

## Monthly Performance Report – March 2023

### March 2023<sup>1,2,3</sup>

Post-Tax Net Tangible Assets (NTA) per share	\$2.41
Net Portfolio Return – March	+3.8%
Net Portfolio Return – Since Inception (p.a.)	+1.5%
Share Price at Month End	\$2.08
Portfolio Size (\$m)	\$479 million
Portfolio Currency Exposure	Fully hedged to AUD <sup>4</sup>

### March 2023 Performance Commentary

RG8's net portfolio return for March 2023 was +3.8%, with the long book adding +3.5% and the short book adding +0.3% to returns.

China tech longs were large contributors to returns in March, particularly Alibaba Group which rallied +16% during the month. We were pleased to see Alibaba's management team announce plans to "unlock value" for shareholders via a new organisational structure that will allow non-core businesses to list independently on the stock exchange. We see significant hidden value within Alibaba's existing structure, with the high margin core e-commerce business earnings being diluted by losses in other loss-making businesses like the logistics network and cloud computing services. These loss-making businesses are in an earlier investment phase but have attractive long term earnings profiles and would be valuable in their own right, if separately listed, which would also allow the market to better appreciate the scale of the core e-commerce earnings. This realignment is also a pleasing sign that shareholder interests are again in focus, which may see large global investors, that are underweight China tech, buy back in.

Our short positions in Japanese banks also contributed to fund returns in March. We have held concerns for some time around the large unrealised bond losses held by many of these banks, an underlying issue at the recently failed Silicon Valley Bank. Many Japanese regional banks are also facing structural issues as their population of customers in regional Japan shrinks and credit costs rise amongst their corporate borrowers that are also grappling with shrinking demand. Meanwhile, digital banks continue to take share and are better positioned to weather these structural pressures via their lower cost base.

While the global economic environment outlook remains uncertain, we continue to see opportunities to generate returns for our investors in both the long and short portfolios.

**Buy-back:** In March, 0.6m RG8 shares were bought at an average price of \$2.03.

**Dividend:** RG8 paid an interim dividend for 1H23 of 5c on 29 March. Shares distributed for the Dividend Reinvestment Plan were bought on-market.

### About Regal Asian Investments (RG8)

RG8 provides investors with access to an actively-managed, concentrated portfolio, comprising long investments and short positions in securities with exposure to the Asian region.

In June 2022, portfolio management responsibilities for RG8 transitioned from the VGI Partners investment team to specialist alternatives investment manager Regal Funds Management (Regal), under an investment advisory agreement with Regal Asian Investments Management Pty Ltd. In November 2022, the Company changed its name and ticker from VGI Partners Asian Investments (VG8) to Regal Asian Investments (RG8) to reflect those changes.

Utilising a fundamental, bottom-up investment approach, the portfolio leverages Regal's extensive experience, network and specialist investment team.

Note: Past performance is not a reliable indicator of future performance.

### Company Information

Name	Regal Asian Investments Limited
ASX Code	RG8.ASX
Structure	Listed Investment Company
Inception	13 November 2019
Shares on Issue	203 million
Management Fees	1.50%
Performance Fees	15%
High Water Mark	Yes
Registry	Boardroom Pty Ltd
Custodian	Morgan Stanley / Goldman Sachs

### About Regal Funds Management

Regal Funds Management, a wholly-owned business within Regal Partners Limited (RPL.ASX), is a multi-award winning, specialist alternative investment manager, founded in 2004. With offices located in Sydney, Singapore and New York, the business has a long history of successfully investing in Asian equity markets, supported by one of the largest fundamental investment teams in the region, comprising over 25 investment professionals.



#### Philip King

Philip King is the co-founder and CIO of Regal Funds Management.

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

Prior to joining DPFM in 2000, Philip was an Equities Analyst at Macquarie Bank for over five years. Philip commenced his career as a chartered accountant at KPMG from 1987-1994.

Philip is widely recognised as one of the key pioneers of the Australian alternative investment industry, having managed absolute return vehicles at Regal for over 17 years. In 2019, Phil was inducted into the Australian Fund Managers Hall of Fame.

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Portfolio Exposures (% of NTA)

SECTOR (GICS)	LONG	SHORT	NET	GROSS
Communication Services	8%	0%	8%	8%
Consumer Discretionary	20%	-10%	10%	30%
Consumer Staples	0%	-1%	-1%	1%
Energy	4%	0%	4%	4%
Financials	2%	-5%	-2%	7%
Health Care	20%	-2%	18%	22%
Industrials	17%	-10%	8%	27%
Information Technology	8%	-4%	5%	12%
Materials	22%	-7%	16%	29%
Real Estate	4%	0%	4%	5%
Utilities	0%	0%	0%	0%
<b>Total</b>	<b>107%</b>	<b>-38%</b>	<b>69%</b>	<b>146%</b>

REGION (BY LISTING)	LONG	SHORT	NET	GROSS
Australia	37%	-11%	25%	48%
Hong Kong	30%	-2%	28%	32%
Japan	34%	-25%	9%	59%
Netherlands	4%	0%	4%	4%
UK	2%	0%	2%	2%
<b>Total</b>	<b>107%</b>	<b>-38%</b>	<b>69%</b>	<b>146%</b>

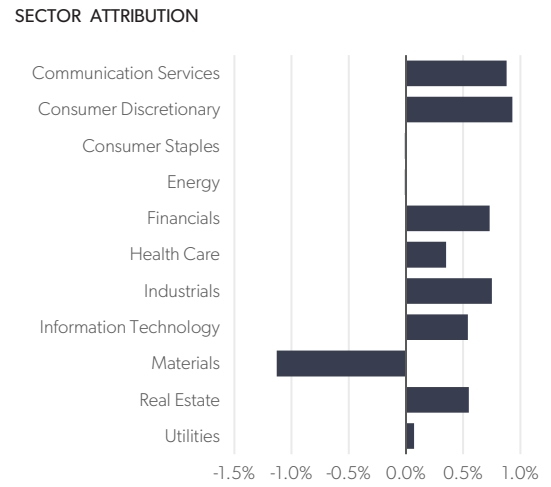
Portfolio Statistics

Long Exposure:	107%
Short Exposure:	-38%
Net Exposure:	69%
Gross Exposure:	146%
Average Weighted Market Cap (US\$):	52,487m

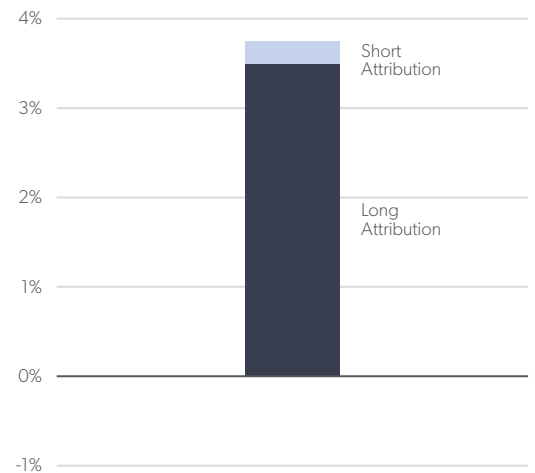
Distribution History (Ex-date)

27 Feb 2023	5.0c
29 Aug 2022	5.0c
16 Mar 2022	5.0c
30 Aug 2021	5.5c

Monthly Attribution Analysis



LONG SHORT ATTRIBUTION



Net Portfolio Return<sup>2,3</sup>

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2023	4.3%	-4.0%	3.8%										4.0%
2022	-5.4%	-3.8%	1.8%	-3.5%	-0.6%	-2.7%	0.0%	7.0%	-1.8%	5.5%	-0.1%	-1.2%	-5.3%
2021	1.0%	0.5%	1.8%	0.0%	1.2%	0.2%	-7.2%	-1.3%	-0.9%	2.6%	-0.3%	0.6%	-2.2%
2020	3.8%	0.9%	5.8%	-4.5%	-1.7%	-1.8%	-2.7%	3.8%	0.9%	-3.5%	8.4%	3.0%	12.1%
2019											1.0%	-3.6%	-2.7%

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

<sup>1</sup> 'Post-Tax NTA' is calculated after tax on realised gains/losses, deferred tax assets and deferred tax liabilities, but before allowing for deferred tax liabilities/deferred tax assets on unrealised gains/losses. As at 31 March 2023, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.41 per share.

<sup>2</sup> Portfolio Return (Net) is shown after all applicable fees and expenses and is defined as the movement in pre-tax NTA, adjusting for payments owed to/from taxation authorities from earlier periods, plus dividends.

<sup>3</sup> Past performance is not a reliable indicator of future performance.

<sup>4</sup> If net exposure to a particular currency exceeds +/-5% of the portfolio's net tangible assets, the foreign currency risk is managed by fully hedging to AUD.

Date of release: 12 April 2023. Authorised for release by Ian Cameron, Company Secretary. Regal Asian Investments Limited, 39 Phillip Street, Sydney NSW. ABN 58 635 219 484.

