

Monthly Performance Report – May 2023

May 2023^{1,2,3}

Post-Tax Net Tangible Assets (NTA) per share	\$2.25
Net Portfolio Return – May	-3.8%
Net Portfolio Return – Since Inception (p.a.)	-1.1%
Share Price at Month End	\$1.965
Portfolio Size (\$m)	\$434 million
Portfolio Currency Exposure	Fully hedged to AUD ⁴

May 2023 Performance Commentary

RG8's net portfolio return for May 2023 was -3.8%, with positive contributors from Japan offset by negative returns from Hong Kong.

Hong Kong's Hang Seng Index fell by -8.4% in May due to market concerns over slower Chinese economic growth, muted real estate activity and continuing US-China geopolitical tensions. We largely maintained our existing China tech positions through the volatility and, as at the time of writing, the portfolio has recovered May's losses in June as these positions rallied on news of potential Chinese stimulus and signs of a "thawing" in the US-China relationship.

Chinese equities are likely to remain volatile as we wait to see what balance the government will seek between limiting credit expansion and stimulating the economy. However, this volatility comes amidst highly depressed valuations. The China tech focused KWEB ETF is still trading 73% below its 2021 highs, despite interest rates in China declining over that period and further rate cuts being likely amidst low inflation. Nationwide CPI was only +0.2% YoY in May. Core to our process is investing in undervalued stocks, with supportive macro factors and upside catalysts, and little exposure to the weak property sector. In China we can find highly discounted shares in quality companies with sustainable competitive advantages that are leveraged to the long-term trend of a rising middle class and are unlocking value through increased focus on returns for shareholders. Importantly, our process also focuses on understanding the risks and our differing insight. We acknowledge there are macro risks in China and we continue to watch closely for signs of conditions deteriorating beyond our expectations as well as engaging with corporate management and industry experts in order to seek alternative views to challenge our thesis.

Our Japan positions performed well in May with key contributions coming from NEC Corp and Toyota Industries, which we discussed in our recent RG8 webinar. Our recent meetings in Japan confirmed our view that a range of companies are embracing the efforts of the Tokyo Exchange, and a range of government entities, to increase the focus on returns for shareholders. We remain very bullish on Japan and it remains the largest gross and second largest net exposure in the portfolio.

Investor briefing replay: To watch a replay of our webinar held on Wednesday 17 May, please [click on this link](#).

Buy-back: In May, 0.7m RG8 shares were bought at an average price of \$1.98.

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	5%	0%	5%	5%
Financials	3%	-8%	-5%	10%
Health Care	19%	-2%	17%	21%
Industrials	22%	-3%	19%	26%
Information Technology	10%	-2%	8%	13%
Materials	13%	-8%	6%	21%
Real Estate	4%	-0%	4%	5%
Total	109%	-36%	74%	145%

REGION (BY LISTING)	LONG	SHORT	NET	GROSS
Australia	33%	-13%	20%	45%
Hong Kong	28%	-2%	26%	30%
Japan	42%	-20%	22%	62%
Netherlands	4%	0%	4%	4%
New Zealand	0%	-2%	-2%	2%
UK	2%	0%	2%	2%
Total	109%	-36%	74%	145%

Portfolio Statistics

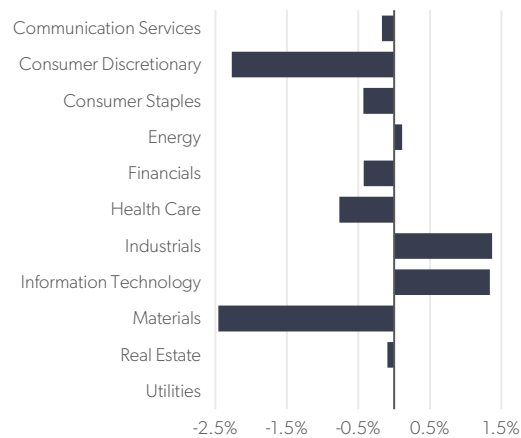
Long Exposure:	109%
Short Exposure:	-36%
Net Exposure:	74%
Gross Exposure:	145%
Average Weighted Market Cap (US\$):	39,373m

Distribution History (Ex-date)

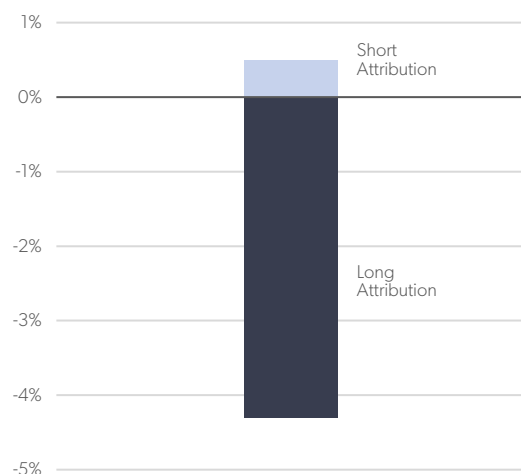
27 Feb 2023	5.0c
29 Aug 2022	5.0c
16 Mar 2022	5.0c
30 Aug 2021	5.5c

Monthly Attribution Analysis

SECTOR ATTRIBUTION



LONG SHORT ATTRIBUTION



Net Portfolio Return^{2,3}

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2023	4.3%	-4.0%	3.8%	-5.1%	-3.8%								-5.0%
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.

¹ '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 May 2023, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.26 per share, which includes \$0.01 per share of income tax losses available to the Company in future periods.

² 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.

³ Past performance is not a reliable indicator of future performance.

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

