

## Monthly Performance Report – December 2022

### December 2022<sup>1,2,3</sup>

Post-Tax Net Tangible Assets (NTA) per share	\$2.37
Net Portfolio Return – December	-1.2%
Net Portfolio Return – Since Inception (p.a.)	+0.3%
Share Price at Month End	\$2.17
Portfolio Size (\$m)	\$481 million
Portfolio Currency Exposure	AUD 100%

### December 2022 Performance Commentary

RG8's net portfolio return for December 2022 was -1.2%, with the long book detracting -1.9% and the short book adding +0.7% to returns.

The largest contributors to returns in December were long positions in Hong Kong listed technology companies. We had increased our previously low weight in the sector during the later stages of the October sell-off and selectively added further during the recovery rally in November and December. Whilst we certainly acknowledge that China has its challenges, particularly within the real estate sector, we are seeing further evidence of a rapidly improving earnings environment for the firms we have invested in (that have limited exposure to real estate and benefit from the roll-back of zero-COVID policies). Despite the recent rally, these stocks still trade on very low valuations with significant upside to where we see fair value.

Large detractors to returns were long positions in Olympus, a global leader in medical endoscopes, and Shimadzu, a leader in pharma testing equipment in Asia. Both companies are listed in Japan but, as global players, had seen their export earnings benefit from a weakening Japanese Yen during the majority of 2022. This partially reversed into December with a strengthening Yen. Our view remains that these are high quality companies that offer strong and defensive earnings growth against appealing valuations.

Key contributors to the short portfolio came from the consumer discretionary sectors in both Australia and Japan where we see signs of consumption pressure against extended stock valuations. There were also some gains from shorts on companies that suffer from a stronger Yen.

**Buy-back:** Approximately 3.7 million RG8 shares were bought at an average price of \$2.13 during December.

**1H23 result:** RG8 expects to release its 1H23 results on Thursday, 16 February.

### 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	207 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.

### Contact Details

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Portfolio Exposures (% of NTA)

SECTOR (GICS)	LONG	SHORT	NET	GROSS
Communication Services	8%	0%	8%	8%
Consumer Discretionary	11%	-13%	-2%	24%
Consumer Staples	0%	-1%	-1%	1%
Energy	14%	0%	14%	14%
Financials	3%	-7%	-3%	10%
Health Care	18%	-3%	15%	21%
Industrials	11%	-9%	2%	19%
Information Technology	12%	-3%	8%	15%
Materials	14%	-7%	8%	21%
Real Estate	4%	0%	4%	4%
<b>Total</b>	<b>94%</b>	<b>-43%</b>	<b>51%</b>	<b>137%</b>

REGION (BY LISTING)	LONG	SHORT	NET	GROSS
Australia	31%	-14%	17%	45%
Hong Kong	21%	-3%	19%	24%
Japan	33%	-26%	7%	59%
Netherlands	4%	0%	4%	4%
UK	5%	0%	5%	5%
<b>Total</b>	<b>94%</b>	<b>-43%</b>	<b>51%</b>	<b>137%</b>

Portfolio Statistics

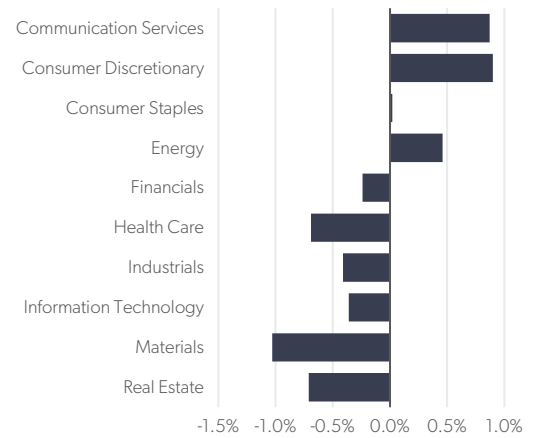
Long Exposure:	94%
Short Exposure:	-43%
Net Exposure:	51%
Gross Exposure:	137%
Average Weighted Market Cap (US\$):	47,505m

Distribution History (Ex-date)

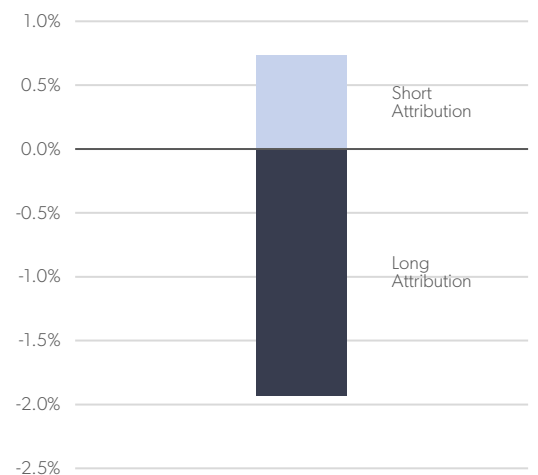
29 Aug 2022	5.0c
16 Mar 2022	5.0c
30 Aug 2021	5.5c

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
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 December 2022, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.39 per share, which includes \$0.07 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.

Date of release: 13 January 2023. Authorised for release by Ian Cameron, Company Secretary, Regal Asian Investments Limited, 39 Phillip Street, Sydney NSW. ABN 58 635 219 484.

