

Monthly Performance Report – June 2023

June 2023^{1,2,3}

Post-Tax Net Tangible Assets (NTA) per share	\$2.29
Net Portfolio Return – June	4.1%
Net Portfolio Return – Since Inception (p.a.)	0.0%
Share Price at Month End	\$2.09
Portfolio Size (\$m)	\$443 million
Portfolio Currency Exposure	Fully hedged to AUD ⁴

June 2023 Performance Commentary

RG8's net portfolio return for June 2023 was +4.1%, with the long book adding +5.8% and the short book detracting -1.8%.

Our long positions in Japan were key contributors in June and we see further strong returns to come in companies listed on the Tokyo Exchange with leading global operations. It has been encouraging to see a surge in corporate governance improvement this year focused on increasing returns for shareholders. Spearheading the drive has been the CEO of the Tokyo Exchange highlighting that the price-to-book ratio in Japan is nearly half that of global peers and that the key to closing this gap is increasing return-on-equity. Across our Japan long-portfolio we are invested in a range of businesses in a great position to do this as leaders in their core products (from a customer perspective), but who are now only truly beginning to optimise shareholder returns. Examples include; 1) Shimadzu Corp focusing on cross-selling higher margin consumables for its pharmaceutical testing equipment, 2) Daifuku Co selling higher margin logistics software to run its logistics automation hardware, and 3) NEC Corp removing internal silos so its best software developers can target the highest margin projects. These have been key contributors to returns and are only just getting started in their efforts to drive returns for shareholders.

Beyond margin improvement there is also significant room for Japanese companies to unlock value in other ways. Toyota Industries, a global leader in logistics automation, currently owns shares in other Toyota Group companies that are worth more than its own market capitalisation. Investors are increasingly taking note of this anomaly amidst rising pressure on the Toyota Group to unwind its cross-shareholdings to the benefit of shareholders. We have added investments in other Japanese companies facing similar pressures to unlock hidden value.

Global investors have not yet fully caught on to the scale of the change occurring in Japan and remain underweight according to a Bank Of America review of fund filings. What they perhaps miss is that over the last decade the government of Japan has dramatically increased its citizens' exposure to domestic equity market returns, via substantial Bank of Japan and GPIF equity purchases. Japan is a nation of harmony, or "wa", but how this is achieved changes over time. Seeking "wa" for corporate managers is now all about raising return-on-equity for shareholders, or the Japanese citizens, and we look forward to participating in this shift.

Buy-back: In June, 1.45m RG8 shares were bought at an average price of \$2.03.

FY23 result: RG8 expects to release its FY23 result on Thursday, 17 August.

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	200 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	3%	-2%	2%	5%
Energy	4%	0%	4%	4%
Financials	2%	-9%	-6%	11%
Health Care	18%	-1%	16%	19%
Industrials	27%	-3%	24%	31%
Information Technology	12%	-2%	10%	14%
Materials	17%	-5%	12%	22%
Real Estate	4%	0%	4%	5%
Total	115%	-34%	81%	149%

REGION (BY LISTING)	LONG	SHORT	NET	GROSS
Australia	34%	-10%	24%	44%
Hong Kong	29%	-2%	27%	29%
Japan	45%	-20%	25%	65%
Netherlands	4%	0%	4%	4%
New Zealand	0%	-2%	-2%	2%
UK	2%	0%	2%	2%
Total	115%	-34%	81%	149%

Portfolio Statistics

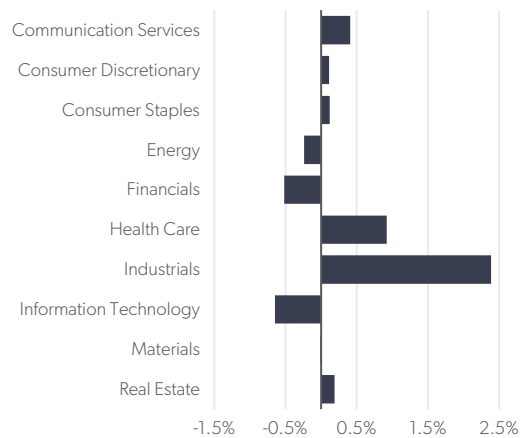
Long Exposure:	115%
Short Exposure:	-34%
Net Exposure:	81%
Gross Exposure:	149%
Average Weighted Market Cap (US\$):	40,718m

Distribution History (Ex-date)

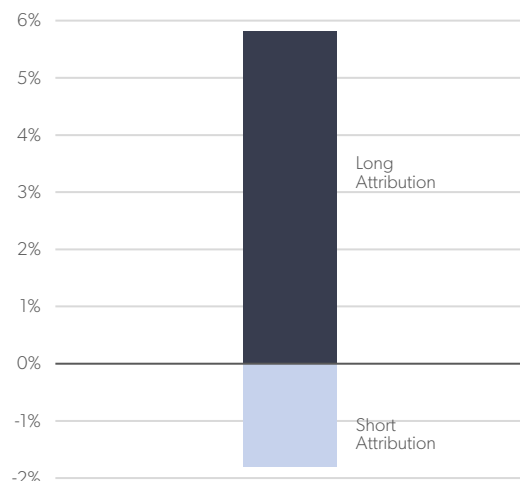
27 Feb 2023	5.0c
29 Aug 2022	5.0c
16 Mar 2022	5.0c
30 Aug 2021	5.5c

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%	4.1%							-1.1%
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 NTA¹ 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 June 2023, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.33 per share, which includes \$0.09 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 July 2023. Authorised for release by Ian Cameron, Company Secretary. Regal Asian Investments Limited, 39 Phillip Street, Sydney NSW. ABN 58 635 219 484.

