

## Monthly Performance Report – April 2023

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

Post-Tax Net Tangible Assets (NTA) per share	\$2.29
Net Portfolio Return – April	-5.1%
Net Portfolio Return – Since Inception (p.a.)	-0.1%
Share Price at Month End	\$1.985
Portfolio Size (\$m)	\$453 million
Portfolio Currency Exposure	Fully hedged to AUD <sup>4</sup>

### April 2023 Performance Commentary

RG8's net portfolio return for April 2023 was -5.1%, with the long book detracting -3.9% and the short book -1.2% from returns.

Long positions in Chinese technology businesses were the largest drag on returns in April, after being the biggest contributors to returns in March. Over the last six months we have held a larger weighting toward China than we have typically held in the past. While it has been volatile, MSCI China has returned +33.3% over the period, more than twice the +13.1% generated by the broader MSCI Asia Pacific Index (local currency). Recent weakness in China-facing equities has been somewhat driven by continued geopolitical concerns, along with shorter-term investors growing frustrated that China has not rebounded as quickly as hoped for post COVID-19. Our view is that China is unlikely to fully replicate the extraordinary growth trends it achieved in the decades leading up to COVID-19 and has instead entered a more moderate growth phase. This follows government measures to reduce the economy's reliance on real estate construction and to focus more on growing the middle-class consumer base. In this environment we see opportunities in some stocks currently trading on extremely depressed valuations, following a substantial multi-year bear market, that have appealing long-term growth profiles leveraged to rising middle-class consumption. This includes e-commerce platforms (Alibaba Group), online advertising via search (Baidu Inc), media/entertainment (Tencent Holdings) and travel (TravelSky Technology). These companies are also unlocking additional value for shareholders using various strategies.

Our Japan long portfolio performed well in April and we are pleased to also see significant new measures to encourage companies to "unlock value" for shareholders here. This includes a new index that targets higher return-on-equity and minimum price-to-book ratios. One of our holdings, NEC Corporation (a leading IT Service provider in Japan), saw its price-to-book ratio rise above the minimum requirement for the new index this month after its share price rallied by over 17% following the release of new management guidance for record margins in the year ahead. Importantly, the company, which has been renowned for over-servicing customers at the expense of its margins, is showing a shift towards prioritising the interests of shareholders.

We look forward to sharing more detailed views on these developments in our upcoming investor webinar on 17 May.

**Buy-back:** In April, 0.8m RG8 shares were bought at an average price of \$2.05.

### 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.

### Company Information

Name	Regal Asian Investments Limited
ASX Code	RG8.ASX
Structure	Listed Investment Company
Inception	13 November 2019
Shares on Issue	202 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	5%	0%	5%	5%
Consumer Discretionary	21%	-11%	10%	32%
Consumer Staples	6%	-2%	4%	8%
Energy	7%	0%	7%	7%
Financials	3%	-7%	-5%	10%
Health Care	21%	-2%	19%	22%
Industrials	21%	-3%	18%	24%
Information Technology	9%	-4%	5%	13%
Materials	15%	-7%	8%	23%
Real Estate	4%	0%	4%	5%
<b>Total</b>	<b>112%</b>	<b>-37%</b>	<b>76%</b>	<b>149%</b>

REGION (BY LISTING)	LONG	SHORT	NET	GROSS
Australia	38%	-14%	24%	52%
Hong Kong	29%	-2%	27%	30%
Japan	39%	-20%	19%	58%
Netherlands	5%	0%	5%	5%
New Zealand	0%	-1%	-1%	1%
UK	3%	0%	3%	3%
<b>Total</b>	<b>112%</b>	<b>-37%</b>	<b>76%</b>	<b>149%</b>

Portfolio Statistics

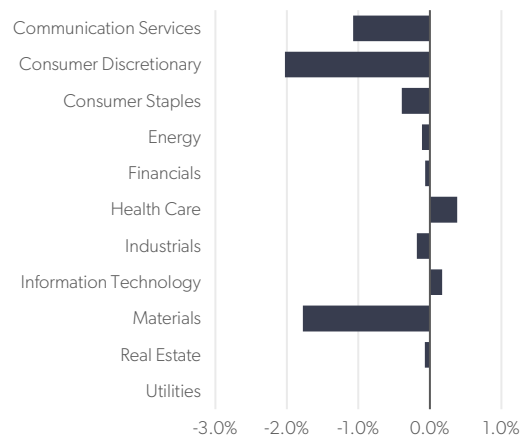
Long Exposure:	112%
Short Exposure:	-37%
Net Exposure:	76%
Gross Exposure:	149%
Average Weighted Market Cap (US\$):	40,327m

Distribution History (Ex-date)

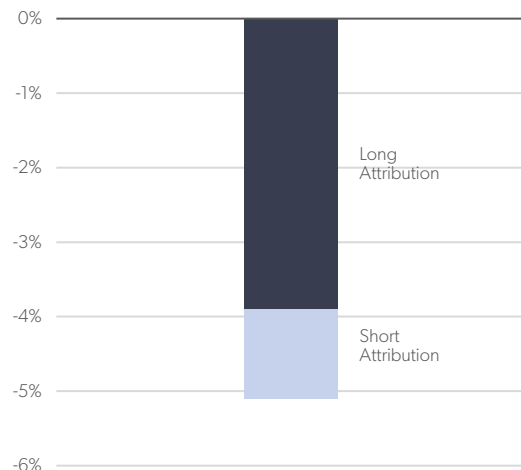
27 Feb 2023	5.0c
29 Aug 2022	5.0c
16 Mar 2022	5.0c
30 Aug 2021	5.5c

Monthly Attribution Analysis

SECTOR ATTRIBUTION



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%	-5.1%									-1.3%
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 30 April 2023, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.32 per share, which includes \$0.03 per share of income tax losses available to the Company in future periods.

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

<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: 11 May 2023. Authorised for release by Ian Cameron, Company Secretary. Regal Asian Investments Limited, 39 Phillip Street, Sydney NSW. ABN 58 635 219 484.

