

Regal Asian Investments
ASX:RG8JULY 2024^{1,2}

| | |
|---|---------------|
| Post-Tax Net Tangible Assets (NTA) per share | \$2.41 |
| Net Portfolio Return – July | -2.2% |
| Net Portfolio Return – Last 12 Months | 11.4% |
| Net Portfolio Return – Since Inception (p.a.) | 2.9% |
| Share Price at Month End | \$2.11 |
| Share Price Premium/(Discount) to NTA | -12.4% |
| Dividend Yield Pre Franking – Last 12 Months | 4.7% |
| Dividend Franking – Last 12 Months | 100% |
| Portfolio Size (\$m) | \$401 million |
| Portfolio Currency Exposure | Hedged to AUD |

RG8 generated a net portfolio return of -2.2% in the month of July.²

Semiconductor long positions in South Korea and Japan were key detractors from returns amidst a correction in semiconductor stocks globally.

The key positions we hold in manufacturers of leading-edge artificial intelligence (AI) chips, as well as suppliers of related equipment and materials, had seen a strong period of performance before this correction. We continue to remain positive on the outlook for leading-edge semiconductor demand, particularly in relation to AI.

Key customers for advanced AI chips, including Microsoft, Meta, Amazon and Google, all reaffirmed continued investment in their AI capabilities at their recent results announcements. While it may take time to fully monetise AI-related investment, we consider these to be highly profitable mega cap companies which clearly recognise the significant potential of AI, and we expect them to continue to invest aggressively over the next couple of years or risk losing some or all of their competitive advantages in AI in the future. In our view, this heavy investment should continue to benefit the “pick and shovel makers” that we are invested in.

Short positions in the portfolio provided positive returns during the month. These shorts included other semiconductor stocks that are focused on older non-AI-related technologies, which are seeing more muted demand and rising competition from Chinese players.

Buy-back: In July, approximately 0.8m RG8 shares were bought at an average price of \$2.11.

FY24 result: RG8 expects to release its FY24 result on Wednesday, 21 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 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.

RG8 seeks to pay fully franked dividends of at least 5.0c every six months.

COMPANY INFORMATION

| | |
|-----------------|---------------------------------|
| Name | Regal Asian Investments Limited |
| ASX Code | ASX:RG8 |
| Structure | Listed Investment Company |
| Inception | 13 November 2019 |
| Shares on Issue | 167 million |
| 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 Australia and Asia, 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 approximately 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 Fund Management (DPPM), specialising in relative value and special situations investment strategies.

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 18 years. In 2019, Philip 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 | 9% | 0% | 9% | 9% |
| Consumer Discretionary | 9% | -7% | 2% | 16% |
| Consumer Staples | 0% | -4% | -4% | 4% |
| Energy | 8% | 0% | 8% | 8% |
| Financials | 20% | -12% | 8% | 32% |
| Health Care | 20% | -7% | 13% | 26% |
| Industrials | 31% | 0% | 31% | 31% |
| Information Technology | 34% | -17% | 16% | 51% |
| Materials | 15% | -3% | 13% | 18% |
| Real Estate | 0% | 0% | 0% | 0% |
| Utilities | 4% | 0% | 4% | 4% |
| Total | 149% | -51% | 99% | 200% |

| Country (by listing) | Long | Short | Net | Gross |
|----------------------|-------------|-------------|------------|-------------|
| Australia | 49% | -12% | 37% | 61% |
| Canada | 0% | 0% | 0% | 0% |
| Hong Kong | 20% | 0% | 20% | 20% |
| Japan | 49% | -24% | 24% | 73% |
| Netherlands | 3% | 0% | 3% | 3% |
| South Korea | 19% | 0% | 19% | 19% |
| Taiwan | 7% | -11% | -4% | 18% |
| Thailand | 2% | 0% | 2% | 2% |
| US | 0% | -4% | -4% | 4% |
| Total | 149% | -51% | 99% | 200% |

PORTFOLIO SUMMARY STATISTICS

| | |
|-----------------|------|
| Long Exposure: | 149% |
| Short Exposure: | -51% |
| Net Exposure: | 99% |
| Gross Exposure: | 200% |

NET PORTFOLIO RETURN²

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|------|-------|-------|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| 2024 | -1.1% | 4.1% | 4.7% | 0.5% | 0.0% | 4.0% | -2.2% | | | | | | 10.3% |
| 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.

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 July 2024, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.49 per share, which includes \$0.12 per share of income tax losses available to the Company in future periods.

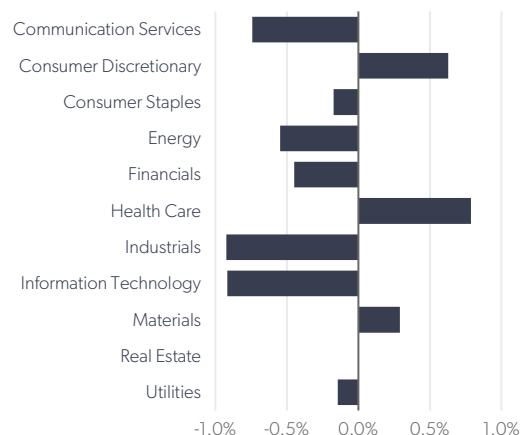
² Portfolio Return (Net) is shown after all applicable fees and expenses and is defined as the movement in pre-tax NTA, adjusting for payments owed to/from taxation authorities from earlier periods, plus dividends. Last 12 Months is the 12-month period ending on the last day of the month of the performance that is reported in this document ("Month End"). Dividend Yield refers to dividends that have been determined by RG8's Board where the ex-date occurred during the relevant Last 12 Months period and has been calculated using the Share Price at the Month End of this report. Past performance is not a reliable indicator of future performance.

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MONTHLY ATTRIBUTION ANALYSIS

SECTOR ATTRIBUTION



LONG SHORT ATTRIBUTION

