

# Regal Partners Limited (ASX:RPL)

2023 Results Presentation

22 February 2024

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REGAL  
PARTNERS

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# 2023 was a year of accelerating growth & diversification

- ✓ Funds Under Management up +113% to \$11.0bn<sup>1</sup>
- ✓ Revenue up 17% to \$112m<sup>2</sup>; strong rebound in performance fees in 2H
- ✓ Momentum in net inflows, despite challenging capital raising environment
- ✓ Accelerating diversification of FUM by asset class, strategy and client channel
- ✓ Continuing to execute on growth strategy, powered by a robust corporate platform

# Regal Partners Limited (ASX:RPL)

REGAL  
PARTNERS



Regal Partners Limited is an ASX-listed, specialist alternative investment manager with \$11.0 billion<sup>1</sup> in funds under management.

- Combining deep industry experience, extensive networks, and multi-award-winning performance track records, Regal Partners seeks to be a leading provider of alternative investment strategies in Australia and Asia.
- The Group manages a broad range of investment strategies covering long/short equities, private markets, real & natural assets and credit & royalties on behalf of institutions, family offices, charitable groups and private investors.
- Housing six dedicated alternative investment management businesses, the Group employs approximately 155 staff<sup>3</sup> in offices across Australia, Asia, UK/Europe and North America.

\$11.0bn

Funds Under  
Management (FUM)<sup>1</sup>

\$713m

Market capitalisation<sup>2</sup>

>70

Investment professionals<sup>3</sup>

LONG/SHORT  
EQUITIES

REGAL  
FUNDS



VGI  
PARTNERS

PRIVATE  
MARKETS

REGAL  
FUNDS



REAL AND  
NATURAL ASSETS



KILTER  
RURAL

CREDIT AND  
ROYALTIES

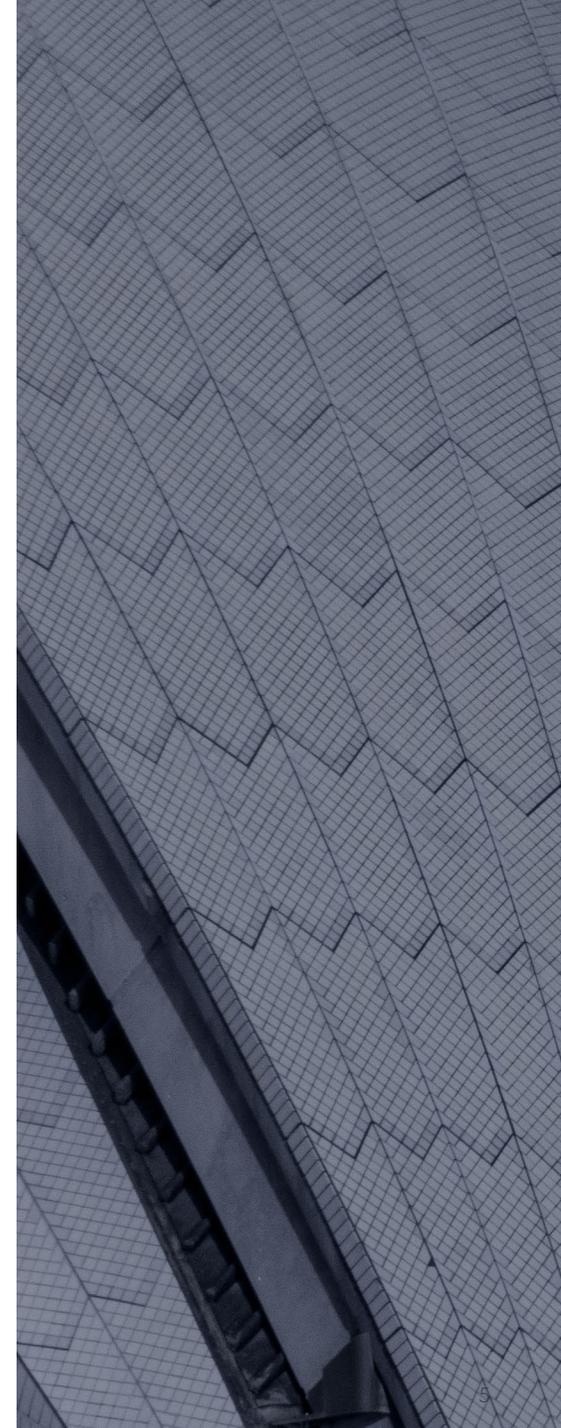
REGAL  
FUNDS



1. Management estimate of funds under management (FUM) for 31 December 2023. FUM (including 100% of Taurus Funds Management, Attunga Capital and Kilter Rural) is rounded, unaudited and includes non-fee-earning FUM. 2. As at market close 21 February 2024. 3. Includes full-time and part-time staff in all Group entities including Taurus Funds Management, Attunga Capital and Kilter Rural.

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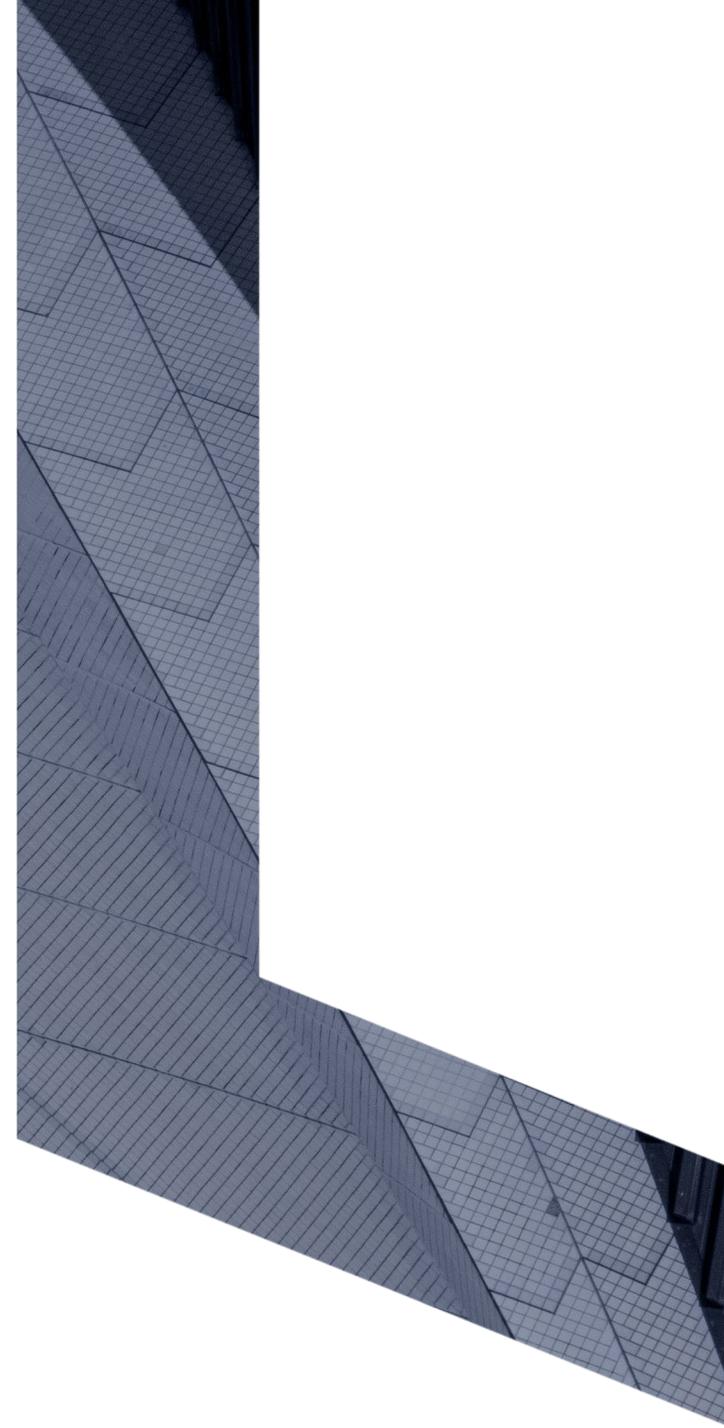
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# 1. Highlights and Corporate Update

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Brendan O'Connor (CEO)



# Calendar 2023 result highlights

**Regal Partners aims to be a leading provider of alternative investment strategies in Australia and Asia**

## 2023 PROFIT AND DIVIDEND

- Normalised Net Profit After Tax (NPAT)<sup>1</sup> of \$32.7m, up 31.9% on pcp
- 2H23 dividend of 5c per share (100% franked), equating to 10c per share for 2023, Dividend Reinvestment Plan available
- Statutory NPAT of \$1.6m

## KEY DRIVERS OF 2023 NORMALISED NPAT

- FUM<sup>2</sup> of \$11.0bn at 31 December 2023, up 113% since 31 December 2022 and up 91% since 30 June 2023
- Net inflows of +\$0.5bn
- Acquired \$2.2bn of Taurus Funds Management FUM and \$2.8bn of PM Capital FUM in late 2023<sup>2</sup>
- Revenues of \$112m, up 17% on pcp, driven by Management Fees and Other Income
- Costs of \$65m, up 11% on pcp, primarily due to higher deferred compensation amortisation of performance share rights

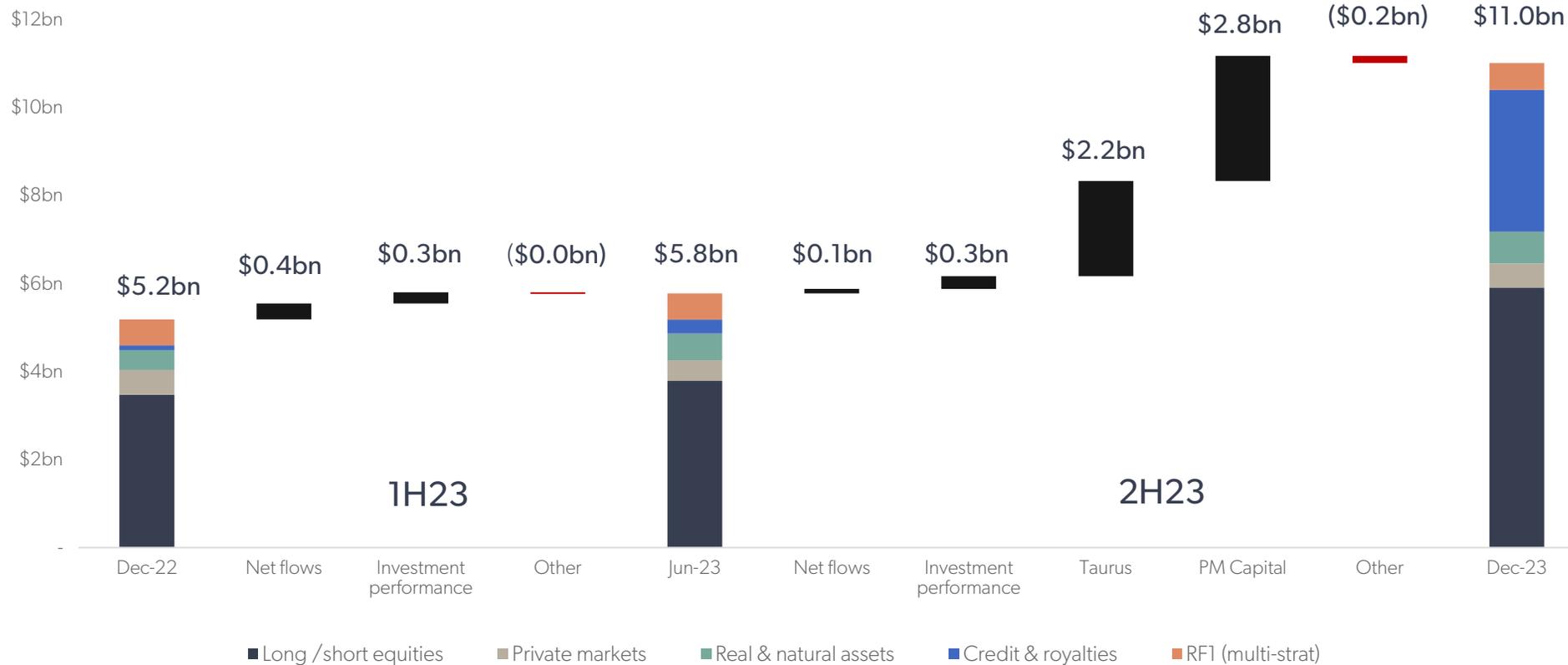
## OUTLOOK

- Fund performance improving, together with product innovation, driving net inflows and growth
- \$0.4bn of additional flow commitments in CYTD, not currently reflected in numbers above
- Strong balance sheet, with over \$240m in cash, short-dated fee receivables and investments at 31 December 2023
- \$50m unsecured revolving corporate credit facility with HSBC, with \$42m drawn at balance date
- Taking a disciplined approach to assessing further inorganic opportunities

1. All NPATs refer to NPAT attributable to RPL shareholders. Normalised NPAT has been calculated by adding back certain non-cash items (e.g. amortisation of intangible assets, long-term variable remuneration) and one-off strategic initiatives (all tax-effected where appropriate). Normalised NPAT includes fair value movements on seed investments. Normalised NPAT for 2023 includes RPL's share of the Taurus Funds Management business' earnings from 5 November 2023 and 100% of PM Capital Limited (PM Capital) earnings from 21 December 2023. Prior corresponding period (pcp) relates to the twelve months to December 2022 where the 2022 profit or loss statement is pro forma for the merger between VGI Partners Limited and Regal Funds Management Pty Limited and was prepared on the basis that the merger completed on 1 January 2022. 2. Based on unaudited Management estimates of FUM. FUM (including 100% of Taurus Funds Management, Attunga Capital and Kilter Rural) includes non-fee-earning FUM. FUM quoted for PM Capital and Taurus Funds Management relates to FUM at time of completion of each acquisition.

# FUM growth driven by flows, performance and acquisitions

FUM up +113% over the 12 months to December 2023<sup>1</sup>



1. FUM at December 2022, June 2023 and December 2023 in the chart adjusted for balance date subscriptions, redemptions and distributions net of reinvestments. "Net flows", "investment performance" and "other" represent total change for the Group for the relevant six months. Past performance is not a reliable indicator of future performance and should not be relied upon as an indication of the future performance of any fund or strategy. "Other" includes buy-backs within listed investment vehicles, investor dividends and distributions (net of reinvestment), foreign exchange, income and tax, as well as East Point Asset Management in 1H23. FUM (including 100% of Taurus Funds Management, Attunga Capital and Kilter Rural) includes non-fee-earning FUM. FUM quoted for PM Capital and Taurus Funds Management relates to FUM at time of completion of each acquisition.

# Group FUM

FUM up +113% over the 12 months to December 2023

## 12 MONTHS TO DECEMBER 2023

| \$m                       | 31 Dec 2022 <sup>1</sup> | Net flows  | Investment performance <sup>2</sup> | Other <sup>3</sup> | 31 Dec 2023 <sup>1</sup> |
|---------------------------|--------------------------|------------|-------------------------------------|--------------------|--------------------------|
| <b>Asset strategy</b>     |                          |            |                                     |                    |                          |
| Long /short equities      | 3,474                    | (14)       | 445                                 | 2,001              | 5,906                    |
| Private markets           | 558                      | (48)       | 11                                  | 27                 | 548                      |
| Real and natural assets   | 449                      | 265        | 20                                  | (9)                | 725                      |
| Credit & Royalties        | 107                      | 251        | (3)                                 | 2,868              | 3,222                    |
| Multi-asset / Multi-Strat | 591                      | 12         | 71                                  | (66)               | 608                      |
| <b>Total</b>              | <b>5,179</b>             | <b>466</b> | <b>544</b>                          | <b>4,820</b>       | <b>11,009</b>            |

**+\$0.5bn** of net flows  
in 12 months to December 2023

**+\$0.4bn** of additional flow  
commitments in CYTD

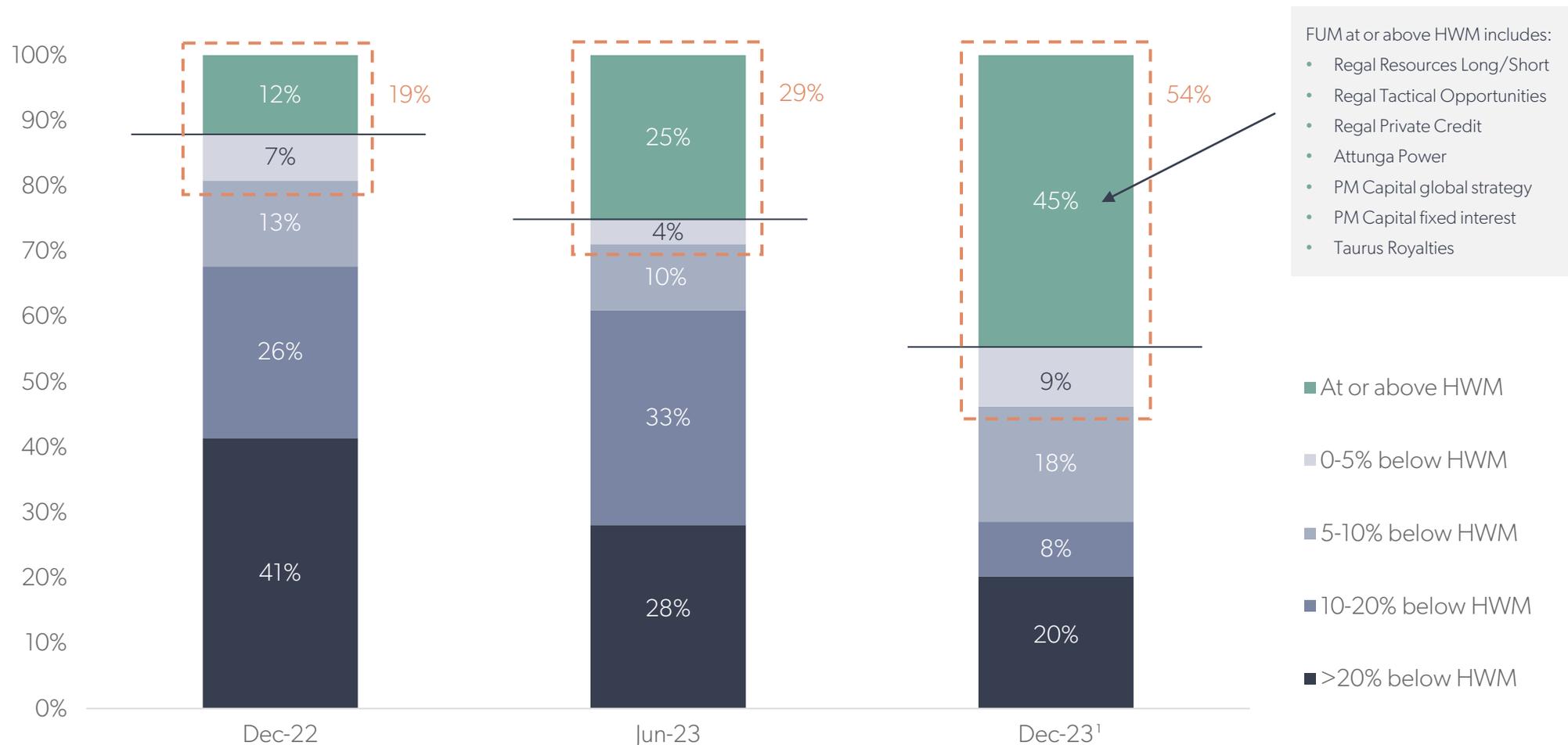
**\$11.0bn** of FUM  
at 31 December 2023<sup>4</sup>

- Inflows were diversified across a range of strategies and asset classes, particularly driven by flows into the Regal Private Credit Opportunities Fund (launched in October 2022), the Kilter Agriculture Fund (launched in 2023) and the Attunga Power & Enviro strategy which, following two institutional allocations, is now soft closed to new capital.
- Launches in 2023 of the Regal Resources Long Short (Offshore) Fund and the Regal Resources High Conviction Fund were the primary driver of flows into long/short equities. These positive flows were offset by outflows primarily relating to the Global Strategy.
- Strong investment performance across a diversified range of strategies, including the Regal Australian Small Companies Fund, Resources Long/Short strategy, VGI Partners Global strategy, Regal Investment Fund and Attunga Power strategies.<sup>2</sup>
- Non-fee earning FUM managed by Regal Funds on behalf of staff (for which management fees and performance fees were fully rebated) was \$0.6bn at 31 December 2023. Effective 1 January 2024 this was adjusted to a 50% rebate. This could generate c.\$5m p.a. of additional management fees<sup>5</sup>, with the opportunity to also earn performance fees.

1. FUM adjusted for balance date subscriptions, redemptions and distributions net of reinvestments. 2. Past performance is not a reliable indicator of future performance and should not be relied upon as an indication of the future performance of any fund or strategy. 3. "Other" includes buy-backs within listed investment vehicles, investor dividends and distributions (net of reinvestment), foreign exchange, income and tax, as well as acquisitions of PM Capital and Taurus Funds Management (at 100%). 4. Unaudited Management estimate. FUM (including 100% of Taurus Funds Management, Attunga Capital and Kilter Rural) includes non-fee-earning FUM. 5. Based on non-fee-earning FUM managed by Regal Funds Management for staff at 31 December 2023.

# Improved fund performance

Proportion of performance fee-eligible FUM close to, or above, high-water mark (HWM) has increased during 2023

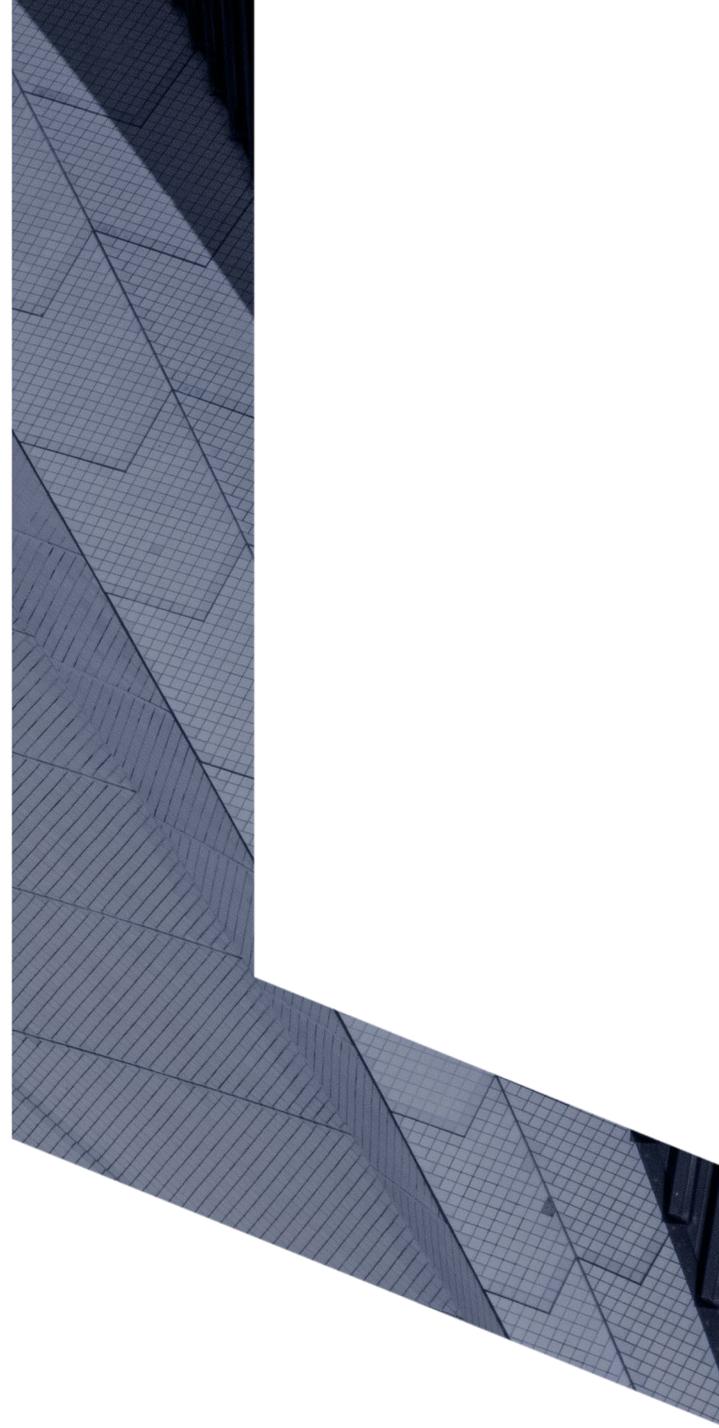


1. December 2023 data includes 100% of all performance fee-eligible funds for PM Capital and Taurus Funds Management where Regal Partners has an economic interest in the performance fees. Performance fee-eligible FUM for 31 December 2023 has been adjusted to include the staff FUM managed by Regal Funds where the rebate was reduced from 100% to 50% effective 1 January 2024.

## 2. Financials

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Ian Cameron (CFO)



# Normalised profit or loss statement

| \$m   | Year to Dec 2022 <sup>1</sup> | 1H23          | 2H23          | Year to Dec 2023 <sup>1</sup> | 2023 vs 2022  |
|---|-------------------------------|---------------|---------------|-------------------------------|---------------|
| FUM (including non-fee-earning) (\$bn) <sup>2</sup>         | 5.2                           | 5.8           | 11.0          | 11.0                          | +103.7%       |
| Average FUM (including non-fee-earning) (\$bn) <sup>2</sup> | 5.4                           | 5.4           | 6.6           | 6.0                           | +11.1%        |
| Average management fee (%)                                  | 1.17%                         | 1.10%         | 1.08%         | 1.09%                         | (8.0bp)       |
| Management fees (net of rebates)                            | 63.0                          | 29.5          | 36.1          | 65.5                          | +4.0%         |
| Performance fees (net of rebates)                           | 37.2                          | 8.0           | 16.9          | 24.9                          | (33.1%)       |
| Other income  | (4.6)                         | 10.2          | 11.3          | 21.5                          | Large         |
| <b>Total net income</b>                                     | <b>95.7</b>                   | <b>47.6</b>   | <b>64.3</b>   | <b>111.9</b>                  | <b>+16.9%</b> |
| Employee benefits expense                                   | (36.4)                        | (14.3)        | (24.0)        | (38.3)                        | +5.2%         |
| Deferred compensation grant amortisation                    | (3.7)                         | (5.5)         | (4.2)         | (9.8)                         | +164.9%       |
| Other expenses (including finance costs)                    | (18.4)                        | (7.7)         | (9.3)         | (17.0)                        | (7.6%)        |
| <b>Total expenses</b>                                       | <b>(58.5)</b>                 | <b>(27.5)</b> | <b>(37.5)</b> | <b>(65.0)</b>                 | <b>+11.1%</b> |
| Profit before income tax                                    | 37.2                          | 20.1          | 26.8          | 46.9                          | +26.1%        |
| Income tax expense  | (10.1)                        | (6.5)         | (5.6)         | (12.2)                        | +20.8%        |
| Profit after tax pre non-controlling interests              | 27.1                          | 13.6          | 21.1          | 34.7                          | +28.0%        |
| Non-controlling interests                                   | (2.3)                         | (0.5)         | (1.5)         | (2.0)                         | (13.0%)       |
| <b>Normalised NPAT</b>                                      | <b>24.8</b>                   | <b>13.1</b>   | <b>19.6</b>   | <b>32.7</b>                   | <b>+31.9%</b> |
| Cost/income (%)   | 61%                           | 58%           | 58%           | 58%                           | (3.0bp)       |
| Basic earnings per share (cents) <sup>3</sup>               | 11.1                          | 5.2           | 7.6           | 12.8                          | +15.3%        |
| Diluted earnings per share (cents) <sup>3</sup>             | 10.7                          | 4.8           | 6.7           | 11.5                          | +7.5%         |

- Normalised NPAT up 31.9% on pcp, driven by increased revenues and cost control.
- Results (including FUM) of PM Capital have been included post the acquisition date of 20 December 2023.
- Results (including FUM) of Taurus have been included post the acquisition date of 4 November 2023. Associate income relating to Taurus has been removed from 'other income' and reclassified to respective lines on a line-by-line basis without changing overall NPAT.
- Change in average management fee margin due to increased diversification and product mix.
- 2H23 performance fees of \$17m driven primarily by Regal Resources Long Short, Attunga Power, Regal Private Credit and Regal Tactical Opportunities.
- Other income includes revenue relating to seed investments (including dividend/distribution income of \$9m in 2023 and fair value movements, both realised and unrealised).

1. The statutory results in 2022 have been accounted for under the principles of reverse acquisition accounting and do not represent an accurate reflection of the underlying performance of the business. The normalised 2022 profit or loss statement was prepared on the basis that the merger between Regal Funds Management Pty Limited and VGI Partners Limited completed on 1 January 2022 and excludes one-off and some non-cash items (e.g., amortisation of intangible assets and long-term variable remuneration). 2. FUM (including 100% of Taurus Funds Management, Attunga Capital and Kilter Rural) includes non-fee-earning FUM. 3. Earnings per share (EPS) has been calculated on a weighted average basis. Diluted EPS includes the impact of Converting Shares and Performance Share Rights (PSRs) from their issue/grant dates.

# Pro forma normalised financials for calendar 2023

Prepared on a pro forma normalised basis for each business (pre known expense initiatives and other synergies)

| \$m  | REGAL PARTNERS<br>(STANDALONE) <sup>1</sup> | TAURUS <sup>2</sup> | PM CAPITAL <sup>3</sup> | PRO FORMA     |
|--|---|---------------------|-------------------------|---------------|
| FUM at 31 December 2023 (\$bn) <sup>4</sup>                | 5.8   | 2.2                 | 2.9                     | 11.0          |
| Fee-earning FUM at 31 December 2023 (\$bn) <sup>5</sup>    | 5.1   | 2.2                 | 2.5                     | 9.9           |
| Average FUM (including non-fee-earning)(\$bn) <sup>4</sup> | 5.6   | 2.2                 | 2.7                     | 10.4          |
| Average management fee (including non-fee-earning FUM) (%) | 1.08%                                       | 1.21%               | 0.69%                   | 1.02%         |
| Management fees (net of rebates)                           | 60.2  | 26.7                | 18.5                    | 105.6         |
| Performance fees (net of rebates)                          | 24.0  | 1.7                 | 19.1                    | 44.7          |
| Other income   | 20.8  | 2.2                 | 1.4                     | 24.4          |
| <b>Total net income</b>                                    | <b>105.1</b>                                | <b>30.7</b>         | <b>39.0</b>             | <b>174.9</b>  |
| Employee benefits expense                                  | (35.3)                                      | (14.0)              | (14.2)                  | (63.6)        |
| Deferred compensation grant amortisation                   | (9.8)                                       | –                   | –                       | (9.8)         |
| Other expenses (including finance costs)                   | (16.4)                                      | (4.3)               | (5.0)                   | (25.6)        |
| <b>Total expenses</b>                                      | <b>(61.5)</b>                               | <b>(18.3)</b>       | <b>(19.2)</b>           | <b>(99.0)</b> |
| Profit before income tax                                   | 43.6  | 12.4                | 19.8                    | 75.8          |
| Income tax expense   | (11.4)                                      | (3.7)               | (5.9)                   | (21.1)        |
| Profit after tax pre non-controlling interests             | 32.2  | 8.7                 | 13.8                    | 54.8          |
| Non-controlling interests                                  | (0.9)                                       | (5.2)               | –                       | (6.0)         |
| <b>Normalised NPAT</b>                                     | <b>31.4</b>                                 | <b>3.4</b>          | <b>13.8</b>             | <b>48.6</b>   |
| Cost/income (%)  | 59%   | 60%                 | 49%                     | 57%           |

- Results are presented on a pro forma basis, i.e., Taurus Funds Management and PM Capital are separated out from Regal Partners.
- Management fee margin is based on total FUM including non-fee earning FUM. Management fee margin is before the benefit of staff rebates reducing from 100% to 50% on 1 January 2024. The management fee margin would have been 1.06% instead of 1.02% if this change had occurred on 1 January 2023.<sup>5</sup>
- Normalised NPAT attributable to RPL adjusts for outside equity interests as applicable to RPL and Taurus Funds Management. 100% of PM Capital was acquired.
- Performances reflects fees crystallised during the period.
- Excludes \$3-4m p.a. of identified expense savings.
- Total ordinary and converting shares outstanding at 31 December 2023: ~326.2m.

1. Regal Partners data per RPL's normalised 2023 financials excluding the earnings contribution of Taurus Funds Management and PM Capital. 2. Taurus Funds Management is prepared on a normalised basis for the 12 months ended 31 December 2023, and is based on an unaudited adjustment for outside equity interests that would not have been attributable to RPL shareholders. 3. PM Capital is prepared on a pro forma basis adjusting for unaudited management adjustments around the after-tax impact of employment benefits expense. 4. FUM (including 100% of Taurus Funds Management, Attunga Capital and Kilter Rural) is rounded, unaudited and includes non-fee-earning FUM. 5. Fee-earning FUM for RPL at 31 December 2023 is before the change to staff rebates for Regal Funds effective 1 January 2024. If this change had occurred at 1 January 2023, an additional ~\$5m of management fees p.a. could have been earned and the average management fee margin in 2023 (pro forma also for 12 months of Taurus Funds Management and PM Capital revenues) would have been 1.06%.

# Strong balance sheet

| \$m                                    | 31 Dec 2022 <sup>1</sup> | 30 Jun 2023   | 31 Dec 2023   |
|--|--------------------------|---------------|---------------|
| Cash and cash equivalents              | 39.8                     | 37.2          | 17.2          |
| Trade and other receivables            | 23.3                     | 23.1          | 32.2          |
| Investment in financial assets         | 173.7                    | 196.9         | 194.5         |
| Intangible assets                      | 218.5                    | 219.0         | 368.2         |
| Other assets                           | 32.2                     | 19.8          | 77.0          |
| <b>Total assets</b>                    | <b>487.5</b>             | <b>496.0</b>  | <b>689.1</b>  |
| Trade and other payables               | 3.8                      | 7.2           | 6.9           |
| Employee entitlements                  | 21.5                     | 22.4          | 12.2          |
| Other liabilities                      | 25.4                     | 25.5          | 49.2          |
| Corporate credit facility (borrowings) | –                        | –             | 42.0          |
| <b>Total liabilities</b>               | <b>50.7</b>              | <b>55.1</b>   | <b>110.3</b>  |
| <b>Net assets</b>                      | <b>436.8</b>             | <b>440.9</b>  | <b>578.8</b>  |
| <b>Ordinary shares outstanding (m)</b> | <b>253.8</b>             | <b>254.7m</b> | <b>257.3m</b> |
| <b>Franking credits (\$m)</b>          | <b>31.0</b>              | <b>27.2</b>   | <b>27.6</b>   |

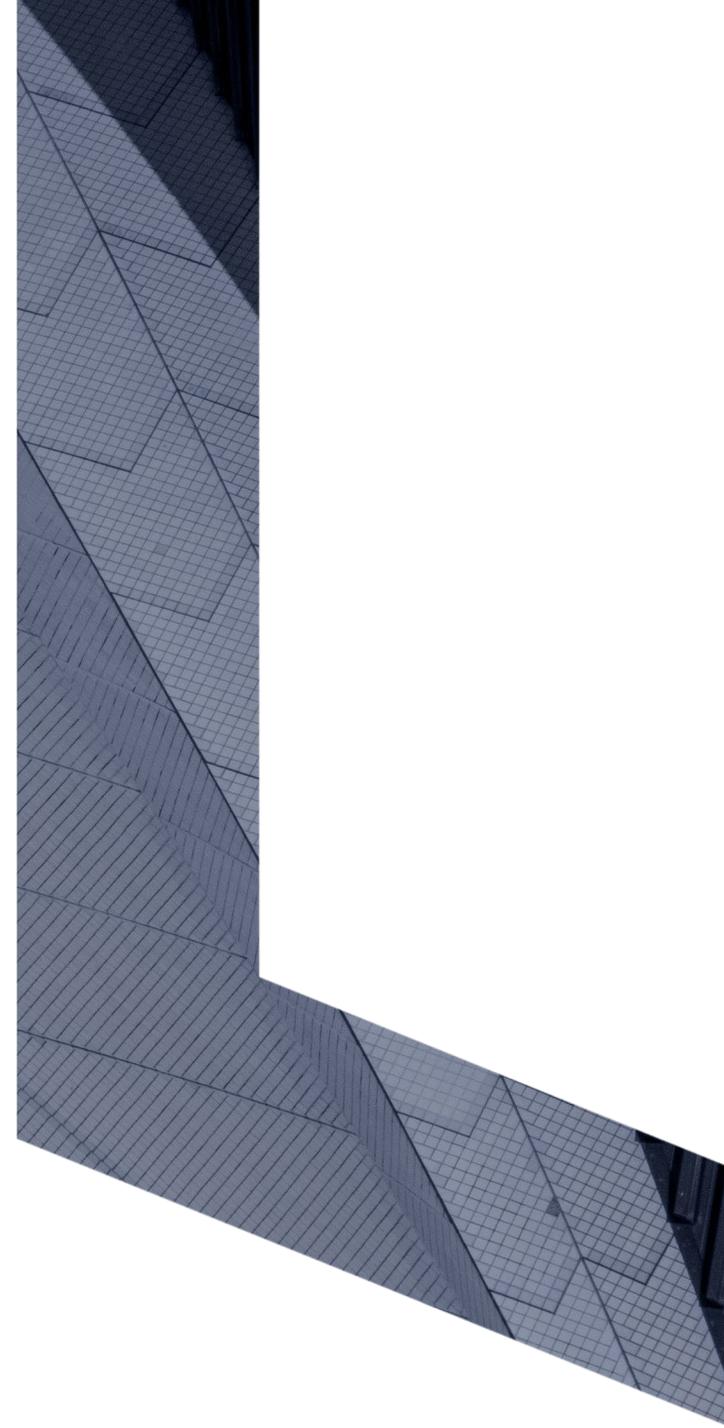
- Strong balance sheet at 31 December 2023 even after cash payments related to acquisitions of PM Capital and Taurus Funds Management, plus dividend payments of ~\$23m during 2023.
- Complemented by a \$50m unsecured revolving corporate credit facility with HSBC. At 31 December 2023, \$42m was drawn.
- \$242.2m of cash, short-dated fee receivables and investments, which is \$200.2m net of the corporate credit facility.
- Increase in intangible assets primarily driven by acquisition accounting for the acquisition of PM Capital.
- 2H23 dividend of 5c per share (100% franked): record date 3 April 2024; payment date 18 April 2023; DRP available.
- Full year dividends of 10c per share (100% franked) equate to a ~89% dividend payout.
- Surplus franking credits equivalent to over 3X times 2H23 dividend (post payment of the 2H23 dividend).

1. The balance sheet for 31 December 2022 includes minor reassessments due to the finalisation of accounting for the merger between Regal Funds Management Pty Limited and VGI Partners Limited in June 2022 as required by the accounting standards.

# 3. Business Update

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Brendan O'Connor (CEO)



# Key business highlights

1

## FUNDS UNDER MANAGEMENT UP +113% TO \$11.0BN<sup>1</sup>

- FUM growth a combination of organic and inorganic growth opportunities.
- Accretive acquisitions of PM Capital and Taurus Funds Management accelerating group diversification and scale.

2

## REVENUE UP 17% TO \$112M<sup>2</sup>; STRONG REBOUND IN PERFORMANCE FEES IN 2H23

- Strong fund performance in 2023, diversified across a range of strategies, underpinning growth in revenue and performance fees.
- 45% of performance fee-eligible FUM at or above HWM as at 31 December 2023, versus 12% as at December 2022; business revenue highly leveraged to performance and performance fees; ~100% of fee-earning FUM in products eligible for performance fees.

3

## MOMENTUM IN NET INFLOWS MAINTAINED, DESPITE CHALLENGING CAPITAL RAISING ENVIRONMENT

- +\$0.5bn in net inflows in 2023, with a further +\$0.4bn in new commitments CYTD not reflected in FUM above.
- Increasing interest from global institutional allocators seeking liquid uncorrelated strategies across a range of asset classes.

4

## GROWING DIVERSIFICATION OF FUM BY ASSET CLASS, STRATEGY AND CLIENT CHANNEL

- Acquisitions have accelerated diversification of the group, particularly within retail in Australia and institutional client channels in the US.
- Revenue synergies are expected to be realised over time.

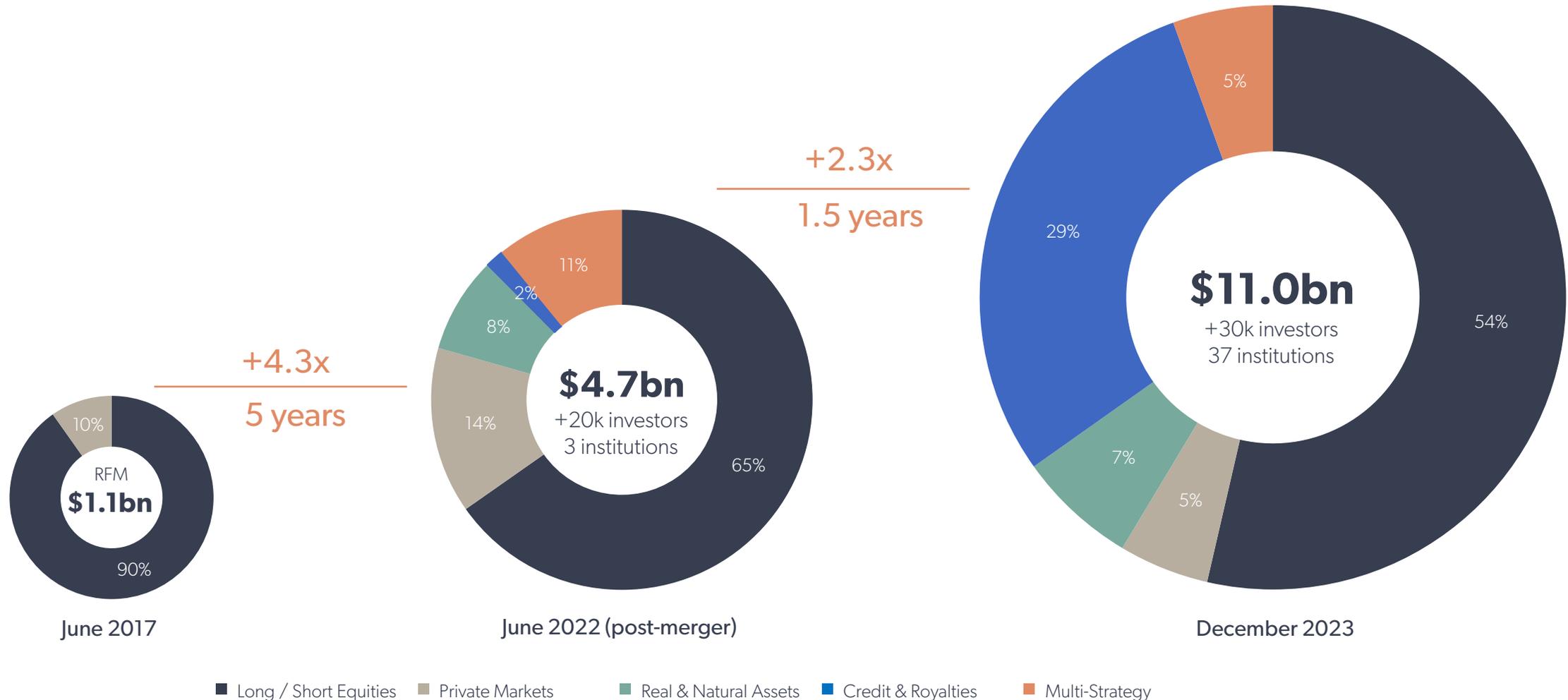
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## CONTINUING TO EXECUTE ON OUR GROWTH ASPIRATIONS, SUPPORTED BY AN INSTITUTIONAL GRADE CORPORATE PLATFORM

- We remain focused on delivering growth organically, whilst prosecuting inorganic opportunities where it makes sense and is accretive.
- Robust corporate platform across operations, technology, risk, distribution and marketing driving scale and enabling future growth aspirations.

1. Management estimate of funds under management (FUM) for 31 December 2023. FUM (including 100% of Taurus Funds Management, Attunga Capital and Kilter Rural) is rounded, unaudited and includes non-fee-earning FUM. 2. Revenue on a normalised basis, as shown on slide 12.

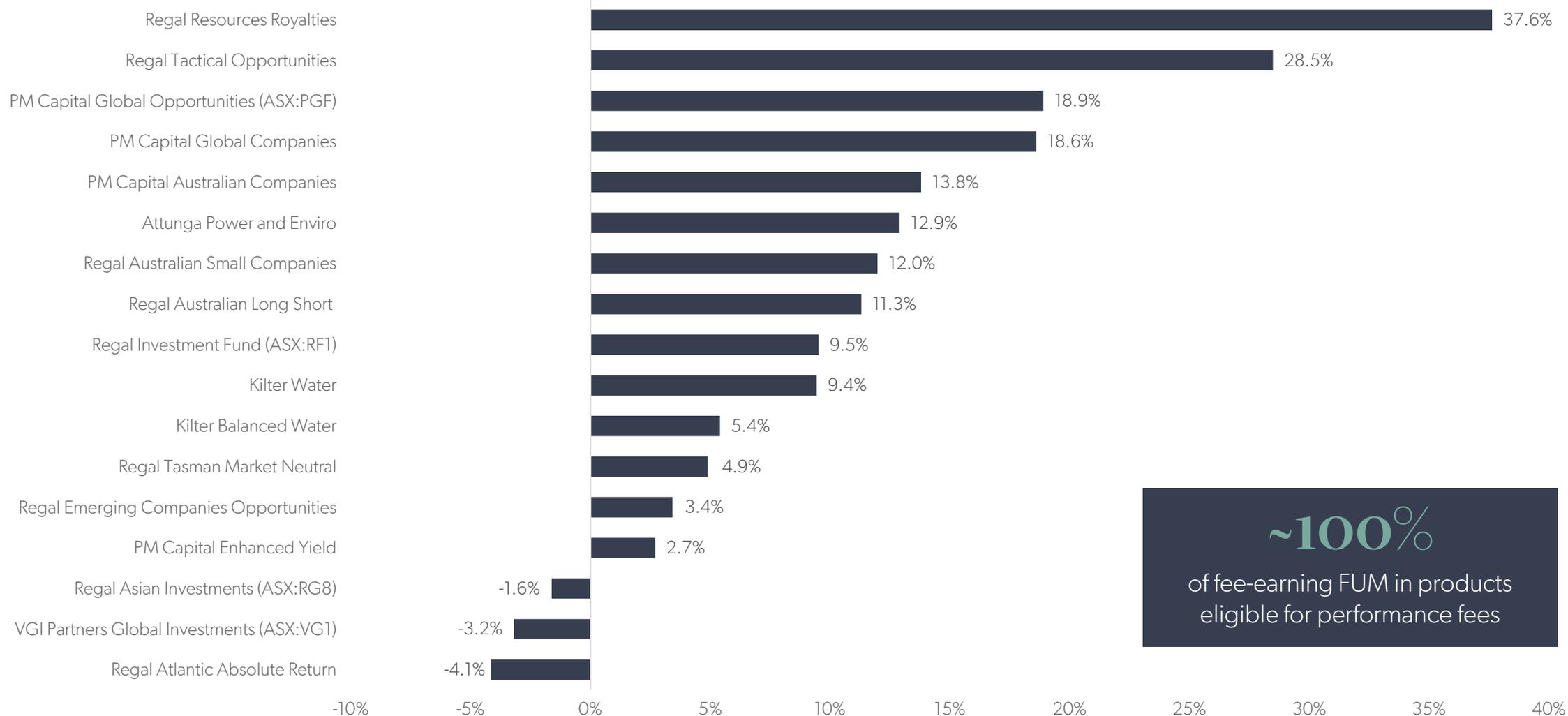
# Accelerating FUM growth across a diverse range of strategies and client channels



FUM (including 100% of Kilter Rural, Attunga Capital and Taurus Funds Management post their respective acquisitions) is rounded, unaudited and includes non-fee-earning FUM. Past performance is not a reliable indicator of future performance.

# Strong performance across a diverse range of strategies

3 YEAR ANNUALISED NET PORTFOLIO RETURNS TO 31 DECEMBER 2023<sup>1</sup>



~100%

of fee-earning FUM in products eligible for performance fees

<sup>1</sup> Past performance is not a reliable indicator of future performance. Performance is net of fees and costs and is adjusted for capital flows including those associated with the payment of distributions/dividends and tax, share issuance and/or cancellations (option exercise, distribution/dividend reinvestment plan (pre franking benefits), share purchase plan, and equal access buyback) where relevant. PM Capital Enhanced Yield return relates to the Performance Fee Option class.

# Strong performance across suite of listed investment vehicles

\$2.4bn<sup>1</sup> in listed investment vehicles across the group

**RF1** REGAL  
INVESTMENT FUND

**Multi-Strategy Alternatives**  
The Best of Regal Partners Group

RF1 provides investors with exposure to diversified range of alternative investment strategies across the Regal Partners group, with an objective to produce attractive risk-adjusted returns over a period of more than five years with limited correlation to equity markets.

**Listed:** 2019

**Portfolio return since inception:** 18.0% p.a.  
**Share price return since inception:** 15.6% p.a.  
**Distributions paid since inception:** \$1.98  
**Portfolio size:** \$582m

**VG1** VGI  
PARTNERS  
Global Investments

**Global L/S High Conviction**  
The Best of Regal Global Equities

VG1 provides investors with access to a concentrated portfolio, predominantly comprised of long investments and short positions in global listed securities. It is actively managed by VGI Partners (a Regal Partners business).

**Listed:** 2017

**Portfolio return since merger<sup>2</sup>:** 12.9% p.a.  
**Share price return since merger<sup>2</sup>:** 18.7% p.a.  
**Dividend target:** 5c per half  
**Portfolio size:** \$621m

**RG8** REGAL  
ASIAN INVESTMENTS

**Asian L/S High Conviction**  
The Best of Regal Asian Equities

RG8 provides investors with access to an actively-managed, concentrated portfolio, comprising long investments and short positions in Asian listed securities. It may also take positions in other companies with significant exposure to the Asian market.

**Listed:** 2019

**Portfolio return since merger<sup>2</sup>:** 8.7% p.a.  
**Share price return since merger<sup>2</sup>:** 13.8% p.a.  
**Dividend target:** 5c per half  
**Portfolio size:** \$400m

**PGF** PM Capital  
GLOBAL OPPORTUNITIES FUND LIMITED

**Global L/S Equities**  
The Best of PM Capital's Global Ideas

PGF provides long-term capital growth over a seven-year plus investment horizon through investment in a concentrated portfolio of undervalued global (including Australian) equities and other investment securities.

**Listed:** 2013

**Portfolio return since inception:** 13.3% p.a.  
**Share price return since inception:** 11.3% p.a.  
**Dividend target:** 5c per half in FY24  
**Portfolio Size:** \$777m

1. Portfolio sizes as at 31 January 2024. Returns estimated as at 16 February 2024, based on the latest weekly NAV or NTA announcement lodged on the ASX, noting VG1 and RG8 use post-tax data for the month of February 2024, per their disclosures. Past performance is not a reliable indicator of future performance. Performance is net of fees and costs and is adjusted for capital flows including those associated with the payment of distributions/dividends and tax, share issuance and/or cancellations (option exercise, distribution/dividend reinvestment plan (pre franking benefits), share purchase plan, and equal access buyback) where relevant. 2. Returns for VG1 and RG8 have been calculated from 1 July 2022 as a proxy for returns since Regal Funds Management Pty Limited merged with VGI Partners Limited to form Regal Partners Limited.

# Momentum in net flows maintained despite challenging capital raise environment

1

## POSITIVE NET FLOWS OF +\$0.5BN IN 2023 WITH STRONG START TO 2024

- Flows diversified across a range of strategies and asset classes, in both new and existing Funds.
- Additional +\$0.4bn of inflows committed in first quarter of 2024 not reflected in FUM.
- Outflows from long / short equities, primarily related to the Global Strategy.

2

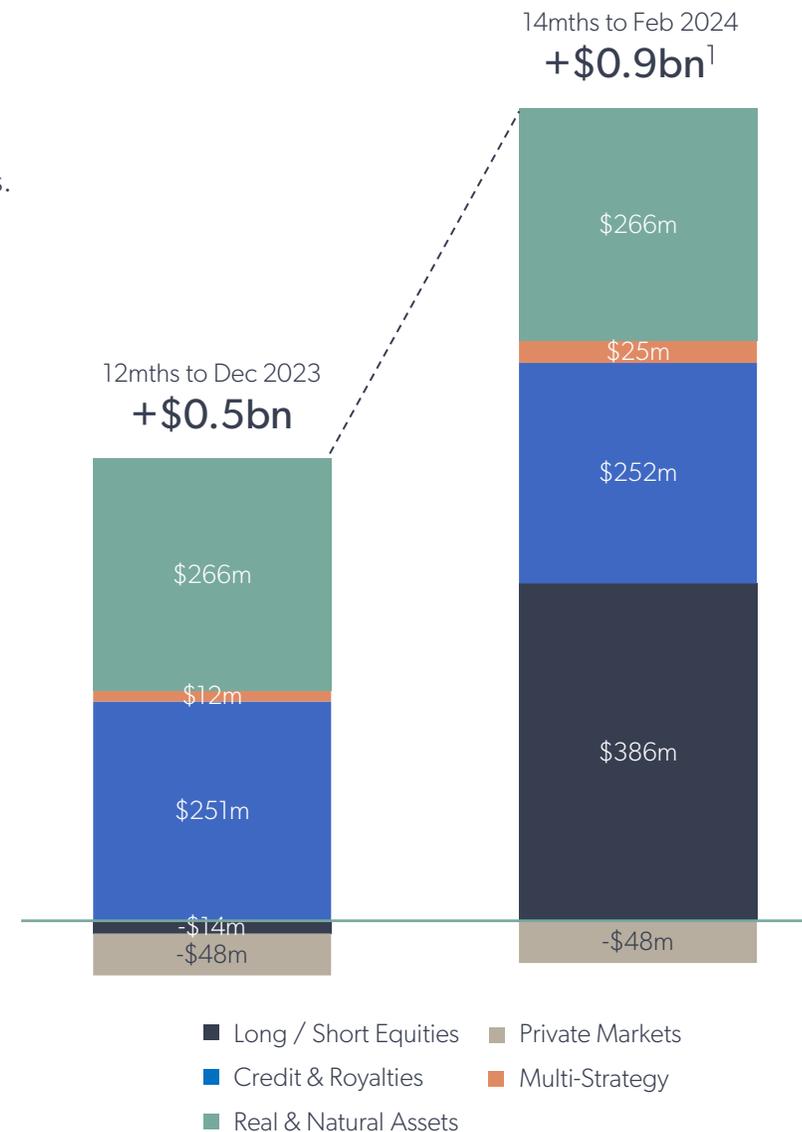
## INCREASING INTEREST FROM INSTITUTIONAL INVESTORS RESULTING IN NET INFLOWS

- 8 new institutional investors in 2023 across a range of strategies within Regal Funds Management, Kilter Rural and Attunga Capital, both domestically and offshore.
- Three additional institutional commitments across long/short equities and real & natural assets since 1 January 2024 to today.

3

## LOOKING FORWARD

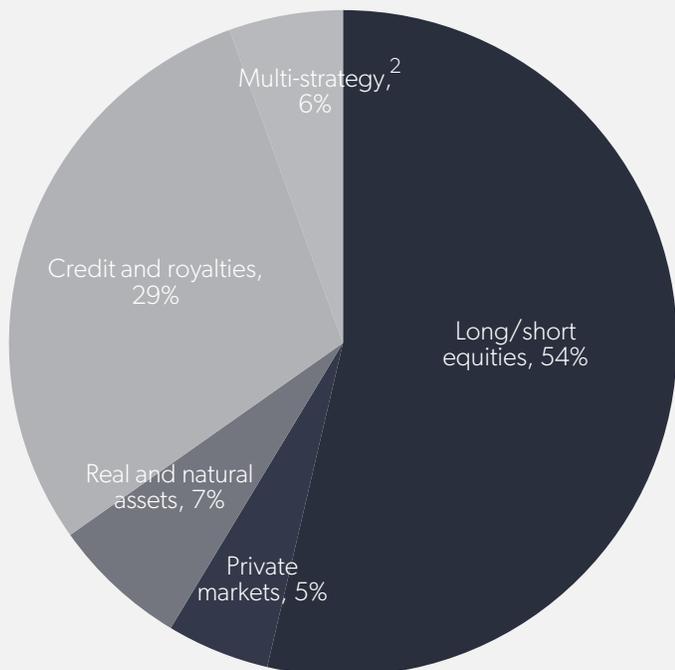
- Distribution team footprint solidified across Sydney, Melbourne, Nth America and Singapore.
- Anticipate offshore allocations will continue to grow as a % of total over next 3 to 5 years.
- Both new and existing strategies expected to underpin future flows.
- Significant additional capacity remains.



# FUM diversity increasing as the business grows; revenue synergies expected over time

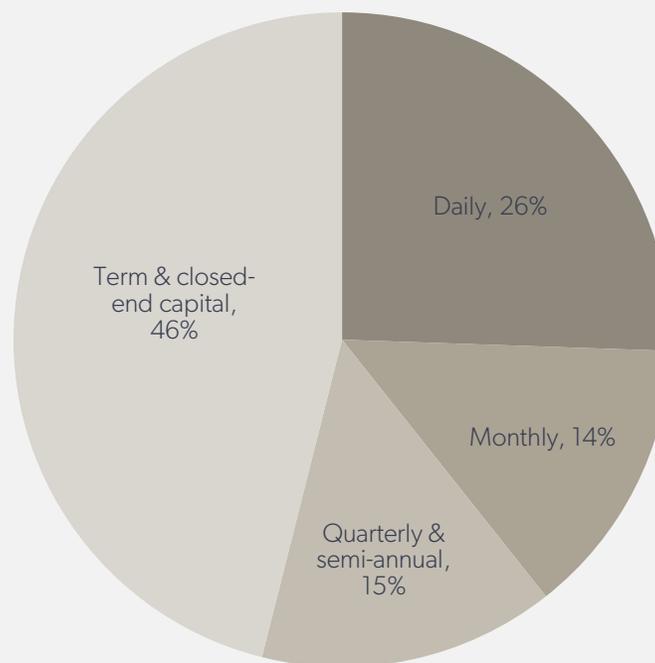
## FUM BY ASSET CLASS

Credit and Royalties driving further diversification of FUM



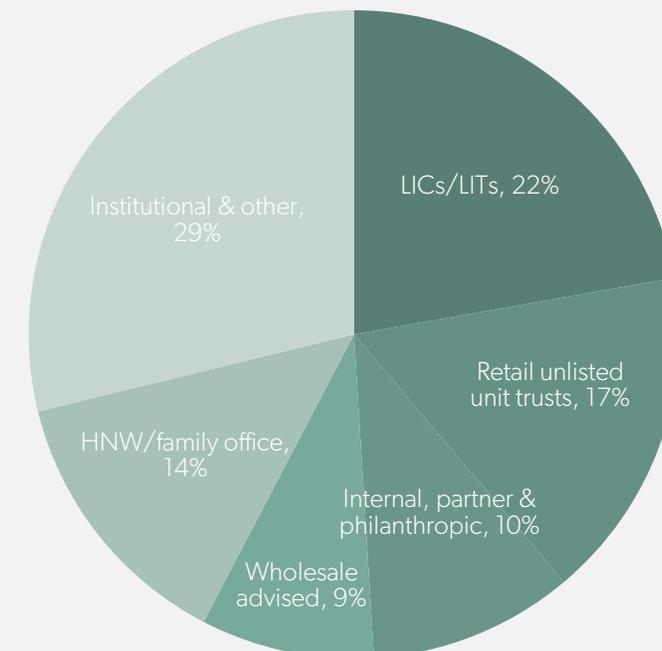
## FUM BY LIQUIDITY

Diversification of fund liquidity profile provides superior portfolio construction and resilient earnings profile for RPL



## FUM BY CLIENT CHANNEL<sup>1</sup>

Highly diversified by channel, with >30,000 investors across the group; increasing institutional and retail channel presence



FUM (including 100% of Taurus Funds Management, Attunga Capital and Kilter Rural) includes non-fee-earning FUM. Figures as at 31 December 2023.

1. Based on management estimate. 2. Multi-strategy comprises Regal Investment Fund (ASX:RF1) and the newly launched Regal Partners Private Fund.

# Integration of PM Capital and Taurus progressing well



## PM Capital Limited

20 December 2023

- Multi-award-winning specialist long/short equities and fixed income manager with \$2.9bn of FUM<sup>1</sup>, focused on Australian retail investors and financial advisory groups
- Founded in 1998 by Chair and Chief Investment Officer Paul Moore
- Flagship PM Capital Global Companies strategy was category winner for International Equities (Alternatives) at 2023 Zenith Fund Awards
- PM Capital Global Opportunities Fund Limited (ASX:PGF) was the top performing ASX-listed investment company over the 3 years to 31 December 2023, with a total shareholder return of +23.3% p.a.<sup>2</sup> and trades at a premium to pre-tax Net Tangible Assets
- 100% of PM Capital Limited acquired by Regal Partners



## Taurus Funds Management

4 November 2023

- Specialist provider of financing solutions to global mid-tier and junior mining companies, including private credit (“mining finance”), mining royalties and private equity; established in 2006
- \$2.2bn of committed and drawn capital<sup>3</sup>
- Headquartered in Australia, with satellite offices in the UK, Europe and the Cayman Islands, servicing institutional investors in North America
- Complements the expertise of Regal Funds Management’s mining and royalties teams
- Regal Funds Management and Taurus Funds Management together now manage approximately \$3 billion in resources-focused strategies across long/short equities, private credit and resources royalties strategies, with the ability to provide global resource companies with a diversified range of funding solutions
- 50% of ordinary shares in Taurus SM Holdings Pty Ltd acquired by Regal Partners

- ✓ Completion in late 2023
- ✓ Integration progressing well – global investment teams co-located
- ✓ On track to achieve initial 90-day milestones
- ✓ Synergies expected over time

1. FUM as at 31 December 2023 and is rounded, unaudited and includes non-fee-earning FUM. 2. Past performance is not a reliable indicator of future performance. PGF data sourced from Factset and Bloomberg, where return is before the benefit of franking credits and ranking relates to LICs with a market capitalisation of over \$300m. 3. Unaudited Management estimate for 31 December 2023.

# Robust technology and operating platform underpins growth and scale

## PROPRIETARY TECHNOLOGY & OPERATIONAL INFRASTRUCTURE

Regal's proprietary operational, risk and trading infrastructure provides investment teams with an end-to-end operating platform to enhance efficiency, performance and growth

### Scaleable platform

End-to-end platform across execution, valuations, reporting, performance and attribution, settlement, reconciliation & risk

### Integrated

Research, portfolio management tools, performance insights and analytics fully integrated into the platform

### Live

Real time portfolio management tools across asset classes & strategies, including risk & portfolio forecasting

## EXTENSIVE MARKET CONNECTIVITY & RELATIONSHIPS

Regal's accelerating size and scale increases our market relevance and ability to access, price and originate deal flow across all asset classes, to the benefit of our investors

150+

Global executing brokers with ten prime broker relationships

95%

of global exchanges tradeable

1,000+

Ability to trade thousands of orders daily across multiple exchanges, currencies & brokers

## INTEGRATED CONTROLS, RISK & COMPLIANCE FRAMEWORK

In an increasingly complex regulatory, compliance and investment environment, the tech platform fully integrates with Regal's risk, compliance and oversight functions & monitoring

### Single unified dataset

Integrated across front, middle and back office providing one source of truth

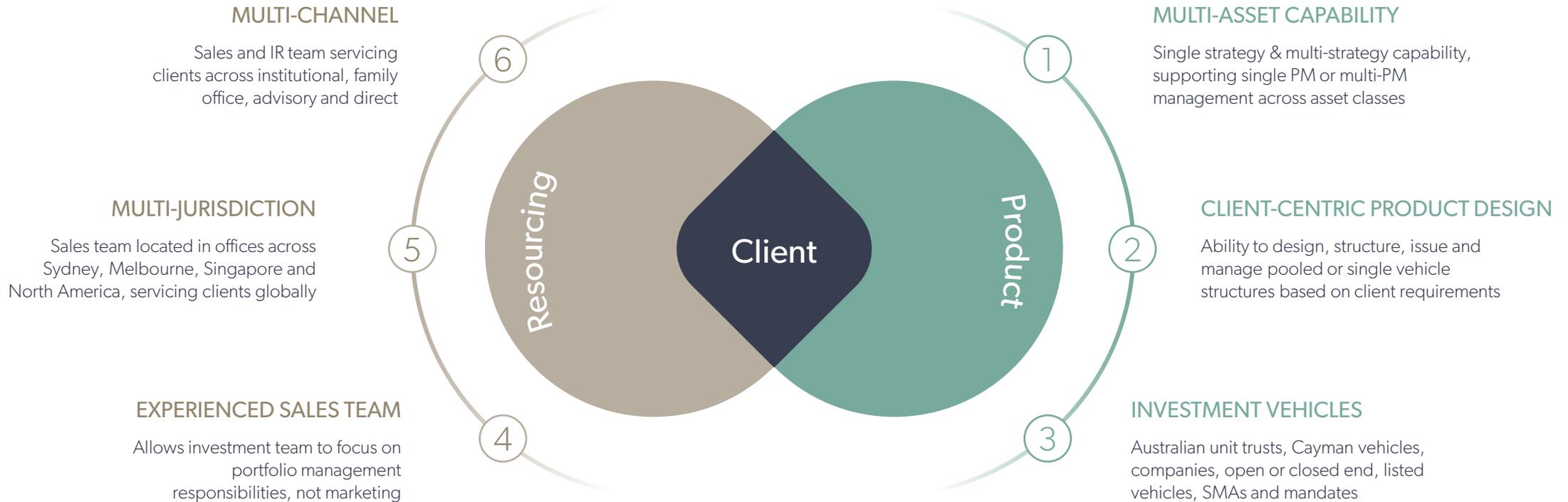
### Monitoring

Integrated monitoring across risk, trading compliance, & portfolio functions

### Integrated data feeds

Multiple data sources & feeds integrated into platform enhancing portfolio construction and decision making e.g. daily risk analysis via Barra

# Client-centric approach to sales and product development

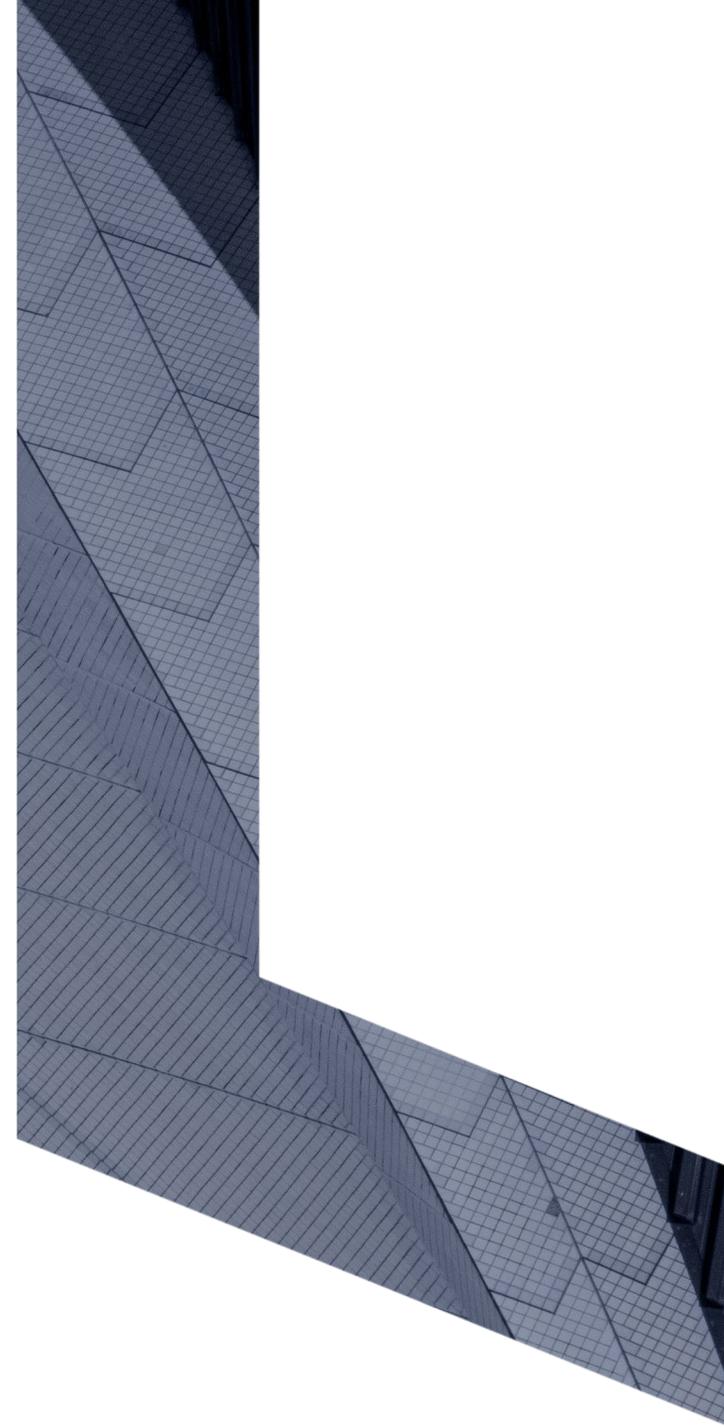


We seek to partner with best-in-class asset managers who have a demonstrated edge in generating leading investment outcomes

# 4. Strategy and Outlook

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Brendan O'Connor (CEO)



# Growth-focused strategy of RPL remains unchanged

With multiple opportunities for expansion

1

Diversified, scalable and growing platform

2

Attractive market tailwinds

3

Strong business economics

4

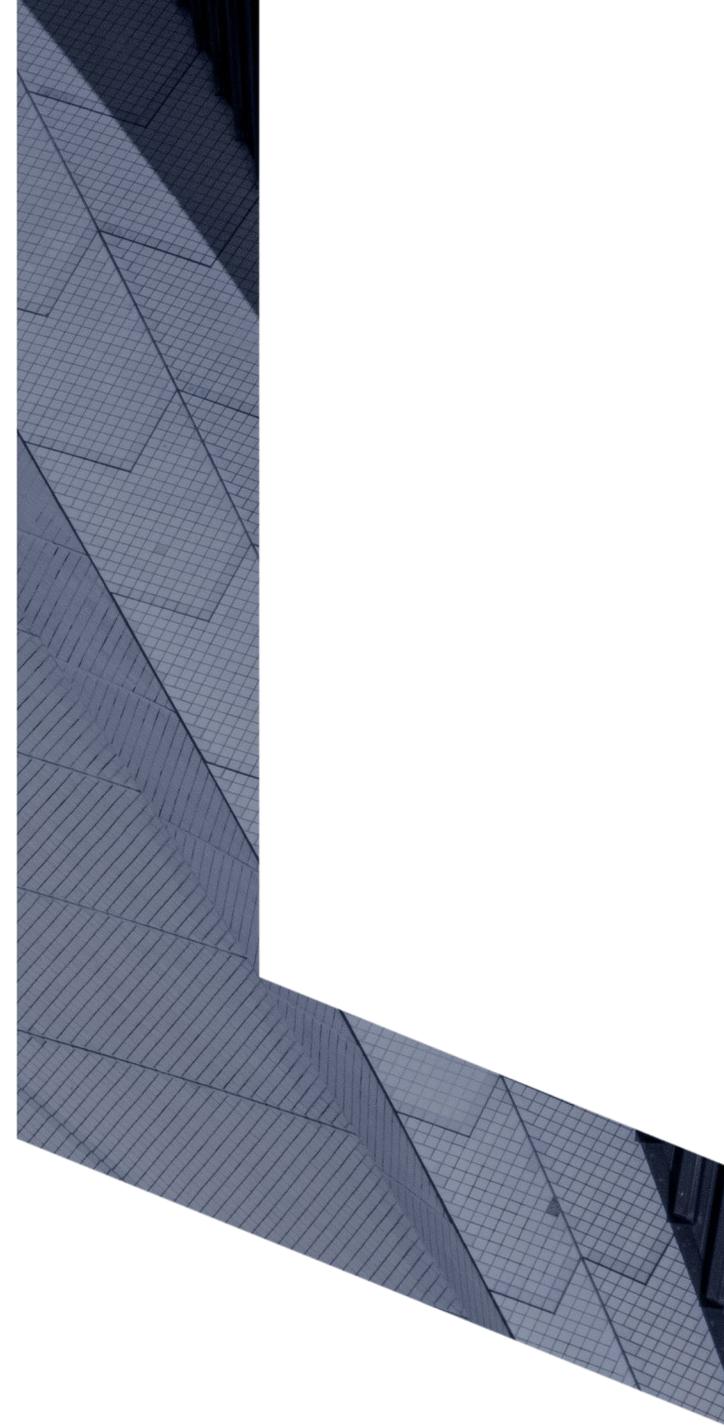
Multiple opportunities for growth

## 5. Q&A

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Brendan O'Connor (CEO)

Ian Cameron (CFO)





# Appendix

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# Reconciliation of statutory to normalised NPAT<sup>1</sup>

| \$m  | Year to Dec 2022 <sup>1</sup> | Year to Dec 2023 |
|--|-------------------------------|------------------|
| Statutory NPAT attributable to RPL shareholders  | 12.4                          | 1.6              |
| Amortisation of assets (contract assets and intangible assets)   | 3.6                           | 4.8              |
| Amortisation of share-based payments related to Long Term Incentive (LTI)/Integration Grants and Restricted Share Plan | 6.6                           | 16.4             |
| One-off strategic initiatives  | –                             | 5.2 <sup>2</sup> |
| Unrealised mark-to-market loss on a strategic asset  | –                             | 1.9              |
| Transaction and integration costs related to acquisitions in 2023, and merger and capital raise in 2022                | 4.4                           | 4.6 <sup>3</sup> |
| Normalised tax adjustments   | (1.5)                         | (1.8)            |
| Normalised VGI Partners NPAT   | (0.9)                         | –                |
| <b>Normalised NPAT attributable to RPL shareholders</b>  | <b>24.8</b>                   | <b>32.7</b>      |

## NOTABLE FOR 2023

- One-off expenses related to strategic initiatives include: ~\$4m deferred contingent consideration for the initial acquisition of 51% of Attunga Capital, establishing the corporate credit facility and launching new funds.
- Unrealised mark-to-market losses on a strategic asset have been normalised, other fair value movements on seed capital remain within normalised results.
- Transaction and integration costs relating to the purchase of Taurus Funds Management and PM Capital have been normalised in the current year.
- Increase in amortisation of assets on intangible assets and share based payments on LTI/Integration grants due to 12 months of amortisation compared to partial months in the previous year.
- Share-based payments in relation to the Deferred Bonus Grant remain within the normalised results.

## NOTABLE FOR 2022

- Transaction costs relate to one-off payments in relation to professional and legal fees in relation to the merger.

1. The statutory results for 2022 have been presented to reflect Regal Funds Management Pty Limited for the period from 1 January 2022 to 3 June 2022, and the combined Regal Partners Limited consolidated group results of Regal Funds Management Pty Limited including VGI Partners Limited for the period 4 June 2022 to 31 December 2022. Normalised NPAT excludes one-off and some non-cash items (e.g. amortisation of intangible assets and long-term variable remuneration). Normalised NPAT for 2022 is pro forma and was prepared on the basis that the merger completed on 1 January 2022. 2. One-off expenses related to strategic initiatives include approximately \$4 million of deferred contingent consideration for the acquisition of the Group's 51% interest in Attunga Capital; the consideration has been expensed in the current period as required under AASB 3 Business Combinations. 3. Excluding VGI Partners Limited's costs pre-merger completion.

# Line-by-line reconciliation

|  | Year to Dec 2023 | Adjustments       | Adjustments       | Year to Dec 2023 |
|--|------------------|-------------------|-------------------|------------------|
| \$m  | Statutory        | Reclass of Taurus | Other adjustments | Normalised       |
| Management fees (net of rebates)               | 60.8             | 4.8               | –                 | 65.5             |
| Performance fees (net of rebates)              | 24.7             | 0.2               | –                 | 24.9             |
| Share of profit of associate                   | 0.8              | (0.8)             | –                 | –                |
| All other income                               | 19.0             | 0.6               | 1.9               | 21.5             |
| <b>Total net income</b>                        | <b>105.3</b>     | <b>4.7</b>        | <b>1.9</b>        | <b>111.9</b>     |
| Employee benefits expense (personnel expenses) | (36.8)           | (2.5)             | 1.1               | (38.3)           |
| Amortisation of share-based payments           | (26.2)           | –                 | 16.4              | (9.8)            |
| All other expenses                             | (30.0)           | (0.5)             | 13.5              | (17.0)           |
| <b>Total expenses</b>                          | <b>(93.0)</b>    | <b>(3.0)</b>      | <b>31.0</b>       | <b>(65.0)</b>    |
| Profit before income tax                       | 12.3             | 1.7               | 32.9              | 46.9             |
| Income tax expense                             | (9.8)            | (0.5)             | (1.8)             | (12.2)           |
| Profit after tax pre non-controlling interests | 2.5              | 1.2               | 31.1              | 34.7             |
| Non-controlling interests                      | (0.9)            | (1.2)             | –                 | (2.0)            |
| <b>Normalised NPAT</b>                         | <b>1.6</b>       | <b>–</b>          | <b>31.1</b>       | <b>32.7</b>      |

**A** These adjustments reclassify the 'share of profit of associate' that the Group earned since the acquisition of 50% of the ordinary shares of Taurus SM Holdings Pty Ltd on 4 November 2023 into its component parts to present the pro forma figures of the Group on a line-by-line basis (as though it were consolidated on 4 November 2023). There was no overall change to NPAT due to the reclassification.

**B** Mark-to-market losses on purchase of shares in Pacific Current Group Limited (ASX:PAC) have been normalised, other fair value movements on seed capital remain within normalised results.

**C** Amortisation on LTI schemes has been removed from share-based payments with only amortisation on Short Term Incentives (STIs)/Deferred Bonuses remaining.

**D** One-off expenses related to strategic initiatives include:

- approximately \$4m deferred contingent consideration for the acquisition of the Group's 51% interest in Attunga Capital Pty Ltd
- costs related to establishing the corporate credit facility and launching new funds
- transaction and integration costs relating to the purchase of Taurus Funds Management and PM Capital, which have been normalised in the current year.

# Amortisation schedule of non-cash share-based payments

| \$m  | 1H22       | 2H22       | 1H23       | 2H23       | 1H24<br>(est.) | 2H24<br>(est.) | 1H25<br>(est.) | 2H25<br>(est.) | Total       |
|--|------------|------------|------------|------------|----------------|----------------|----------------|----------------|-------------|
| <b>Short-term incentive compensation</b>               |            |            |            |            |                |                |                |                |             |
| 2022 annual grant <sup>1</sup>                         | –          | 3.7        | 5.5        | 3.0        | 1.7            | 0.6            | –              | –              | 14.6        |
| 2023 annual grant <sup>2</sup>                         | –          | –          | –          | 1.2        | 1.7            | 0.9            | 0.6            | 0.3            | 4.6         |
| <b>Total</b>   | <b>–</b>   | <b>3.7</b> | <b>5.5</b> | <b>4.2</b> | <b>3.4</b>     | <b>1.5</b>     | <b>0.6</b>     | <b>0.3</b>     | <b>19.2</b> |
| <b>Merger-related incentive compensation (one-off)</b> |            |            |            |            |                |                |                |                |             |
| 2022 grant (integration and LTI) <sup>3</sup>          | –          | 5.9        | 8.8        | 6.3        | 7.8            | 7.8            | 7.8            | 2.6            | 47.2        |
| 2022 restricted share grant <sup>4</sup>               | 0.2        | 0.7        | 0.7        | 0.7        | 0.7            | –              | –              | –              | 3.0         |
| <b>Total</b>   | <b>0.2</b> | <b>6.6</b> | <b>9.5</b> | <b>7.0</b> | <b>8.5</b>     | <b>8.5</b>     | <b>8.5</b>     | <b>2.6</b>     | <b>50.2</b> |

- RPL's normalised expenses includes the impact of any 'short-term incentive compensation'. The amortisation expense is spread over the vesting period and adjusted for annualised dividend yields (as the PSRs do not have entitlements to dividends during the vesting period) and probability of not meeting vesting conditions.

- Amortisation of 'merger-related incentive compensation' is considered one-off in nature and accordingly, is not included in RPL's normalised expenses but is included in RPL's statutory expenses.

1. Deferred Bonus Grant of Performance Share Rights (PSRs) issued August 2022 (vesting dates of August 2023 and August 2024). 2. Deferred Bonus Grant of PSRs issued August 2023 (vesting in August 2024 and August 2025). 3. One-off Integration and LTI Grants of PSRs issued August 2022 (vesting in August 2025). 4. One-off grant under the Restricted Share Plan in April 2022 prior to the merger (vesting June 2024).

# Strong long-term performance across the group

| Fund (as at 31 December 2023)                    | Launch | Since inception p.a. <sup>1</sup> | Manager            | Performance fee period | Fund (as at 31 December 2023)                          | Launch | Since inception p.a. <sup>1</sup> | Manager    | Performance fee period |
|--|--------|-----------------------------------|--------------------|------------------------|--|--------|-----------------------------------|------------|------------------------|
| <b>Long/Short Equities – Global Equities</b>     |        |                                   |                    |                        | <b>Private Markets</b>                                 |        |                                   |            |                        |
| Regal Atlantic Absolute Return Fund              | 2004   | 21.7%                             | Regal              | Jun/Dec                | Regal Emerging Companies Fund II <sup>2</sup>          | 2018   | 9.1% IRR                          | Regal      | Jun                    |
| Regal Tasman Market Neutral Fund                 | 2007   | 12.1%                             | Regal              | Jun/Dec                | Regal Emerging Companies Fund III <sup>2</sup>         | 2019   | 36.1% IRR                         | Regal      | Jun                    |
| Regal Tactical Opportunities Fund                | 2020   | 43.7%                             | Regal              | Jun/Dec                | Regal Emerging Cos Opportunities Fund                  | 2020   | 12.5%                             | Regal      | Jun/Dec                |
| VGI Partners Master Fund                         | 2009   | 9.5%                              | VGI                | Jun                    | <b>Real &amp; Natural Assets<sup>3</sup></b>           |        |                                   |            |                        |
| PM Capital Global Companies Fund                 | 1998   | 10.0%                             | PM Capital         | Jun                    | Kilter Balanced Water Fund                             | 2015   | 10.9%                             | Kilter     | Jun                    |
| <b>Long/Short Equities – Australian Equities</b> |        |                                   |                    |                        | Kilter Water Fund                                      | 2014   | 12.6%                             | Kilter     | Jun                    |
| Regal Australian Long Short Equity Fund          | 2009   | 13.6%                             | Regal              | Jun/Dec                | Kilter Agriculture Fund                                | 2023   | 3.8% <sup>4</sup>                 | Kilter     | Jun                    |
| Regal Australian Small Companies Fund            | 2015   | 23.2%                             | Regal              | Jun/Dec                | Attunga Power and Enviro Fund                          | 2006   | 12.9%                             | Attunga    | Jun/Dec                |
| PM Capital Australian Companies Fund             | 2000   | 10.9%                             | PM Capital         | Jun                    | Attunga Carbon and Enviro Fund                         | 2022   | -2.2%                             | Attunga    | Jun/Dec                |
| <b>Long/Short Equities – Specialist Equities</b> |        |                                   |                    |                        | <b>Credit &amp; Royalties</b>                          |        |                                   |            |                        |
| Regal Resources Long Short Fund                  | 2021   | 33.3%                             | Regal              | Jun/Dec                | Regal Resources Royalties Fund                         | 2019   | 25.2%                             | Regal      | Jun                    |
| Regal Healthcare Long Short Fund (Class A)       | 2022   | 2.6%                              | Regal              | Jun/Dec                | Regal Private Credit Opportunities Fund                | 2022   | 9.3%                              | Regal      | Jun/Dec                |
| <b>ASX-Listed Investment Vehicles</b>            |        |                                   |                    |                        | PM Capital Enhanced Yield Fund (perf fee) <sup>5</sup> | 2002   | 5.1%                              | PM Capital | Monthly                |
| RF1 (Regal Investment Fund)                      | 2019   | 18.1%                             | Regal              | Jun/Dec                | <b>Cayman Vehicles (USD)</b>                           |        |                                   |            |                        |
| VG1 (VGI Global Investments Limited)             | 2017   | 2.6%                              | VGI                | Jun/Dec                | Amazon Market Neutral Fund                             | 2005   | 11.1%                             | Regal      | Dec                    |
| RG8 (Regal Asian Investments Limited)            | 2019   | 0.9%                              | Regal <sup>6</sup> | Jun/Dec                | Regal Asian Healthcare Long Short Fund                 | 2022   | 4.8%                              | Regal      | Dec                    |
| PGF (PM Capital Global Opportunities Ltd)        | 2013   | 13.5%                             | PM Capital         | Jun                    | Regal (Offshore) Resources Long Short Fund             | 2023   | 18.8% <sup>7</sup>                | Regal      | Dec                    |

1. Past performance is not a reliable indicator of future performance and should not be relied upon. Performance since inception is net of fees and costs and is adjusted for capital flows including those associated with the payment of dividends/distributions and tax, share issuance and/or cancellations (option exercise, distribution/dividend reinvestment plan (pre franking benefits), share purchase plan, and equal access buyback) where relevant. 2. Performance of Regal Emerging Companies Fund II and Regal Emerging Companies Fund III reflects internal rate of return of the relevant fund, not its annualised return, due to the close-ended nature of the relevant investment vehicle and because distributions from the relevant funds are not reinvested. 3. Regal is the majority owner of Kilter Rural and Attunga Capital. 4. Return since inception June 2023, not annualised. 5. Performance Fee Option class. 6. Portfolio management transitioned from VGI to Regal during June 2022. 7. Class A return since inception April 2023, not annualised.

## OUR BEHAVIOURS

- 1 Client first
- 2 We are custodians of client capital
- 3 Accountability & reputation are everything
- 4 Entrepreneurial mindset
- 5 Collaborate
- 6 Be the benchmark in alignment

## REGAL IN THE COMMUNITY

> \$60m

is managed by Regal on behalf of Future Generation (ASX:FGX) and Hearts and Minds (ASX:HMI), free of management and performance fees, in support of charitable donations to not-for-profits, including the RPA Green Light Institute for Emergency Care.

\$2.3m

generated from fund fees for the VGI Partners Foundation since the Foundation's inception. The Foundation assists a range of not-for-profits that support social cohesion, health and the wellbeing of Australian children and families.

>12,000

megalitres of water has been donated by Kilter Rural's Balanced Water Fund since its inception to support wetlands that are home to threatened wildlife and bird species – the largest private water donation in Australian history.

