend on the turnover or liquidity of the Shares at the time of sale. Therefore, investors may not be able to sell their Shares at the time, in the volumes or at the price they desire.

(e) *Portfolio regulatory risk*

All investments carry the risk that their value may be affected by changes in laws and regulations, especially taxation laws. Regulatory risk includes risk associated with variations in the taxation laws of Australia or other jurisdictions in which the Company holds investments.

(f) *Service provider risk*

The Company uses the services of prime brokers and outsource key operational functions including custody, execution, administration and valuation to a number of third party service providers. There is a risk that third party service providers may intentionally or unintentionally breach their obligations to the Company or provide services below standards which are expected by the Company, causing loss to the portfolio managed by the Company, or error in the reporting of its value.

There is also a risk that the service providers terminate arrangements with the Company or alter the terms on which the services are provided to the detriment of the Company.

### **3.1.11 New investment strategies or funds**

The Company may establish new investment strategies or funds in the future, which may result in additional risks and uncertainties in the business, and may impact the focus and performance on its existing investment strategies. While the Company's new strategies are likely to include ones with clear adjacencies to VGI Partners' existing area of expertise, the new strategies may extend to other areas. If the Company executes these new strategies poorly, the resulting underperformance may have a material adverse effect on the Group's financial performance or position.

### **3.1.12 Litigation**

VGI Partners' investment strategy includes taking short positions in a company where it holds the view that the share price of that company will fall for reasons which may include perceived accounting irregularities and poor management. In some instances, VGI Partners will make its view on the company public. This may expose VGI Partners to the risk of litigation from the company.

A recent example of this is an Australian company operating in the corporate travel sector, and whose shares VGI Partners had short sold. This company has announced in the press that it has hired a lawyer to investigate the potential for a claim against VGI Partners.

The Group may be exposed to litigation from time to time with third parties (including clients, regulators and investment professionals) in relation to professional negligence or investment loss. To the extent that the costs of such litigation are not covered by insurance policies, these may have a material adverse impact on the Company's financial performance or financial position.

## **3.2 General risks of an investment in the Company**

### **3.2.1 Uncertainty may affect the price and value of Shares**

The Company is subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in the Share price that are not explained by the fundamental operations and activities of the Company.

The price of Shares as quoted on ASX may fluctuate due to a range of factors, some of which are beyond the control of the Company and the Directors. These include but are not limited to:

- the number of potential buyers or sellers of Shares on ASX at any given time;
- fluctuations in the domestic and international markets for listed stocks (and for funds management stocks in particular);
- general economic conditions including interest rates, inflation rates, exchange rates, commodity and oil prices, changes in investor sentiment and general market movements, changes to government fiscal, monetary or regulatory policies, legislation or regulatory policies (including superannuation and compulsory contribution levels, taxation laws and policies, accounting laws, policies, standards and practices and employment laws and regulations);
- changes to the nature of competition in the industry in which the Company operates;
- recommendations by brokers or analysts;
- the inclusion in or removal of the Company from major market indices;
- changes in market valuations of other financial services institutions;
- announcements of acquisitions, strategic partnerships, joint ventures or capital commitments by the Company or its competitors;
- the nature of the markets in which the Company operates;
- future issues of Company debt or equity securities; and
- general operational and business risks.

Deterioration of general economic conditions may also affect the Company's business operations, and the consequent returns from an investment in Alignment Shares.

### **3.2.2 Force majeure events**

Events may occur within or outside Australia that could impact upon the global and Australian economies, the operations of the Company and the price of the Shares as traded on ASX. These events include but are not limited to terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other man-made or natural events or occurrences that can have an adverse effect on the demand for the Company's services.

### **3.2.3 Regulation**

The Company conducts its business in a highly regulated industry and must comply with the requirements of its Australian Financial Services Licence, the Corporations Act, ASIC, ASX, the United States Securities and Exchange Commission and other regulators. The Company's performance would be adversely impacted if licences issued by these bodies were terminated, suspended or subjected to significant limitations (for example, as a result of misconduct by the Company).

Non-compliance with applicable regulation in a relevant jurisdiction may result in financial penalties, additional expense or reputation damage.

Over recent years the level and complexity of the regulatory environment for financial services in Australia, the United States and Japan has continued to increase, bringing increased costs and burdens of compliance, and it is anticipated that the regulatory environment will continue to change and become more complex. Changes to regulation may result in increased costs to the Company in order to comply with regulatory requirements, and an increased risk of non-compliance with the new regulation. There is a risk that future changes to legislation, regulation, standards or policies may require VGI Partners to modify its offerings, secure additional licences, authorisations or permits, restrict the margins it can make on its funds or incur additional costs to ensure compliance, which may increase the costs of operations, affect profitability of its offering or adversely affect the Group's ability to conduct its operations.

### **3.2.4 Potential changes to tax rates or laws**

Changes in tax law (including transfer pricing, GST and stamp duties), or changes in the way tax laws are interpreted, may adversely impact the tax liabilities of the Company, Shareholder returns, the level of dividend imputation or franking, or the tax treatment of a Shareholder's investment. In particular, both the level and basis of taxation may change. The tax information provided in this Prospectus is based on current taxation law as at the date of the Prospectus. Tax law is frequently being changed, both prospectively and retrospectively. Furthermore, the status of some key tax reforms remains unclear at this stage.

In addition, tax authorities may review the tax treatment of transactions entered into by the Company in any jurisdictions in which the Company operates or has activities. Any actual or alleged failure to comply with, or any change in the application or interpretation of, tax rules applied in respect of such transactions, could increase its tax liabilities or expose it to legal, regulatory or other actions.

In addition, an investment in the Alignment Shares involves tax considerations which may differ for each Shareholder. Each prospective shareholder is encouraged to seek professional tax advice in connection with any investment in the Company.

### **3.2.5 Shareholder dilution**

Shareholders of the Company who do not participate in the VG8 IPO will be diluted as a result of their non-participation in the VG8 IPO as they will not receive Alignment Shares under the Offer. Even Shareholders who do participate in the VG8 IPO may be diluted. The extent of the dilution will depend on a Shareholder's holding in VGI Partners prior to the Offer and their level of participation in the VG8 IPO.

In addition, the Company may, in the future, elect to issue Shares or other securities. While the Company will be subject to the constraints of the ASX Listing Rules regarding the issue of Shares or other securities, Shareholders may be diluted as a result of such issues of Shares or other securities.

### **3.2.6 Insurance**

The Company has taken out professional indemnity insurance. The insurance policy is designed to cover against claims from its clients for losses they may incur due to the fault of the Company. As the Company manages over \$2.6 billion, an amount considerably higher than the policy limit, there is a risk that a claim or series of claims, may be in excess of the policy limit and therefore not covered. In addition, the Company faces risks associated with the financial strength of its insurers to meet indemnity obligations when called upon.

No assurance can be given that any insurance that the Group currently maintains will:

- be available in the future on a commercially reasonable basis; or
- provide adequate cover against claims made against or by the Company or the Group.

### **3.2.7 Inability to pay dividends or make other distributions or to frank dividends**

The payment of dividends by the Company is determined by the Board from time to time at its discretion, depending on the profitability and cash flow of the Company's business and its financial position at the time. Circumstances may arise where the Company is required to reduce or cease paying dividends for a period of time.

To the extent that the Company pays dividends, the Company may not have sufficient franking credits in the future to frank dividends, or the franking system may be subject to review or reform.

In addition, if the proportion of the Company's earnings from offshore operations increases, it may impact the ability to frank dividends. The value and availability of franking credits to a Shareholder will differ depending on the Shareholder's particular tax circumstances. Shareholders should also be aware that the ability to use franking credits, either as a tax offset or to claim a refund after the end of the income year, will depend on the individual tax position of each Shareholder.

### **3.2.8 Unforeseen risk**

There may be other risks of which the Directors are unaware at the time of issuing this Prospectus which may impact the Company, its operations and/or the valuation and performance of its Shares. The above list of key risks ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above risks and others not specifically referred to above may in the future materially affect the Company, its financial performance or the value of Shares. Accordingly, no assurances or guarantees of future performance, profitability, distributions, or returns of capital are given by the Company or any other person in respect of the future financial performance and financial position of the Company, or the price of its Shares.

## 4. Additional information

### 4.1 Nature of this Prospectus

This Prospectus is a prospectus to which the special content rules under section 713 of the Corporations Act apply. Section 713 allows the issue of a more concise prospectus for offers of securities in a class which have been continuously quoted by ASX for the three months prior to the date of the prospectus. Shares in the Company have been continuously quoted by ASX for the three months prior to the date of this Prospectus.

The information in this Prospectus principally concerns the terms and conditions of the Offer and the information that investors and their professional advisers would reasonably require to make an informed assessment of the effect of the Offer on the Company and the rights and liabilities attaching to the Alignment Shares.

This Prospectus contains this information only to the extent to which it is reasonable for investors and their professional advisers to expect to find the information in it. It does not include all the information that would be included in a prospectus for an initial public offering of shares.

The Company, since listing, has provided ASX with a substantial amount of information regarding its activities. That information is publicly available. Shareholders and other investors should read this Prospectus in conjunction with that publicly available information before making an investment decision.

By virtue of section 713 of the Corporations Act, the Company is entitled to issue a “transaction-specific” prospectus in respect of the Offer.

In general terms, a “transaction-specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights and liabilities attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position and performance, profits and losses or prospects of the issuing company.

No party other than the Company has authorised or caused the issue of the information in this Prospectus, or takes any responsibility for, or makes any statements, representations or undertakings in, this Prospectus.

### 4.2 Reporting and disclosure obligations

The Company is a disclosing entity for the purposes of the Corporations Act and is therefore subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require ASX to be notified periodically and on a continuous basis of information about specific events and matters as they arise for the purpose of ASX making the information available to the financial market operated by it. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain limited exceptions) to notify ASX immediately of any information concerning the Company, of which it becomes aware, which a reasonable person would expect to have a material effect on the price or value of the Company’s securities. The Company is also required to prepare and lodge with ASIC and ASX both yearly and half-yearly financial statements accompanied by a Directors’ declaration and report, and an audit or review report.

There is no information which has been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules that investors or their professional advisers:

- (a) would reasonably require for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company; and
  - (ii) the rights and liabilities attaching to the Alignment Shares; and
- (b) would reasonably expect to find in this Prospectus.

### 4.3 Availability of other documents

ASX maintains records of company announcements for all companies listed on ASX. The Company’s announcements may be viewed on the ASX website ([www.asx.com.au](http://www.asx.com.au)). ASIC also maintains records in respect of documents lodged with it by the Company, and these may be



obtained from or inspected at any office of ASIC. The Company will provide a copy of any of the following documents, free of charge, to any person who requests a copy during the Offer Period:

- the half year financial report given to ASX by the Company for the half year ended 30 June 2019;
- any continuous disclosure notice given by the Company to ASX (being any document used to notify ASX of information relating to the Company under the continuous disclosure provisions of the ASX Listing Rules and the Corporations Act) after the date of lodgement with ASIC and giving to ASX of the Annual Report referred to above and before lodgement with ASIC of this Prospectus. Details of these notices are as follows:

Date	Title of announcement
02/09/2019	Investor briefing invitation
02/09/2019	VGI 2019-09-02 ASX- letter to eligible investors
02/09/2019	VGI 2019-09-02 Lodgement of Prospectus and Completion of Cornerstone Offer
27/08/2019	VGI 1H19 speaker notes 27 Aug 2019
27/08/2019	VGI 1H19 Results Presentation
27/08/2019	1H19 Results Release -VGI
27/08/2019	Dividend/Distribution – VGI
27/08/2019	Appendix 4D & Half Year Financial Report
15/08/2019	Invitation-1H19 Results Briefing
09/08/2019	Change of Company Secretary
05/08/2019	VGI – Launch of new Asian investment strategy
15/07/2019	Funds Under Management, Performance Fee, Dividend – June 2019
25/06/2019	Notice of initial substantial holder – Douglas Tynan
25/06/2019	Notice of initial substantial holder – Robert Luciano
25/06/2019	Notice of substantial holder and template escrow deed
21/06/2019	Appendix 3X – Robert Luciano
21/06/2019	Appendix 3X – Jaye Gardner
21/06/2019	Appendix 3X – Douglas Tynan
21/06/2019	Appendix 3X – David Jones
21/06/2019	Appendix 3X – Darren Steinberg
21/06/2019	Appendix 3X – Ben Pronk
21/06/2019	Securities Trading Policy
21/06/2019	Employee Incentive Plan
21/06/2019	Interim Financial Statements 31 December 2018
21/06/2019	Annual Financial Statements 30 June 2018
21/06/2019	Annual Financial Statements 30 June 2016 and 30 June 2017
21/06/2019	ASX Listing Rule 1.2.6 statement from Directors
21/06/2019	Constitution
21/06/2019	Prospectus
21/06/2019	Appendix 1A and Information Form and Checklist
21/06/2019	Top 20 holders
21/06/2019	Distribution schedule
21/06/2019	Pre-quotation disclosure

Date	Title of announcement
21/06/2019	ASX Market Release – Admission
21/06/2019	ASX Market Release – Admission and Quotation

All requests for copies of the above documents should be addressed to:

The Company Secretary  
VGI Partners Limited  
39 Phillip Street  
SYDNEY NSW 2000

Certain documents are also available on the Company's website at [www.vgipartners.com](http://www.vgipartners.com).

## **4.4 Rights and liabilities attaching to Shares**

### **4.4.1 Introduction**

The rights and liabilities attaching to ownership of Shares (and, therefore, the Alignment Shares which are in the same class as the Shares) are:

- detailed in the Constitution which may be inspected during normal business hours at the registered office of the Company; and
- in certain circumstances, regulated by the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the general law.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other rights and liabilities of Shareholders are set out below. The summary and description below are not exhaustive, and are not a definitive statement of the material provisions, and are qualified by the fuller terms, of the Constitution, the Corporations Act, the Listing Rules, the ASX Settlement Operating Rules and the general law.

The Alignment Shares issued pursuant to this Prospectus will, from the time of their issue, rank equally with the other Shares on issue in the Company.

### **4.4.2 Voting at a general meeting**

At a general meeting of the Company, every Shareholder present in person, by proxy, representative or attorney has one vote on a show of hands and on a poll has one vote for each Share held.

On a poll, every member (or his or her proxy, attorney or representative) is entitled to vote for each fully paid share held and in respect of each partly paid share, is entitled to a fraction of a vote equivalent to the proportion which the amount paid up (not credited) on that partly paid share bears to the total amounts paid and payable (excluding amounts credited) on that share. Amounts paid in advance of a call are ignored when calculating the proportion.

### **4.4.3 Meetings of members**

Each Shareholder is entitled to receive notice of and, except in certain circumstances, to attend and vote at, general meetings of the Company and to receive all financial statements, notices and other documents required to be sent to Shareholders under the Constitution, the Corporations Act and the Listing Rules. The Company must give Shareholders at least 28 days' written notice of a general meeting.

### **4.4.4 Dividends**

Subject to the Corporations Act, the Constitution, general law and any special terms and conditions of issue, the Directors may, from time to time, pay, resolve to pay, or declare any interim, special or final dividend as, in their judgement, the financial position of the Company justifies. The Directors may fix the amount, time and method of payment of the dividends. The payment of a dividend does not require any confirmation by a general meeting.

Subject to any special rights or restrictions attached to any shares or class of shares, all dividends must be paid equally on all Shares and in proportion to the number of, and the amounts paid on, the Shares held.

#### **4.4.5 Transfer of Shares**

Subject to the Constitution and to any restrictions attached to a Share, Shares may be transferred in accordance with the ASX Settlement Operating Rules, the Corporations Act (and Corporations Regulations ) and Listing Rules or by a written transfer in any usual form or in any other form approved by the Board and permitted by the relevant laws and ASX requirements. The Board may decline to register a transfer of Shares or apply a holding lock to prevent a transfer in accordance with the Corporations Act or the Listing Rules.

The Company must refuse to register a transfer of shares if required to do so by the Listing Rules. The Directors may suspend the registration of a transfer at such time and for such periods, not exceeding in total 30 days in any year, as they think fit as permitted by the Listing Rules and ASX Settlement Operating Rules.

#### **4.4.6 Issue of further Shares**

Subject to the Constitution, the Listing Rules, the ASX Settlement Operating Rules and the Corporations Act, the Directors may issue Shares or grant options over unissued Shares to any person and they may do so at such times and on the conditions they think fit. The Shares may be issued with preferred, deferred or special rights, or special restrictions about dividends, voting, return of capital, participation in the property of the Company on a winding up or otherwise as the Directors see fit.

#### **4.4.7 Preference shares**

The Company may issue preference shares including preference shares which are liable to be redeemed or convertible to ordinary shares. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company.

#### **4.4.8 Winding up**

If the Company is wound up, then subject to the Constitution, the Corporations Act and the rights or restrictions attached to any shares or class of shares, any surplus must be divided among the Company's shareholders in the proportion to the number of shares held by them (irrespective of the amounts paid or credited as paid on the shares), less any amounts which remain unpaid on these shares at the time of distribution.

#### **4.4.9 Sale of non-marketable parcels**

Provided that the procedures set out in the Constitution are followed, the Company may sell the Shares of a Shareholder who holds less than a marketable parcel of Shares. A marketable parcel of Shares is defined in the Listing Rules and is, generally, a holding of Shares with a market value of less than \$500.

#### **4.4.10 Share buy-backs**

The Company may buy back shares in itself in accordance with the provisions of the Corporations Act and, where applicable, the Listing Rules.

#### **4.4.11 Proportional takeover provisions**

The Constitution contains provisions requiring Shareholder approval before any proportional takeover bid can proceed. The provision will lapse three years from the date of adoption of the Constitution unless it is renewed by special resolution of Shareholders in a general meeting.

#### **4.4.12 Variation of class rights**

At present, the Company's only class of shares on issue is the Shares. Subject to the Corporations Act and the terms of issue of a class of shares, the rights attaching to any class of shares may be varied or cancelled:

- with the consent in writing of the holders of 75% of the shares of the class; or
- by a special resolution passed at a separate meeting of the holders of shares of the class.

#### **4.4.13 Reduction of share capital**

Subject to the Constitution, Corporations Act and Listing Rules, the Company may reduce its share capital in any way permissible by the Corporations Act.

#### **4.4.14 Dividend reinvestment plans**

The Constitution contains a provision allowing Directors to implement a dividend reinvestment plan. It is not currently intended that a dividend reinvestment plan will be implemented.

#### **4.4.15 Employee share plans**

The Directors may implement an employee share plan for officers or employees of the Company on such terms and conditions as they think fit.

#### **4.4.16 Directors – appointments and removal**

Under the Constitution, the minimum number of Directors that may comprise the Board is three and the maximum is 8 or such lower number as the Directors determine provided the proposed lower number has been authorised by general meeting of the Company's members if required under the Corporations Act. The Company may elect directors by resolution. The Directors may also appoint a Director to fill a casual vacancy on the Board or in addition to the existing Directors, who (other than the managing director) will then hold office until the next annual general meeting of the Company and is then eligible for election at that meeting. A Director (other than the managing director) may hold office without re-election after three years or beyond the third annual general meeting following the meeting at which the Director was last elected or re-elected (whichever is later).

#### **4.4.17 Directors – voting**

Questions arising at a meeting of the Board will be decided by a majority of votes of the Directors present at the meeting and entitled to vote on the matter. If the votes are equal on a proposed resolution, the chairperson of the meeting has a casting vote in addition to his or her deliberative vote.

#### **4.4.18 Directors remuneration**

Under the Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for his or her services as a Director. However, the total amount provided to all Directors (other than executive Directors) for their services as Directors must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting. This amount has been fixed at \$850,000. The remuneration of a Director must not include a commission on, or a percentage of, profits or operating revenue.

The Constitution also makes provision for the Company to pay travel and other expenses of Directors incurred in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the Board or of committees of the Board. Any Director who devotes special attention to the business of the Company or who performs services which, in the opinion of the Board, are outside the scope of the ordinary duties of a Director may be remunerated for the services (as determined by the Board) out of the funds of the Company.

#### **4.4.19 Power and duties of Directors**

The business and affairs of the Company are to be managed by or under the direction of the Board, which (in addition to the powers and authorities conferred on it by the Constitution) may exercise all powers and do all things that are within the power of the Company and are not required by law or by the Constitution to be exercised by the Company in general meeting.

#### **4.4.20 Indemnities**

The Company, to the extent permitted by law, indemnifies each person who is a current or former director, executive officer or officer of the Company and such other officers or former officers of the Company or its related bodies corporate as the Directors in each case determine against all losses or liability incurred by that person as an officer of the Company or of a Related Body Corporate of the Company including, but not limited to, a liability for negligence or for legal costs.

The Company, to the extent permitted by law, may enter into and pay premiums on a contract insuring any person who is a current or former Director, executive officer or officer of the Company, and such other officers or former officers of the Company or its related bodies corporate as the Directors in each case determine, against any liability incurred by the person as an officer of the Company or of a Related Body Corporate of the Company including, but not limited to, a liability for negligence or for legal costs.

#### 4.4.21 Amendment

The Constitution may be amended only by special resolution passed by Shareholders.

#### 4.5 Interests of Directors

Other than as set out below or elsewhere in this Prospectus:

- No Director or proposed Director has, or has had in the two years before lodgement of this Prospectus, an interest in:
  - the formation or promotion of the Company;
  - any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
  - the Offer itself.
- No amounts, whether in cash or Shares or otherwise, have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director either to induce them to become, or to qualify them as, a Director, or otherwise for services rendered by them in connection with:
  - the promotion or formation of the Company; or
  - the Offer.

#### **Directors' securities holdings**

The Directors have the following interests in the following securities of the Company (either directly or indirectly)

Director	Interest in Shares as at the date of this Prospectus	Interest in unlisted options to acquire Shares <sup>6</sup>	Alignment Shares to be acquired under the Offer	Total Shares held on Completion of the Offer
Robert Luciano <sup>1</sup>	41,028,115	Nil	26,667	41,054,782
Douglas Tynan <sup>2</sup>	10,716,086	Nil	5,333	10,721,419
David Jones <sup>3</sup>	11,614	81,168	1,333	12,947
Jaye Gardner <sup>4</sup>	17,107	32,467	1,067	18,174
Benjamin Pronk	Nil	32,467	Nil	Nil
Darren Steinberg <sup>5</sup>	15,682	81,168	Nil	15,682

1. Certain of Robert Luciano's interests in VGI Partners are held through an entity controlled by Robert Luciano

2. Certain of Douglas Tynan's interests in VGI Partners are held through an entity controlled by Douglas Tynan

3. David Jones' interest in VGI Partners is held through an entity controlled by David Jones

4. Jaye Gardner's interest in VGI Partners is held through an entity controlled by Jaye Gardner

5. Darren Steinberg's interest in VGI Partners is held through an entity controlled by Darren Steinberg

6. Terms of the options are set out in the VGI Partners prospectus dated 20 May 2019, a copy of which is available from [www.asx.com.au](http://www.asx.com.au)

The ability of the Directors and their related parties and associates to acquire Alignment Shares under the Offer will be conditional on Shareholders approving the issue of the Alignment Shares to those Directors and their related parties and associates.

### **Directors remuneration**

As at the date of this Prospectus, the Directors are paid the following remuneration:

<b>Director</b>	<b>Remuneration (exclusive of superannuation) (per annum)</b>
Robert Luciano	\$428,997, plus other benefits currently valued at approximately \$34,000
Douglas Tynan	\$428,997
David Jones	\$328,997
Jaye Gardner	\$82,192
Benjamin Pronk	\$82,192
Darren Steinberg	\$82,192

### **4.6 Interests and benefits of advisers**

Other than as set out in this Prospectus, no:

- person named in this Prospectus and who has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- promoter of the Company; or
- underwriter to the Offer or financial services licensee named in this Prospectus as a financial services licensee involved in the Offer,

holds as at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion; or
- the Offer,

and no amount (whether in cash, Shares or otherwise) has been paid or agreed to be paid, nor has any benefit been given or agreed to be given, to any such person for services in connection with the formation or promotion of the Company or the Offer.

### **4.7 Reinvestment arrangements**

The Company, VGI Partners Asian Investments Limited and each of Robert Luciano, Douglas Tynan and Robert Poiner, the founding shareholders of the Company, (the **Principal Shareholders**) have entered into an agreement (**VG8 Reinvestment Agreement**) pursuant to which each Principal Shareholder has agreed, to the maximum extent permitted by law, to reinvest, from the dividends which it receives from the Company (**VGIP Dividend**), its 'look through' after tax share (based on their percentage shareholding in the Company and their own personal effective tax rate) of any performance fees received from the manager of VG8's investment portfolio (**VG8 Portfolio**), VGI Partners Asian Investments Management Pty Ltd (**VG8 Manager**) (after deduction of corporate income tax payable by the VG8 Manager) (**Performance Fees**) received by the VG8 Manager from managing the VG8 Portfolio, multiplied by the dividend payout ratio for the VGIP Dividend immediately following the payment of the Performance Fees to the VG8 Manager (provided that if the sum of that amount and the Principal Shareholder's obligation to reinvest the VGIP Dividend pursuant to the pre-existing reinvestment arrangements with VG1 exceeds the VGIP Dividend, the Principal Shareholder's obligation to reinvest in VG8 will be reduced so that that sum equals the VGIP Dividend) (**Performance Fee Reinvestment Amount**) into ordinary shares in VG8, and to have such shares voluntarily escrowed on a long term basis. The mechanism under the Reinvestment Agreement is similar to the reinvestment arrangements in place for VG1.

### **4.8 Consent to be named and inclusion of statement of disclaimers of responsibility**

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the directors of the Company, persons named in the Prospectus with their consent

as proposed directors of the Company, any underwriters, persons named in the Prospectus with their consent as having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading or deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to below (each a **Consenting Party**), to the maximum extent permitted by law, expressly disclaims all liabilities in respect of, makes no representations regarding and takes no responsibility for any statements in or omissions from this Prospectus, other than the reference to its name in the form and context in which it is named and a statement or report included in this Prospectus with its consent as specified below.

Each of the Consenting Parties has given and has not, before the lodgement of the Prospectus with ASIC, withdrawn its written consent to be named in this Prospectus in the form and context in which it is named. None of the Consenting Parties referred to below has made any statement that is included in this Prospectus or any statement on which a statement is made in this Prospectus is based, other than as specified below:

- MinterEllison; and
- Boardroom Pty Limited.

#### **4.9 Litigation**

The Company is from time to time party to various disputes and legal proceedings incidental to the conduct of its business. As at the date of this Prospectus, there are no legal proceedings to which the Company is a party that it believes are likely to have a material adverse impact on its future financial results and the Company is not aware of any such legal proceedings that are pending or threatened.

#### **4.10 Regulatory**

The Company believes it is in compliance with known financial services related regulations in each jurisdiction in which the Company has operations.

#### **4.11 Claims and insurance**

The Company has a range of insurance policies in place to manage the risks of its day-to-day business and certain other activities.

These policies include professional indemnity insurance, which is held by all member companies of the Group, along with workers compensation insurance for all states and territories in which the Group has employees. There are additional, more specific policies in place to cover other relevant business risks, including property, corporate travel and public and products liability insurance.

#### **4.12 Governing law**

This Prospectus and the contracts that arise from the acceptance of the Applications under this Prospectus are governed by the laws applicable in New South Wales, Australia and each Eligible Applicant under this Prospectus submits to the exclusive jurisdiction of the courts of New South Wales, Australia.

#### **4.13 Statement of Directors**

This Prospectus has been authorised by each director of the Company, who each consent to its lodgement with ASIC and its issue and has not withdrawn that consent.

# Appendix A: Glossary

Term	Meaning
\$	Australian dollars, unless otherwise stated
Alignment Shares	The Shares to be issued to Eligible Applicants under this Prospectus for nil consideration
Application	An application to subscribe for Alignment Shares under this Prospectus
Application Form	The relevant form attached to, or accompanying, the VG8 Prospectus and this Prospectus, pursuant to which Applicants apply for both VG8 Shares under the VG8 IPO, and Alignment Shares under this Offer
Asian Strategy	VG8's investment strategy as described in Section 4.2 of the VG8 Prospectus
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange, as operated by ASX Limited (ACN 008 624 691)
ASX Listing Rules	The listing rules of ASX, as amended, modified or waived from time to time
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532)
ASX Settlement Operating Rules	The operating rules of ASX Settlement and, to the extent that they are applicable, the operating rules of each of ASX and ASX Clear Pty Limited (ACN 001 314 503)
AUD	Means the lawful currency of Australia
Board	The board of directors of the Company
CHESS	Clearing House Electronic Sub-register System operated in accordance with the Corporations Act
Closing Date	The date on which the Offer is expected to close being 22 October 2019, unless varied
Company	VGI Partners Limited (ACN 129 188 450)
Completion or Completion of the Offer	The allotment of Alignment Shares to Eligible Applicants under this Prospectus
Consenting Party	Has the meaning given to that term in section 4.8 of this Prospectus
Constitution	The Constitution of the Company as amended from time to time
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Corporations Regulations	<i>Corporations Regulations 2001</i> (Cth)
Cth	The Commonwealth of Australia
Director	Each of the directors of the Company from time to time
Electronic Prospectus	The electronic copy of the Prospectus, a copy of which can be downloaded at <a href="http://www.VG8offer.com">www.VG8offer.com</a>
Eligible Applicant	An applicant who has been allocated VG8 Shares under the VG8 IPO
Existing VGI Funds	The VGI Partners Master Fund, the VGI Partners Offshore Fund, VGI Partners Global Investments Limited and Individually Managed Accounts
FUM	Funds under management
Global Strategy	The Company's strategy of investment as described in Section 3.1 of the VG8 Prospectus and Section 2.6.2 of the Company's prospectus dated 20 May 2019 (a copy of which is available at <a href="http://www.asx.com.au">www.asx.com.au</a> )
Group	The Company and its subsidiaries or, where the context requires, the business described in this Prospectus
HIN or Holding Identification Member	The unique identifier of holders of shares in the CHESS sub register issued by ASX Settlement



Term	Meaning
IMA	Individually Managed Account
Listing Rules	The official listing rules of ASX
Lodgement Date	The date this Prospectus was lodged with ASIC
MAS	Monetary Authority of Singapore
Master Fund	VGI Partners Master Fund
Offer Period	The period during which investors may subscribe for the Alignment Shares under the Offer
Offshore Fund	VGI Partners Offshore Fund
Offer	The invitation by the Company to Eligible Applicants to apply for Alignment Shares under this Prospectus
Prospectus	This document (including the electronic form of this document) and any supplementary or replacement prospectus in relation to this document
Regulation S	Regulation S promulgated under the Securities Act
Related Body Corporate	Has the meaning given in the Corporations Act
SFA	Securities and Futures Act, chapter 289 of Singapore
SFO	Securities and Futures Ordinance (cap.571) of the laws of Hong Kong
SRN	Security Reference Number
Share	A fully paid ordinary share in the Company
Share Registry	Boardroom Pty Limited (ABN 72 142 008 446)
Shareholder	The registered holder of a Share from time to time
Straddle Application	Has the meaning given to that term in Section 2.3 of the VG8 Prospectus
Subsidiary	Has the meaning given in the Corporations Act
Successful Applicants	An applicant who is issued Alignment Shares under the Offer
US	The United States of America
USD	Means the lawful currency of the United States of America
US Securities Act	United States Securities Act of 1933, as amended
US Person	Has the meaning given in Rule 902(k) of Regulation S.
VGI Funds	The client monies managed by VGI Partners, comprising the VGI Managed Funds and Individually managed accounts
VGI Partners	The Company and each of its controlled entities (as the context requires)
VGI Partners Foundation	A charitable foundation formed by VGI Partners details of which are set out in the VGI Partners Limited prospectus dated 20 May 2019, a copy of which is available on ASX
VGI Portfolio	The VGI Partners Master Fund, the VGI Partners Offshore Fund, VG1 and VGI Partners' individually managed accounts
VGI Managed Funds	VGI Partners Master Fund, VGI Partners Offshore Fund, VG8 and VG1
VG1	VGI Partners Global Investments Limited (ACN 619 660 721)
VG8	VGI Partners Asian Investments Limited (ACN 635 219 484)
VG8 Broker Firm Offer	The offer of VG8 Shares made to investors in the VG8 IPO who received a firm allocation from their Broker and who have a registered address in Australia or New Zealand or who are institutional investors which have a registered address in Australia, New Zealand, Hong Kong or Singapore
VG8 Cornerstone Offer	The offer of VG8 Shares made under the VG8 IPO to certain sophisticated investors in Australia and New Zealand who are investors in unlisted funds managed by the Company, staff of VGI Partners, as well as directors of VG8 and the Company

Term	Meaning
VG8 Co-investment	Refers to the Company's commitment to invest \$20 million into the VG8 IPO
VG8 General Offer	The offer of VG8 Shares made to investors in the VG8 IPO who have a registered address in Australia or New Zealand
VG8 IPO	The initial public offer of shares in VG8 under the VG8 Prospectus, pursuant to which up to 320 million VG8 Shares will be offered (at an offer price of \$2.50 per VG8 Share) to raise up to \$800 million (with the ability to accept oversubscriptions to raise a further \$200 million)
VG8 Prospectus	The VG8 prospectus dated 2 September 2019 as modified or varied by any supplementary document issued by VG8 and lodged with ASIC from time to time
VG8 Priority Offer	The offer of VG8 Shares made to investors in the VG8 IPO who have a registered address in Australia and New Zealand and who, as at 2 August 2019, were an investor in either of the Company or VG1
VG8 Shares	Fully paid ordinary shares in VG8