

Regal Asian Investments  
ASX:RG8JANUARY 2024<sup>1,2,3</sup>

Post-Tax Net Tangible Assets (NTA) per share	\$2.32
Net Portfolio Return – January	-1.1%
Net Portfolio Return – Since Inception (p.a.)	0.7%
Share Price at Month End	\$2.06
Portfolio Size (\$m)	\$400 million
Portfolio Currency Exposure	Fully hedged to AUD <sup>4</sup>

RG8 generated a return of -1.1% in January 2024. Japan was the largest contributor to returns while Chinese companies listed in Hong Kong were the largest detractor.

Within Japan, corporate reform names like NEC Corp and Toyota Industries performed particularly well. NEC Corp – a leading software service provider – reported strong 3Q results amidst robust demand for software services and an increasing focus on profitability. We were also pleased to see the company divesting some of its holding in non-core Japan Aviation Electronics and look forward to ongoing improvement in capital allocation to come.

Toyota Industries – a leading logistics equipment manufacturer – also reported strong results amidst strong demand for its logistics equipment and price increases. We have seen some improvement in capital allocation at Toyota Industries, which has sold down some smaller cross-shareholdings, but still see substantial opportunity for the company to unlock value.

Within Hong Kong, the largest detractor from returns was Travelsky Technology – a near monopoly for travel service distribution networks used by Chinese airlines – which fell after a profit warning. We believe the stock has been oversold; it continues to have an appealing long-term growth profile and now trades on 10.1x forward price-to-earnings or 3.5x EV/EBITDA (which accounts for the net cash balance equivalent to almost half of the market capitalisation that we think the company will increasingly return to shareholders).

**Buy-back:** In January, approximately 4.8m RG8 shares were bought at an average price of \$2.11.

**Dividend:** As part of its 1H24 results in February, RG8 announced a 5c fully franked interim dividend, with an ex-dividend date of 15 February and payment date of 18 March. This is in line with RG8's policy to target a dividend of at least 5c per share on a six-monthly basis, franked to the fullest extent possible.

## 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 Limited (ASX:VG8) to Regal Asian Investments Limited (ASX: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	ASX:RG8
Structure	Listed Investment Company
Inception	13 November 2019
Shares on Issue	184 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 (ASX:RPL), 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 30 investment professionals.



## PHILIP KING

Philip King is the Co-founder and Chief Investment Officer – Long/Short Equities of Regal Funds Management.

Prior to co-founding Regal, Philip was a Portfolio Manager at London-based De Putron Funds Management (DPFM), 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	4%	0%	4%	4%
Consumer Discretionary	18%	-8%	10%	27%
Consumer Staples	0%	-3%	-3%	3%
Energy	17%	-5%	12%	21%
Financials	11%	-9%	1%	20%
Health Care	19%	-1%	18%	20%
Industrials	25%	-1%	23%	26%
Information Technology	28%	-9%	18%	37%
Materials	24%	-9%	15%	33%
Real Estate	0%	-2%	-2%	2%
Utilities	0%	0%	0%	0%
<b>Total</b>	<b>146%</b>	<b>-48%</b>	<b>98%</b>	<b>194%</b>

Region (by listing)	Long	Short	Net	Gross
Australia	52%	-17%	35%	69%
Canada	11%	0%	11%	11%
Hong Kong	15%	-4%	11%	19%
Japan	44%	-23%	22%	67%
Korea	11%	-1%	10%	11%
Luxembourg	5%	0%	5%	5%
Netherlands	4%	0%	4%	4%
Taiwan	0%	-3%	-3%	3%
Thailand	0%	-1%	-1%	1%
US	4%	0%	4%	4%
<b>Total</b>	<b>146%</b>	<b>-48%</b>	<b>98%</b>	<b>194%</b>

## PORTFOLIO STATISTICS

Long Exposure:	146%	15 Feb 2024	5.0c
Short Exposure:	-48%	24 Aug 2023	5.0c
Net Exposure:	98%	27 Feb 2023	5.0c
Gross Exposure:	194%	29 Aug 2022	5.0c
Average Weighted Market Cap (US\$):	34,700m	16 Mar 2022	5.0c

## RECENT EX-DIVIDEND DATES

## NET PORTFOLIO RETURN<sup>2,3</sup>

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2024	-1.1%												-1.1%
2023	4.3%	-4.0%	3.8%	-5.1%	-3.8%	4.1%	2.9%	-3.8%	1.4%	-5.4%	6.8%	2.5%	2.9%
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 January 2024, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.34 per share, which includes \$0.09 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.

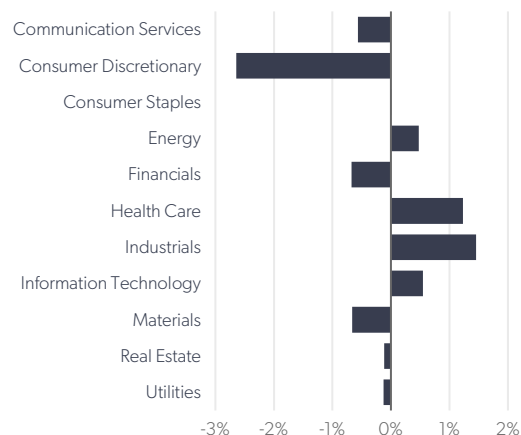
<sup>3</sup> Past performance is not a reliable indicator of future performance.

<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: 14 February 2024. Authorised for release by Ian Cameron, Company Secretary.  
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## MONTHLY ATTRIBUTION ANALYSIS

### SECTOR ATTRIBUTION



### LONG SHORT ATTRIBUTION

