

23 August 2022

ASX Market Announcements Office
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

1H22 Financial Results Briefing Presentation

Regal Partners (ASX:RPL) will hold its 1H22 financial results webinar and call at 12pm (AEST) today, Tuesday, 23 August 2022. Please find the presentation attached.

The session will be hosted by Brendan O'Connor, Managing Director and Chief Executive Officer, and Ian Cameron, Chief Financial Officer.

WEBCAST DETAILS

Please click [here](#) to access the webcast presentation.

Please enter your name, email and company to register for the webcast. The webcast will be interactive, with questions able to be submitted online during the event using the "Ask a Question" box. We also encourage investors to submit questions in advance by emailing them to investorrelations@regalpartners.com.

A recording of the webcast will be available on Regal Partners' website at www.regalpartners.com after the event.

TELECONFERENCE DETAILS

Please click [here](#) to pre-register for the conference call.

Participant dial-in numbers (conference ID 10024581) below if no pre-registration:

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Regal Partners Limited (ASX:RPL)

1H22 Results Presentation

23 August 2022

REGAL
PARTNERS

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Normalisation adjustments

Financial Information is presented on both a statutory basis (prepared in accordance with Australian accounting standards which include Australian equivalent to International Financial Reporting Standards (IFRS)) as well as information provided on a non-IFRS basis. Regal Partners considers that the non-IFRS financial information is important to assist in evaluating Regal Partners' performance. The information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. For a reconciliation of the non-IFRS financial information contained in this document and IFRS-compliant information, refer to slide 30 of this Information.

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1. 1H22 Highlights

Brendan O'Connor (Chief Executive Officer)

1H22 Highlights (six months to 30 June 2022)

Merger

- Merger between VGI Partners Limited (VGI Partners) and Regal Funds Management Pty Limited (RFM) completed on 3 June 2022
- Merged group named Regal Partners Limited (ASX ticker: RPL)
- Creates a market-leading provider of alternative investment strategies in Australia with \$4.7bn of Funds Under Management (FUM)¹
- Business brands of Regal Funds, VGI Partners, Kilter Rural and Attunga Capital retained
- Integration progressing well, including finance, technology, trading, risk management, distribution and client engagement strategies, as well as investment team collaboration; lead portfolio management responsibilities for VG8 transitioned to Phil King and Regal Funds Management with assistance from VGI Partners

1H22 result

- 1H22 statutory Net Profit After Tax (NPAT) of \$4.9m; pro forma normalised NPAT of \$20.1m (attributable to RPL shareholders)²
- Performance fees of \$22.7m despite market headwinds
- No interim dividend declared given recent 39.7c fully franked special dividend and growth opportunities ahead; intention to target a dividend payout ratio of at least 50% of normalised NPAT in future years, with dividends franked to the fullest extent possible

Outlook

- Well positioned for growth from existing funds and new strategies (e.g. Private Credit and Resources Royalties)

1. FUM for the group (including 100% of Kilter Rural, Attunga Capital and Gresham Royalties Management) includes non-fee earning funds. Data as at 30 June 2022.

2. For 1H22 statutory results, reverse acquisition accounting applies: 6 months of RFM and 27 days of VGI Partners are included in NPAT. Pro forma normalised NPAT has been calculated by including 6 months of both RFM and VGI Partners and has been normalised by adding back certain types of amortisation (contract assets, share based payments), unrealised fair value losses on investments and transaction costs of the merger (all tax-effected at 30%).



2. Corporate update

Brendan O'Connor (Chief Executive Officer)



“Regal Partners aims to be the leading provider of alternative investment strategies in Australia, delivering superior investment returns through a high-quality investment and operational team”

Introducing Regal Partners Limited (ASX:RPL)¹

REGAL
PARTNERS



Regal Partners Limited is an ASX-listed, specialist alternative investment manager with approximately A\$4.7bn in funds under management.

- Regal Partners (ASX:RPL) was formed on 3 June 2022, following the merger of ASX-listed VGI Partners Limited and privately-owned Regal Funds Management Pty Limited.
- The Merger combines two of Australia's most recognised hedge fund businesses, creating a market-leading provider of alternative investment strategies in the Asia-Pac region.
- The Group houses four dedicated alternative investment management businesses: **Regal Funds Management**, **VGI Partners**, **Kilter Rural** and **Attunga Capital**, together employing over 100 employees, located in offices across Sydney, Victoria, Singapore and New York.

\$4.7bn

Funds Under
Management (FUM)

RPL

ASX ticker

\$531m

Market capitalisation

4

Offices globally

100+

Employees

46

Investment professionals

1. All figures as at 30 June 2022. Funds under management for the group (including 100% of Kilter Rural, Attunga Capital and Gresham Royalties Management) includes non-fee earning funds.

Five key takeaways

1.

Regal Partners Limited is a specialist, diversified alternatives investment management business: managing \$4.7bn¹ in FUM across Long/Short Equities, Private Markets, Real and Natural Assets and Capital Solutions, on behalf of institutional, family office, charitable and private investors

2.

Growth-focused strategy, leveraging an institutional-grade corporate, distribution and operating platform

3.

Diversified investment capabilities with a long heritage in delivering **strong long-term** investment performance across a range of strategies generating significant returns for investors and shareholders

4.

Strong fundraising momentum across multiple products and assets classes and new growth initiatives

5.

High level of alignment – Regal staff exchanged shares in Regal for RPL shares (no cash) in the merger; no Regal or VGI staff have sold shares since merger completion

1. All figures as at 30 June 2022. Funds under management for the group (including 100% of Kilter Rural, Attunga Capital and Gresham Royalties Management) includes non-fee earning funds.

Exceptional investment capabilities across a range of alternative asset classes

REGAL FUNDS

Regal Funds is a multi-award winning specialist alternatives investment manager, pioneering the **hedge fund, private market** and **alternatives** industry in Australia since 2004.

INVESTMENT STRATEGIES:

Hedge Funds, Private Markets & Private Credit

VGI PARTNERS

VGI Partners Limited is a **global, high conviction long-short equity manager** focused on producing superior risk-adjusted returns over the long term.

INVESTMENT STRATEGIES:

Hedge Funds

KILTER RURAL

Kilter Rural¹ offers private market exposure to Australian **farmland, water** and **ecosystem assets**, with a significant focus on delivering positive environmental and social impacts.

INVESTMENT STRATEGIES:

Real Assets – Farmlands & Water



Attunga CAPITAL

Attunga Capital¹ offers private market exposure to **electricity, power** and **environmental commodity markets**, including global carbon markets.

INVESTMENT STRATEGIES:

Natural Assets – Power, Electricity & Carbon

1. Regal Partners has a 61.49% voting interest; 57.4% economic interest in Kilter Rural and a 51% interest in Attunga Capital.



Introducing Regal Funds Management

Introducing Regal Funds Management (RFM)

A history of growth and leading performance since 2004

RFM is a specialist alternatives investment manager, pioneering the hedge fund, private market and alternatives industry in Australia since 2004

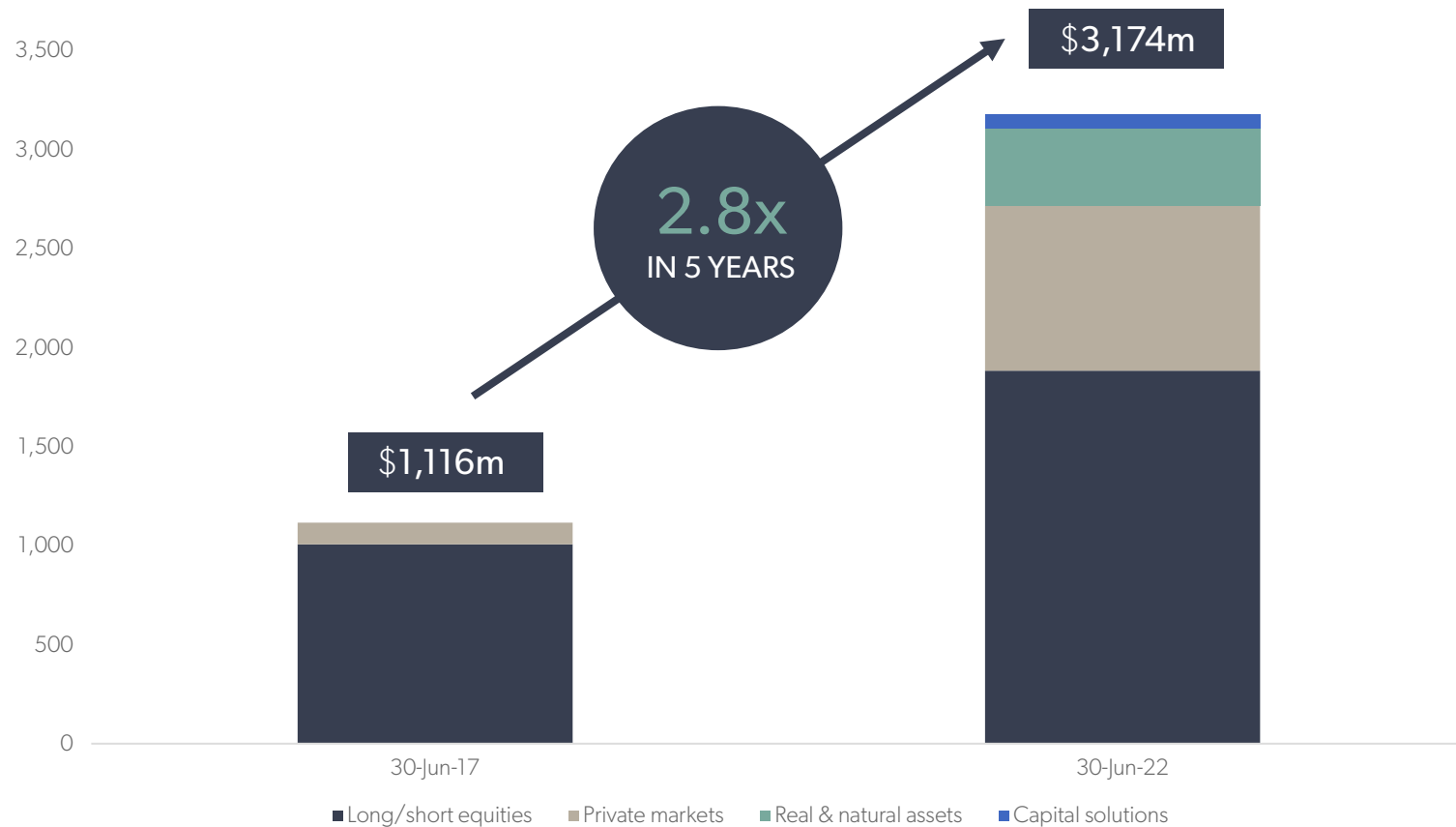
- Multi-award winning asset management business founded in 2004
- Strong performance track record delivering market leading returns for over 18 years
- Significant founder and staff capital invested across all strategies, underpinning investor alignment



1. All figures as at 30 June. Funds under management for Regal Funds Management (including 100% of Kilter Rural, Attunga Capital and Gresham Royalties Management) includes non-fee earning funds.

Regal Funds Management

Strong momentum in FUM Growth: CAGR +23% over last 5 years



1. All figures as at 30 June. Funds under management for Regal Funds Management (including 100% of Kilter Rural, Attunga Capital and Gresham Royalties Management) includes non-fee earning funds.

Regal Funds Management performance

Fund performance since inception¹

Fund (as at 30 June 2022)	Launch year	Since inception p.a.	Fund (as at 30 June 2022)	Launch year	Since inception p.a.
Long/short equities (unlisted)			Private markets		
Regal Atlantic Absolute Return Fund	2004	23.8%	Regal Emerging Companies Fund ⁴	2016	19.1% IRR ⁵
Regal Tasman Market Neutral Fund	2007	14.9%	Regal Emerging Companies Fund II ⁴	2018	15.5% IRR
Regal Australian Long Short Equity Fund	2009	13.2%	Regal Emerging Companies Fund III ⁴	2019	47.2% IRR
Regal Australian Small Companies Fund	2015	21.7%	Regal Emerging Companies Opportunities Fund	2020	26.6%
Regal Tactical Opportunities Fund	2020	77.2%	Real and natural assets⁶		
Regal Resources Long Short Fund	2021	39.0% ²	Kilter Balanced Water Fund	2015	13.9%
Regal Healthcare Long Short Fund	2022	0.5% ²	Kilter Water Fund	2014	14.9%
Listed investment vehicle			Kilter Farmlands Fund	2018	1.5%
RF1 (Regal Investment Fund) ³	2019	22.2%	Attunga Power and Enviro Fund	2006	13.8%
			Attunga Carbon and Enviro Fund	2022	-1.9% ²
			Capital solutions		
			Resources Royalties Fund ⁷	2019	30% IRR

1. Past performance is not a reliable indicator of future performance and should not be relied upon as an indication of the future performance of any fund or strategy.

2. Not annualised, less than 1 year track record.

3. Regal Investment Fund (ASX: RF1) provides exposure to a selection of RFM's strategies (Market Neutral, Long Short Equity, Global Alpha, Small Companies, Healthcare Long Short, Emerging Companies as at 30 June 2022).

4. Performance of Regal Emerging Companies Fund, Regal Emerging Companies Fund II and Regal Emerging Companies Fund III reflects internal rate of return of the relevant fund, not its annualised return, due to the close-ended nature of the relevant investment vehicle and because distributions from the relevant funds are not reinvested.

5. As at February 2022. Strategy fully realised.

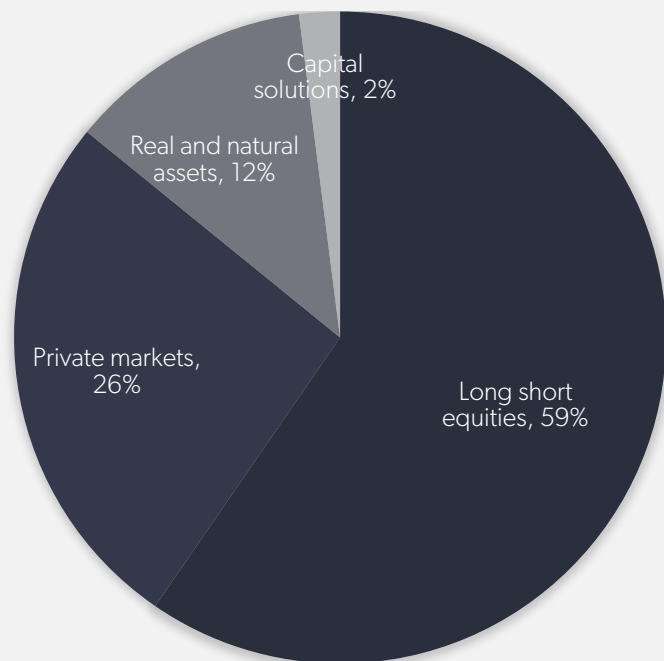
6. Regal is the majority owner of Kilter and Attunga.

7. Internal rate of return is based on the estimated fair value of the Gresham Resources Royalties Fund. Regal is a minority shareholder of the Gresham JV.

Regal Funds Management

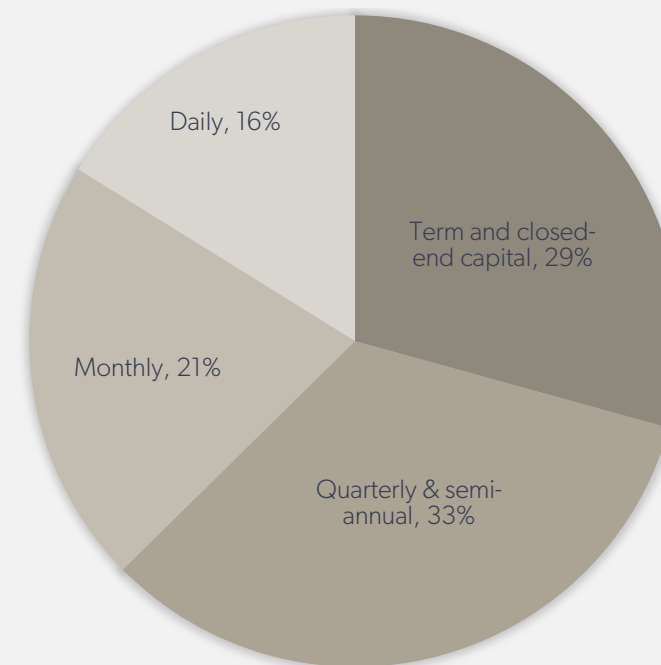
Well diversified across asset class and liquidity profile

FUM BY ASSET STRATEGY



- Evolution of business from equity long/short heritage into private markets, real and natural assets and capital solutions
- Alternatives are a highly attractive segment of the investment market, and a growing allocation within investment portfolios.

FUM BY FUND LIQUIDITY

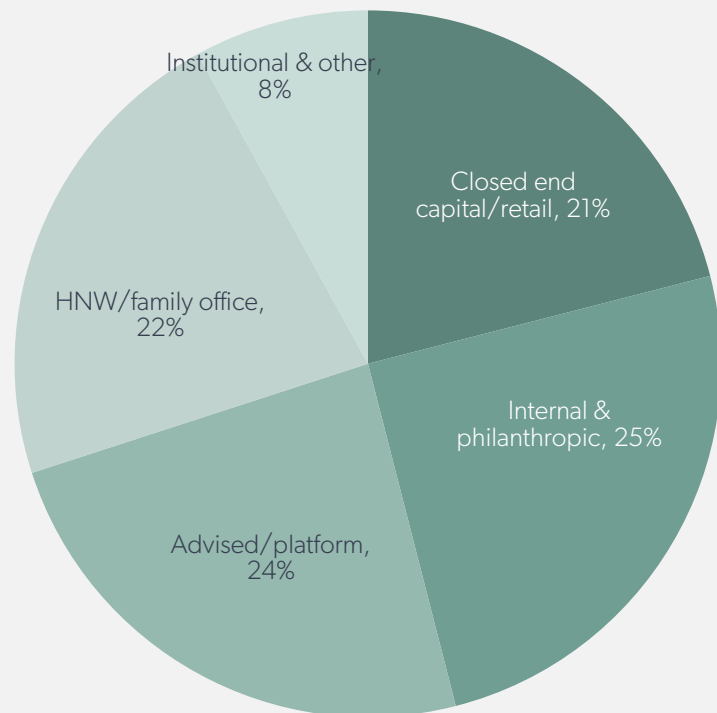


- Diversification of fund liquidity across listed and unlisted products, with >60% of FUM in strategies with quarterly, semi-annual or term liquidity
- Diverse asset base provides platform for future growth

Regal Funds Management

Favourable client mix and distribution channels

FUM BY CLIENT CHANNEL



- Continued investment in distribution capability
- Head of International Distribution appointed May 2022, Head of Kilter distribution appointed June 2022

>40%

Of client relationships held directly

<5%

No external client with greater than 5% of FUM

>1,000

Family office and high net worth investors

Regal Funds Management

FY22 – A transformational year

- Over \$700m in Net Flows in the 12 months to 30 June 2022¹
- **Successful completion of Capital Raise for ASX-listed investment trust, the Regal Investment Fund (ASX:RF1)**
 - Over \$200m raised via oversubscribed Wholesale Placement and 1:3 Entitlement Offer
- **3 New Regal Fund Launches**
 - Regal Resources Long Short Fund (AUD Unit Trust)
 - Regal Healthcare Long Short Fund (AUD Unit Trust & Offshore Cayman-vehicle)
- **Senior Executive Hires**
 - Chief Risk Officer – James Persson (ex-Credit Suisse)
 - Head of International Distribution – Ingrid Nell (ex-Macquarie Asset Management, Phoenix Asia)
 - Head of Australian Trading – John Manchee (ex-Morgan Stanley, Credit Suisse)
- **Increased Ownership Stake in Kilter Rural**
 - First institutional mandate in stand-alone water strategy received (North American insurer)
 - First retail research rating received – Murray-Darling Basin Balanced Water Fund
 - First close of Australian Farmlands Fund (~\$70m)
- **Acquired Majority Stake in Attunga Capital**
 - Launch of Carbon & Enviro Fund (January 2022)
- **Completed merger with ASX-listed VGI Partners**
 - Creating a \$4.7bn leading provider of alternative investment products²

1. Refers to Regal Funds Management only (Regal Funds, Kilter Rural, Attunga Capital, Resources Royalties).

2. As at 30 June 2022 (post distributions, net of reinvestment). Funds under management for the group (including 100% of Kilter Rural, Attunga Capital and Gresham Royalties Management) includes non-fee earning funds.



Regal Partners

Merger update

Management and operations

- Integration and collaboration between teams progressing well.
- New RPL branding and website launched; marketing and distribution being led by Regal Funds Management.
- Transitioning to one dealing and risk management system.
- Work underway on building and integrating other systems and technologies (e.g. combined CRM system).

Investment team and listed investment vehicles

- On 15 June 2022, VGI Partners Asian Investments Limited (ASX:VG8) announced it had entered into an investment advisory agreement, whereby Regal Funds Management, led by Regal's Chief Investment Officer (CIO) Philip King, would assist with the investment of VG8's portfolio.
- On 27 June 2022, VG8 announced that Philip King had moved to leading portfolio management responsibilities for VG8.
- VG8 will be supported by investment teams in Sydney, Singapore and New York. The Tokyo office will be closed.
- In recent weeks, the VG8 portfolio has been repositioned towards some new opportunities (e.g. within the energy and materials sectors).
- Robert Luciano, VGI Partners' CIO, is now solely focused on portfolio management; having stepped off the VGI Partners Board at merger completion and the VG1 and VG8 Boards on 15 June 2022.
- Team expansion (e.g. head of Regal's Australian trading moved to the New York office; new experienced hire in Sydney).

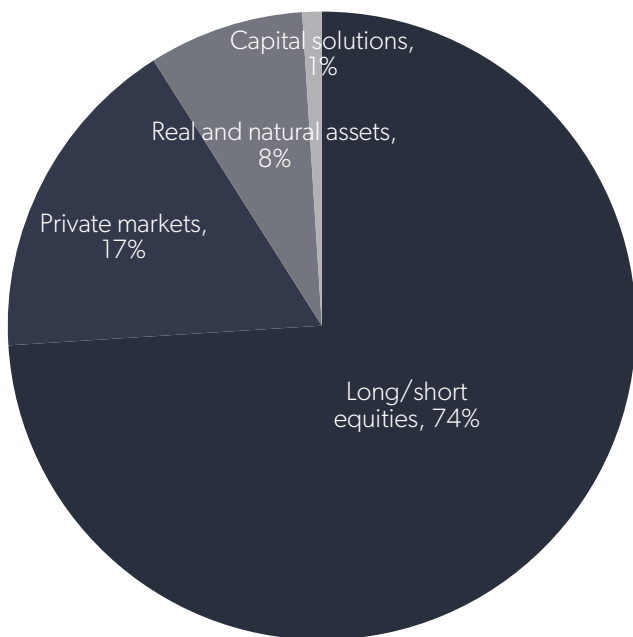
Common long-term incentive

- Approval of a common long-term incentive arrangement to promote alignment of employees with RPL shareholders.

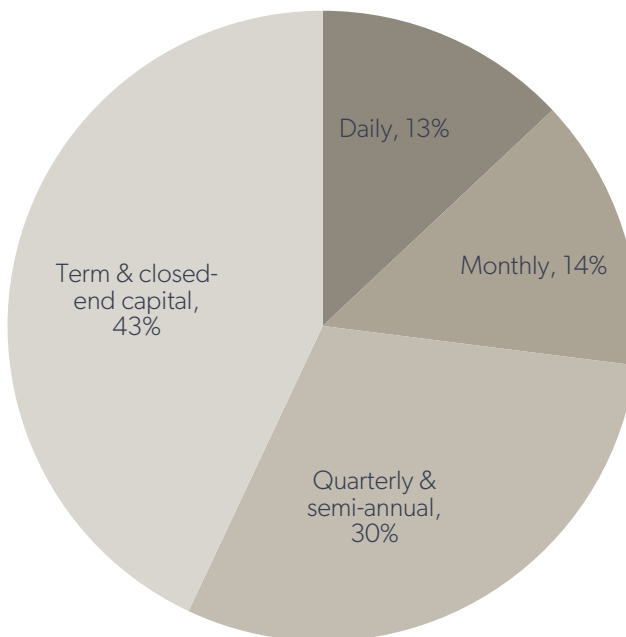
Regal Partners – A strong platform for continued growth

Well diversified across asset class, liquidity profile and client type – FUM as at 30 June 2022

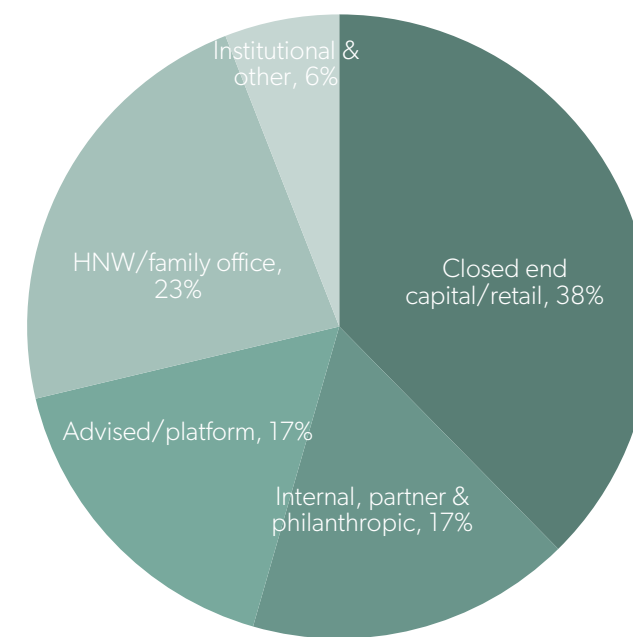
FUM BY ASSET STRATEGY



FUM BY FUND LIQUIDITY



FUM BY CLIENT CHANNEL



Figures as at 30 June 2022. Funds under management for the group (including 100% of Kilter Rural, Attunga Capital and Gresham Royalties Management) includes non-fee earning funds.



3. Financials

Ian Cameron (Chief Financial Officer)

Pro forma normalised profit or loss statement

	6 months to Jun 2021 (1H21) ¹	6 months to Dec 2021 (2H21)	6 months to Jun 2022 (1H22)	12 months to Jun 2022
\$m				
Average FUM (\$bn) ²	5.8	6.0	5.6	5.8
Average management fee (%)	1.28%	1.18%	1.20%	1.19%
Management fees (net)	37.9	35.5	33.3	68.8
Performance fees (net)	114.4	49.2	22.7	71.9
Other income	8.8	2.7	7.0	9.7
Total net income	161.1	87.4	63.0	150.4
Employee benefits expense	(40.3)	(22.4)	(20.4)	(42.8)
Other expenses	(12.8)	(10.5)	(10.4)	(20.9)
Total expenses	(53.1)	(32.9)	(30.8)	(63.6)
Profit before income tax	108.0	54.5	32.2	86.8
Income tax expense	(32.9)	(16.2)	(9.5)	(25.7)
Profit after tax pre non-controlling interests	75.1	38.3	22.7	61.1
Non-controlling interests	(1.0)	(0.5)	(2.6)	(3.1)
Normalised NPAT	74.0	37.8	20.1	58.0
Cost/income (%)	33%	38%	49%	42%
Earnings per share (cents)	35.0	17.9	9.5	27.4

- The statutory results have been accounted for under the principles of reverse acquisition accounting and do not represent an accurate reflection of the underlying performance of the business
- Pro forma normalised profit or loss statement prepared on the basis that the merger completed on 1 January 2021 and excludes one-off and some non-cash items (e.g. amortisation of contract assets and unrealised gains and losses on investments)
- 1H22 performance fees of \$22.7m despite market headwinds
- Employee expenses include bonuses that reward investment team members for fund performance
- Pro forma earnings per share assumes 211.5m shares outstanding for all periods
- Please refer to the Appendix for a reconciliation between statutory NPAT and pro forma normalised NPAT

1. Based on unaudited accounts for Regal Funds Management Pty Limited.

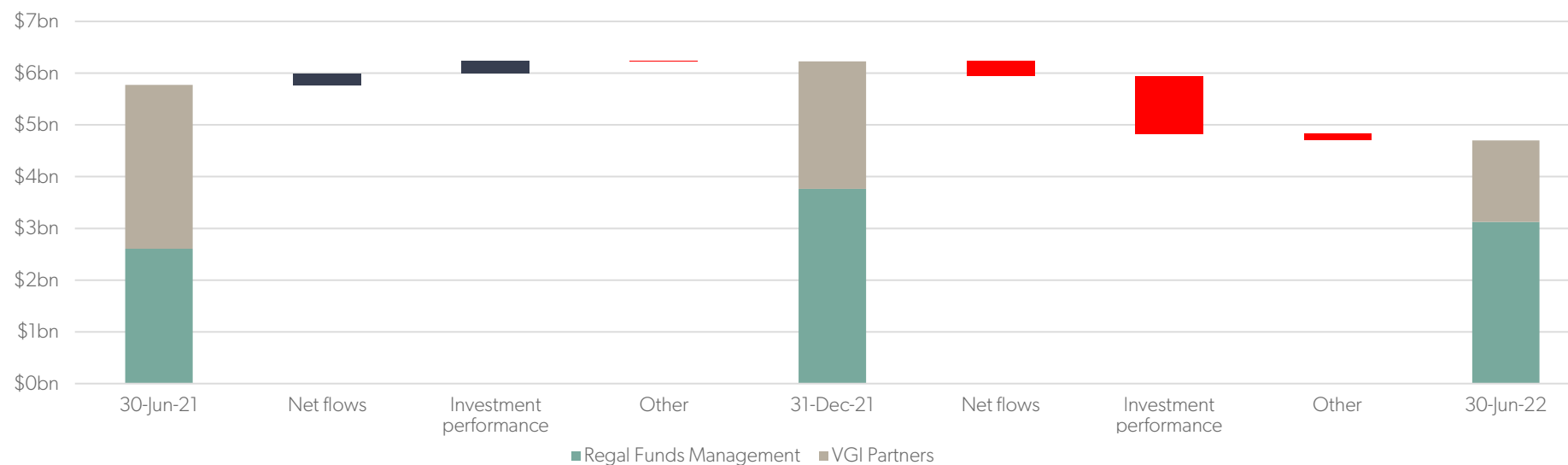
2. Funds under management for the group (including 100% of Kilter Rural, Attunga Capital and Gresham Royalties Management) includes non-fee earning funds.

Pro forma group FUM

Movements over last 12 months

	30 Jun 2021 ¹	Net flows	Investment performance ²	Other ³	31 Dec 2021 ¹	Net flows	Investment performance ²	Other ³	30 Jun 2022 ¹
\$bn									
Investment business									
Regal Funds Management ⁴	2.6	0.6	0.5	0.1	3.8	0.2	(0.7)	(0.0)	3.2
VGI Partners	3.2	(0.3)	(0.3)	(0.1)	2.5	(0.5)	(0.4)	(0.0)	1.6
Total	5.8	0.2	0.2	(0.0)	6.2	(0.3)	(1.1)	(0.1)	4.7

\$4.8bn
as at
31 July
2022



1. FUM adjusted for balance date subscriptions, redemptions and distributions net of reinvestments.

1. Past performance is not a reliable indicator of future performance and should not be relied upon as an indication of the future performance of any fund or strategy.

2. Other includes acquisitions (Attunga Capital, December 2021), buy-backs within listed investment vehicles, investor dividends and distributions (net of reinvestment), foreign exchange, income and tax.

3. Funds under management for Regal Funds Management (including 100% of Kilter Rural, Attunga Capital and Gresham Royalties Management) includes non-fee earning funds.

Statutory balance sheet

	30 June 2022
\$m	Group
Cash and cash equivalents	47.2
Trade and other receivables	35.9
Financial assets at fair value	69.1
Contract assets	36.5
Intangible assets	182.1
Other assets	33.8
Total assets	404.5
Trade and other payables	12.1
Employee entitlements	48.7
Other liabilities	31.5
Total liabilities	92.3
Net assets	312.2
Shares outstanding (m)	211.5m
Franking credits (\$m)	26.0

- Robust and liquid balance sheet; no debt; surplus capital of approximately \$50m primarily represented by seed capital in listed funds (VG1 and VG8) and Regal Funds Management (RFM) unlisted funds
- No interim dividend, noting VGI Partners Limited paid approximately 76.7c per share of fully franked dividends during the 12 months to June 2022 to pre-merger shareholders
 - 10 September 2021: interim fully franked dividend for 2021 of 31c
 - 16 March 2022: final fully franked dividend for 2021 of 6c
 - 9 June 2022: special fully franked dividend of approximately 39.7c
- Contract assets relate to certain VG1/VG8 IPO costs that are being amortised over 10 years
- Intangible assets largely due to goodwill arising from the merger between VGI Partners and RFM
- 141.0m shares were issued to RFM's owners on 3 June 2022
 - All shares issued to RFM owners are subject to either formal escrow deeds or intention statements not to sell or transfer until a range of dates between March 2024 and December 2026
- No Regal or VGI staff have sold shares as part of, or subsequent to, merger completion



4. Strategy and outlook

Brendan O'Connor (Chief Executive Officer)

Well positioned for growth through the cycle

Diversified, scalable and growing platform

- Well diversified across types of clients, skew to high-value wholesale investors, HNW and family office
- Limited concentration risk with no single external investor representing >5% of AUM
- Multiple and growing number of asset classes building on heritage in long / short equities to deliver multi-asset capability
- 43% in term or closed-ended products, providing stable asset base for future growth
- Proprietary operating platform built for scale across asset classes, markets and regions

Attractive market tailwinds

- Increasing investor appetite for uncorrelated, non-traditional investment strategies
- Alternatives and private markets represent growing sector in HNW and endowment portfolio allocations
- Continued growth in allocation to alternative investments / democratisation of alternative asset classes

Strong business economics

- Attractive management fee margins
- 100% of products have performance fee earning capability
- High recurring revenue base with significant earnings leverage to performance and FUM momentum
- Low capital requirements to scale
- Significant amount of available capacity. Total capacity currently estimated at \$15bn¹

1. Management's estimate of capacity based on the current and proposed Regal Partners strategies.

Multiple opportunities for growth

1.

Maintain current fundraising momentum

- Continue to grow and scale existing strategies, building on strong FY22 momentum
- Leverage increased visibility from VGI-Regal merger and emerging opportunities to cross-sell Group capabilities across wider client group
- Support and nurture new and existing client relationships through ongoing investment in digital marketing capabilities, CRM and marketing automation programs

2.

Seed new strategies / partnerships

- Seek to hire or partner with the best internal and external talent for new strategies, leveraging strong existing distribution capabilities and supportive wholesale investor base
- Continue to develop organic growth opportunities for internal investment talent

3.

Continue investment in distribution

- Addition of offshore distribution capability to capitalise on increasing inbound enquiry from international family office and institutional investors
- Continued investment in domestic distribution team
- Enhancement in marketing technology and CRM platform to drive efficiencies and cross-sell opportunities

4.

Inorganic growth opportunities

- Assess and review opportunities for inorganic growth, where it makes sense
- Inorganic growth opportunities should aim to diversify revenue base and leverage the scalable operating platform

5.

Attract & retain the best talent

- Top quartile investment performance requires a platform that recruits and retains the best investment talent
- Continue to provide opportunities for growth and development within the business
- Leverage strength of Regal culture and brand to be the Group of choice for top investment talent



5. Q&A

Brendan O'Connor (Chief Executive Officer)
& Ian Cameron (Chief Financial Officer)



Appendix

Reconciliation of statutory to pro forma normalised NPAT

	6 months to Jun 2021 (1H21)	6 months to Jun 2022 (1H22)
\$m		
Statutory NPAT attributable to RPL shareholders	27.5	4.9
Amortisation of assets	1.0	1.6
Unrealised fair value loss on investments	1.2	11.7
Merger transaction costs (excluding VGI's costs pre merger completion)	0.0	1.5
Tax effect on the above (at 30%)	(0.7)	(4.2)
Normalised VGI Partners NPAT	42.9	4.5
Normalised Kilter Rural and Attunga Capital NPAT	2.1	–
Pro forma normalised NPAT attributable to RPL shareholders¹	74.0	20.1

- The statutory results for the half year ended 30 June 2022 have been presented to reflect Regal Funds Management for the period from 1 January 2022 to 3 June 2022, and the newly formed combined Regal Partners Limited consolidated group results of Regal Funds Management including VGI Partners for the period 4 June 2022 to 30 June 2022.
- The comparative results for the half year ended 30 June 2021 reflect Regal Funds Management only for that period.
- Pro forma normalised NPAT has been prepared on the basis that the merger completed on 1 January 2021 and excludes one-off and some non-cash items (e.g. amortisation of contract assets and unrealised gains and losses on investments).
- The adjustment in the table for Normalised VGI Partners NPAT reflects VGI Partners' NPAT for 1 January to 3 June 2022 in 1H22 and 1 January to 30 June 2021 in 1H21.

1. Based on unaudited accounts for Regal Funds Management Pty Limited.

Merger rationale

Diversification and growth

- Creation of a **market-leading provider of alternative investment strategies** with total FUM of approximately \$4.7 billion¹
- Provides exposure to a growing, scalable and well-diversified investment management group, providing hedge fund, private market and real asset investment strategies to institutional, high net worth and retail investors in Australia and offshore
- Combines the deep industry experience, networks, and established investment track records of two industry leaders – Philip King and Robert Luciano – and their respective investment and management teams, and their history in creating innovative and well-regarded alternative investment products

Investment team

- The merged entity will provide VGI access to Regal's extensive investment capability in Australian and Asian equity markets, unlisted investments and real assets
- Ability to leverage the strength of Regal's investment team through deep sector expertise and strong track record of performance

Centralised and scalable corporate platform

- Regal has an institutional-grade corporate platform and well-established marketing and distribution capability, designed for scale and to minimise non-investment related activities for key investment staff
- Leverages a deep network of relationships across the merged group, including existing long-term relationships with high net worth individuals and family offices, alongside a combined retail investor base of over 19,000 investors across VGI Partners Global Investments (ASX:VG1), VGI Partners Asian Investments (ASX:VG8) and the Regal Investment Fund (ASX:RF1)

1. As at 30 June 2022. Funds under management for the group (including 100% of Kilter Rural, Attunga Capital and Gresham Royalties Management) includes non-fee earning funds.

Merger summary and timeline

1.

- 31 January 2022 - Regal Funds Management (Regal) and ASX-listed VGI Partners Limited (VGI) enter exclusive discussions regarding a potential merger of the two businesses, signing a non-binding merger term sheet.

2.

- 30 March 2022 – Discussions progress, with a binding merger term sheet signed, whereby VGI agrees to acquire 100% of the shares in Regal in consideration for the issue of new VGI shares, subject to shareholder approval. If passed, existing VGI shareholders expected to represent approximately 33% of the Merged Entity and existing Regal shareholders, approximately 67%.

3.

- 27 May 2022 – Shareholder approval for Merger. New Board, name change to 'Regal Partners Limited' and ASX ticker change to ASX:RPL also approved.

4.

- 3 June 2022 – Merger completes, including name change, alongside new Board and Management changes of the Group, whereby Regal CEO, Brendan O'Connor becomes CEO of RPL. No Regal or VGI investment team members are on the management team or on the RPL Board.

5.

- 7 June 2022 – Regal Partners trades under the ticker ASX: RPL.

RPL steered by a Board with deep experience



Michael Cole AM, Independent Chair

Michael has over 40 years' experience in investment banking and portfolio management. Michael has held the following roles over his extensive career: Executive Director and Executive Vice-President of Bankers Trust Australia, Chairman of Challenger Listed Investments, Chairman of IMB Bank, Director of NSW Treasury Corporation, Chairman, SAS Trustee Corporation (State Super Board), Chairman of Ironbark Capital (IBC), an ASX-listed LIC and Chairman of Platinum Asset Management.



Ian Gibson, Executive Director

Ian has over 25 years' experience in financial markets, spending the last 15 years acting as Director, investment adviser and consultant to a range of financial groups and organisations. Currently, he is a Director of Regal, Director of Kilter Rural, Director of Attunga Capital, Director of Gresham, adviser to RPG Management, a Director and member of the Investment Committee (IC) for Realside Financial Group and an independent member of the IC for Atrium Investment Management.



Sarah Dulhunty, Independent Non-Executive Director

Sarah has over 30 years' experience in equity capital markets, M&A, Corporate Governance, and Corporate and Securities Law. Sarah was previously a Partner of Ashurst for 24 years, including 4 years as a Board member. She has also served as a member and then Acting President of the Australian Takeovers Panel over 9 years and sat on the AICD Law Committee for 13 years. She is on the Board of Governors of Winnifred West Schools and is Deputy Chair of the Corporations Committee of the Business Law Section of the Law Council of Aust.



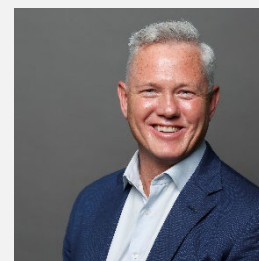
David Jones AM, Non-Executive Director

David has more than 30 years' experience in investment markets, the majority as a general partner in private equity firms, and prior to that in general management and management consulting. David has been a board member of numerous private and public businesses, including a number in the wealth management sector. David is a non-executive member of the IC of EMR Capital, Chairman of DTS Capital Partners and an advisor to Aviron Investment Management. He is also Chairman of VGI Partners Global Investments and a Director of VGI Partners Asian Investments.



Jaye Gardner, Independent Non-Executive Director

Jaye has more than 30 years' experience in corporate finance. She is a Managing Director of Grant Samuel. She also advises on mergers, acquisitions and asset sales with a focus on the financial services, property, health and media industries. Jaye is a Senior Fellow of the Financial Services Institute of Australasia, an Associate of the Institute of Chartered Accountants in Australia and New Zealand and a Graduate of the Australian Institute of Company Directors. She was a Director of VG1 from 25 July 2017 to 8 May 2019.

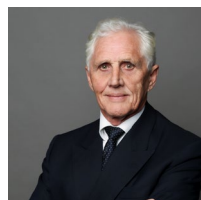


Brendan O'Connor, CEO and Managing Director

Brendan has over 25 years' experience in financial markets and asset management and is currently Chief Executive Officer of Regal Partners. In addition, he is a Director of Kilter Rural, Director of Attunga Capital and a Director of Gresham. Previously, Brendan was Chief Financial Officer of Challenger's Asset Management and then Funds Management business and served as a director on the Board of several listed investment trusts and several of Fidante Partners' boutique asset managers.

Experienced and high calibre team

Board with a deep bench of experience



Michael Cole AM
Independent Chair



Sarah Dulhunty
Independent NED



Jaye Gardner
Independent NED



Ian Gibson
Executive Director



David Jones AM
Non-Executive Director



Brendan O'Connor
CEO & Managing Director

Supported by an experienced & specialised management team

Brendan O'Connor
Chief Executive Officer

Ian Cameron
Chief Financial Officer & Joint Company Secretary

James Persson
Chief Risk Officer & Head of Portfolio Financing

Kathleen Liu
General Counsel & Joint Company Secretary

George Mormanis
Chief Technology Officer

Rebecca Fesq
Head of Client Business and Strategic Partnerships

Rob Saunders
Head of Distribution

Enabling talented investment teams to deliver for investors

Regal Funds

VGI Partners

Kilter Rural

Attunga Capital

Resources Royalties

Private Credit
(expected to launch 2H22)

Philip King
Chief Investment Officer (CIO)

Robert Luciano
CIO

Cullen Gunn **Euan Friday**
CEO CIO

Mark Roberts **Helen Longney** **David Collins**
Portfolio Manager Portfolio Manager Portfolio Manager

James Morrison **Simon Klimt**
Portfolio Manager Portfolio Manager

Jacob Poke **Gavin George**
Portfolio Manager Portfolio Manager

Our behaviours

Clients first

Never lose sight of our clients and always act with **integrity**. Seek to constantly exceed expectations, both in investment performance and client experience. Delighted clients are our best advocates.

Custodians of capital

Everyday we remind ourselves of the fiduciary duty we owe to our funds and our clients. Promote **active risk management, identify and manage all risks**. Lead by example and be responsible for how and what you do. The opportunity to manage external capital is a privilege and must be respected.

Accountability & reputation

Nothing is more valuable than our reputation. Ensuring the highest standards for compliance and regulation is not for negotiation. **The standard you walk past is the standard you accept.**

Entrepreneurial mindset

Think like a **business owner**. Be passionate. Always be searching for new opportunities. Embrace change and uncertainty. Leave no stone unturned.

Teamwork

We aim to hire talented people and provide them with an opportunity to do their best work together. We operate a flat structure and win as a team, not as individuals. Leverage the collective. Embrace diversity of thought. **Whoever is closest to the ball kicks it.**

Alignment

Understand the power of **true partnerships**. Invest alongside our clients. Ensure interests always remain aligned. We manage our clients capital in the same way we manage our own.

Why alternatives?

Alternative asset management can deliver enhanced returns that are uncorrelated to traditional financial assets. There are two primary ways for investors to access alternative investments:

- Direct investment into alternatives incl. private companies, private debt, real assets or other alternative assets
- Applying alternative investment strategies to traditional asset classes (via a long-short strategy to listed equities)

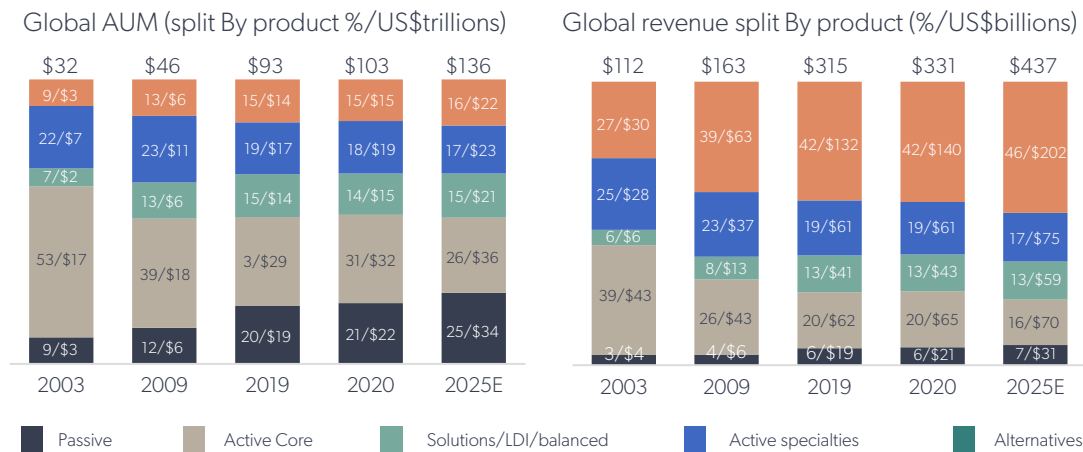
Regal Partners are specialists in the active management of alternative strategies and the investment into alternative asset classes.

The benefits of alternative assets include:

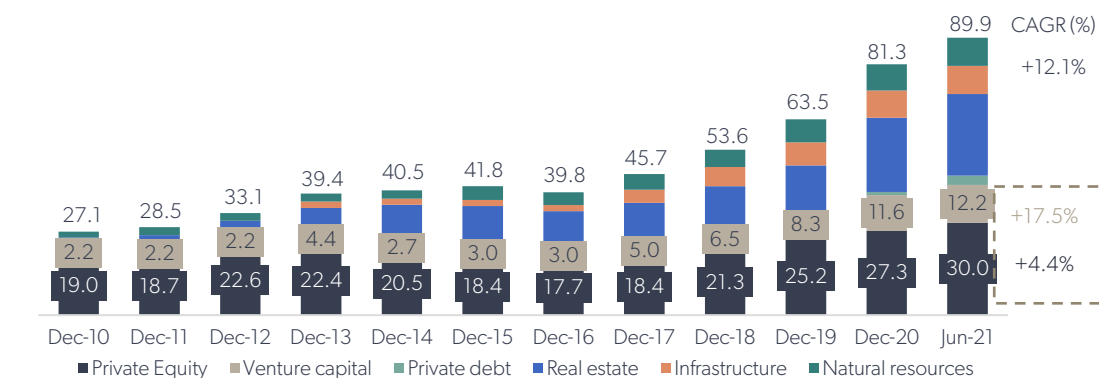
- Diversification
- Uncorrelated returns to the broader market
- Enhanced ability to generate returns

Investment in alternatives can optimise the level of risk-reward characteristics of a portfolio by delivering a higher expected return for a defined level of risk or lowest risk for a given level of expected returns

Significant increase in allocation to alternatives¹



Australian private capital AUM (\$bn)^{2,3}



1. BCG global asset management market-sizing database 2021; BCG global asset management benchmarking databases 2021.

2. Preqin data.

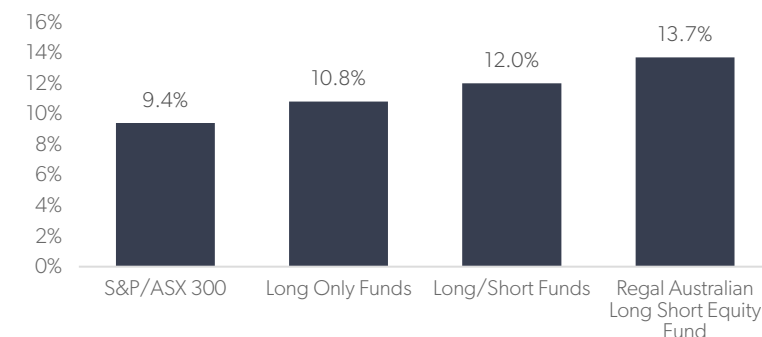
3. Morgan Stanley Counterpoint Global Insights – Public to Private Equity in the US: A long term look (August 2020).

Asset class: Long/short equities

WHAT IS LONG/SHORT EQUITIES?

- Long/Short equity funds contain a range of strategies that provide certain exposure to market risk (or beta) and can enhance market returns and/or reduce risk.
- Long and Short positions can both enhance returns and hedge or mitigate risk.
- Selecting the right long/short equity investment strategy together with choosing the right manager and due diligence can enhance the benefit of using a long/short equities investment strategy in a multi-asset portfolio.

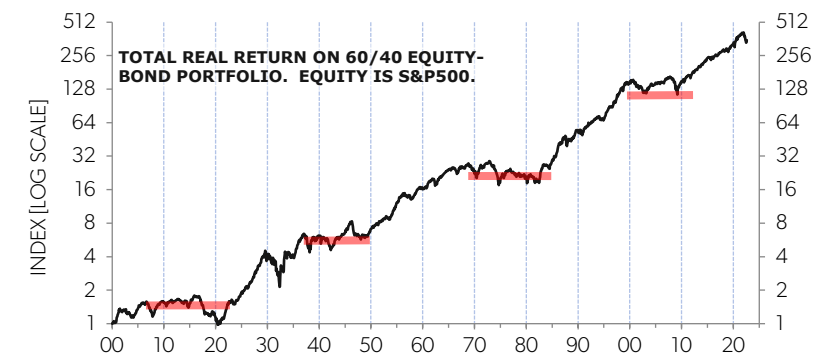
Annualised performance (10 years)¹



THE OPPORTUNITY

- Heightened market volatility and dispersion within sectors creates a favourable backdrop for active managers.
- Historically, periods of rising inflation and high asset valuations (equities and bonds) have often precipitated a period of low or no market (beta) returns.
- Growing awareness of the value alternative investment strategies can add to a traditional portfolio as allocators are increasing weightings to alternatives as clients seek growth and diversification.

60:40 Equity Bond Total Real Return Index²



REGAL'S CAPABILITY

- Regal commenced operations in 2004 and VGI in 2008. Both businesses have managed long/short investment strategies through numerous market cycles as well as geo-political events and regulatory change.
- Regal and VGI are “bottom-up” fundamental stock-pickers who seek to harvest idiosyncratic returns rather than just market risk or beta.
- Regal & VGI possess one of the largest fundamental investment teams in Australia with deep sector expertise as well as regional specialisation.



Asset class: Private markets

WHAT IS PRIVATE MARKETS?

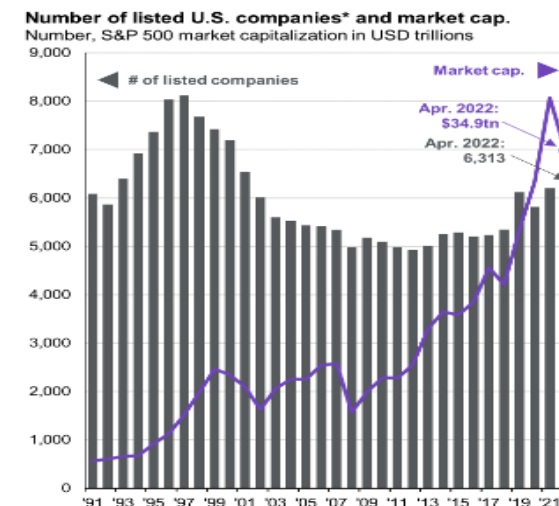
- Private market opportunities combines the attributes of private equity and hedge fund investing to provide access to unlisted and listed opportunities among the next generation of Australia’s leading companies.
- Spanning both private and public markets provides insights into price and term dislocation that can exist when either market is stressed.
- Private markets are larger than public markets and dominated by growth companies. The number of US publicly listed companies has declined since the 1990s and 87% of companies with >US\$100m in revenue are private.

THE OPPORTUNITY

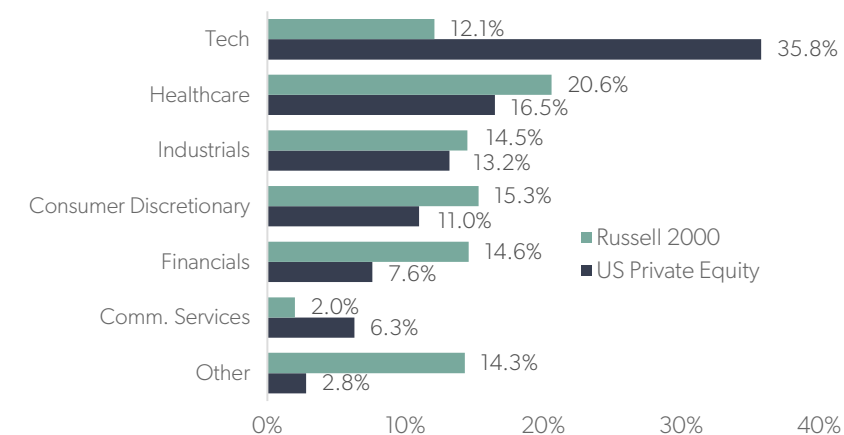
- Market downturn and volatility can result in opportunistic trades which Regal can capitalise on from a position of relative strength. Some traditional fund managers are retreating from this part of the market.
- The trend of companies staying private for longer increases the breadth of opportunities in what we believe is now a better valuation environment for new investments. Significant valuation re-adjustment has already occurred, particularly among small cap listed technology and loss-making exposures. Our view is- what was previously a sellers’ market (favouring companies raising capital) has become a buyers’ market (favouring capital providers), with increasing opportunities to invest via attractive investment structures.

REGAL’S CAPABILITY

- Longest track record in Australia operating a dedicated pre-IPO Emerging Companies strategy that combines attributes of both private equity and hedge fund investment styles.
- Broad access to high quality deal flow of unlisted and illiquid opportunities which can be difficult to access and do not fit the mandates of many traditional investment firms.
- Achieved market-leading returns across four Emerging Companies funds since strategy inception in 2016.
- Experienced and highly aligned team of investment professionals dedicated to the strategy.



Private vs public equity sector weights



Asset class: Real & natural assets – water

WHAT IS WATER?

- The southern Murray Darling Basin (sMDB) market investment returns comprise an attractive mix of yield and capital growth. The number of permanent water entitlements available in Australia are fixed adding to the security of the asset.
- The ownership of a perpetual water entitlement provides an investor with the opportunity to generate income by either selling or leasing the annual water allocation attached to that entitlement each year. The current market value of the sMDB is estimated to be approximately \$32bn with \$1bn turnover p.a.
- Permanent water entitlements are tradeable and investors have the opportunity to generate capital growth should the underlying value of an entitlement appreciate.
- Water has no or little historical correlation to traditional financial assets such as equities or bonds.

THE OPPORTUNITY

- The value of water entitlements is driven by the availability of water and the value of agricultural products that use water. Climate change is leading to lower rainfall in the sMDB and the planting of higher margin and perennial crops such as almonds are creating a growing demand for high security water. These crops do not have flexibility such as annual crops with regards to water usage. Accordingly, the price of high security water entitlements are supported by strong economic tailwinds and limited supply. For example, the total area planted to almonds in Australia has grown more than 16-fold since FY2001 and 97% of almond trees planted in Australia are in the sMDB. Over 25,000ha have been planted in the last 5 years. At current growth rates water usage is estimated to increase by 27% by FY25.

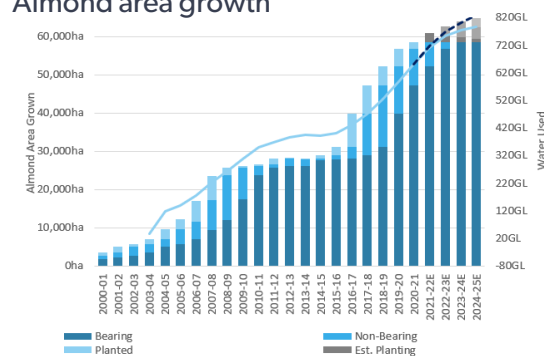
REGAL'S CAPABILITY

- Experience: Since 2006, Kilter Rural has partnered with investors to deploy capital at scale for sound long-term returns from Australian water assets.
- Innovation: Kilter Rural approach has set a precedent and transformed the market for investment in water in Australia. This extensive experience forms the basis of the investment strategy for the Kilter Water Fund and the Murray-Darling Basin Balanced Water Fund.
- Performance: The Kilter Water Fund has delivered a return of 15.3% p.a. since inception in June 2014.

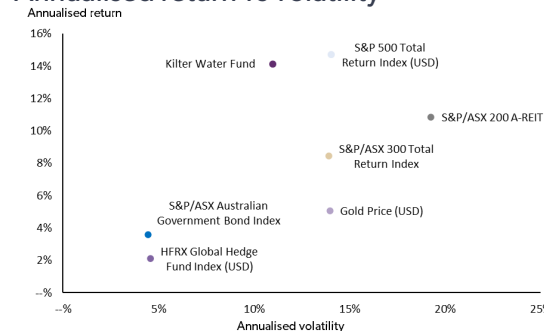
Murray Darling Basin region



Almond area growth



Annualised return vs volatility



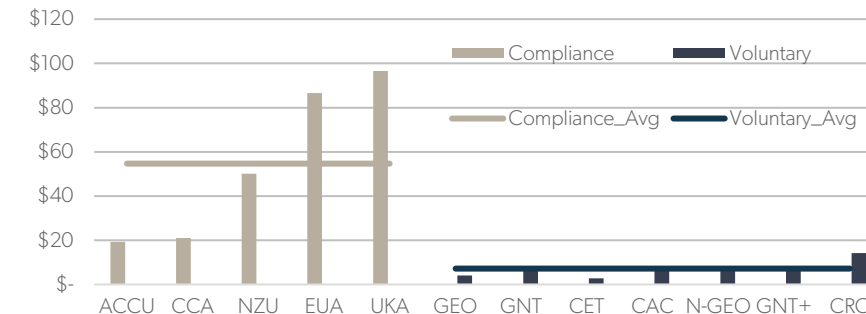
Source: Aither, Kilter Rural, Almond Insights Report 2020-21 (Almond Board of Australia), Bloomberg. Past performance is not a reliable indicator of future performance and should not be relied upon as an indication of the future performance of any fund or strategy. Returns are based on net returns since inception of the Kilter Water Fund.

Asset class: Real & natural assets – carbon

WHAT IS CARBON?

- International agreements such as the Kyoto Protocol and Paris Agreement have been established to codify and coordinate global efforts to reduce emissions in the absence of a global standard.
- Prices in regulated markets have seen considerable growth in recent years which is yet to be reflected in voluntary markets. Whilst voluntary demand has seen strong growth, evolving methodologies for trading prior to the conclusion of Paris Article 6 has prevented many from using voluntary credits.
- Voluntary demand continues to grow, and compliance markets tighten. Carbon markets will play an important role in channeling solutions and the investment needed to support the transition to net zero.

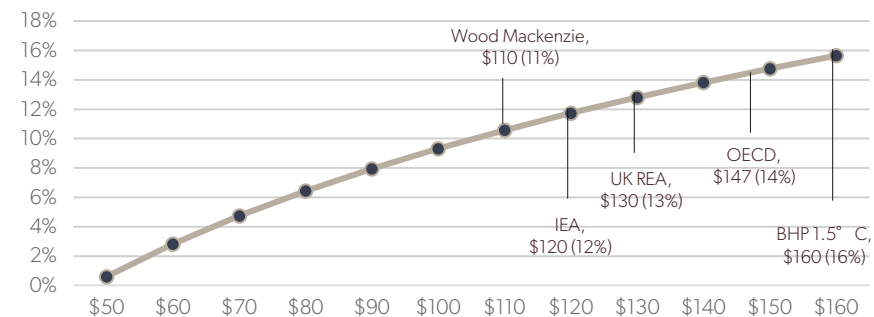
Compliance vs voluntary carbon prices (USD)



THE OPPORTUNITY

- Global carbon markets are early stage in their development, are undergoing constant change, are complicated and the framework creates almost inevitable opportunity.
- Decarbonisation and the transition to net zero will see significantly increased demand for carbon reduction and offsetting. Long term prices need to be above current levels, but this will not be a straight line. This process will see dislocations within and between carbon and related markets, and different market structures and frameworks will result in pricing misalignment and opportunities.

Annualised Return Given Carbon Price in 2030



REGAL'S CAPABILITY

- Experience: Attunga has a >15 year track-record trading and investing in the Australian power and environmental markets (including carbon and renewables). Attunga has an experienced team with average employee tenure >10 years.
- Both power and carbon are niche strategies that require specific skills and knowledge.
- Performance: The Attunga Power & Enviro Fund (PEF) has delivered a return of 13.8% p.a. since inception in August 2006. This return stream has been delivered with close to zero correlation to other asset classes.

Attunga PEF Annualised Returns

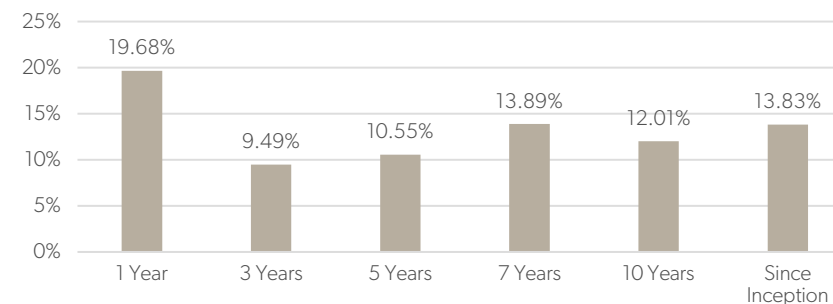


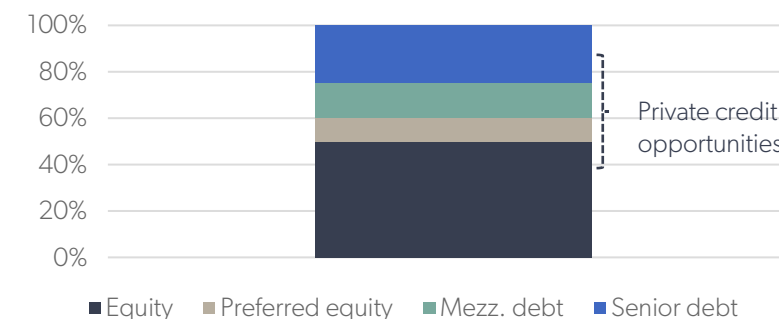
Chart 1: Carbon Pulse, Bloomberg. Chart 2: As at June 2022. Chart 3: Based off IHS Markit Global Carbon Index weighted carbon price of USD \$47.63 as at 5 Aug 2022. Past performance is not a reliable indicator of future performance and should not be relied upon as an indication of the future performance of any fund or strategy.

Asset class: Capital solutions – private credit

WHAT IS PRIVATE CREDIT?

- Private Credit typically refers to directly originated, illiquid debt instruments that are not traded on an exchange and therefore are typically held-to-maturity. Investments are made both bilaterally or as part of small syndicate to borrowers who can't, or chose not to obtain capital from traditional sources (e.g. from a bank or in the form of common equity).
- Investments are generally secured by corporate, real or financial assets but can include cashflow lending.
- Private Credit is an alternative asset class with defensive characteristics such as contractual income, downside protection, low volatility and an inflation hedge, but can also provide potential upside participation in companies.
- Private Credit creates diversification away from traditional long only equity and real estate asset classes for the portfolios of wholesale investors.

Illustrative capital structure



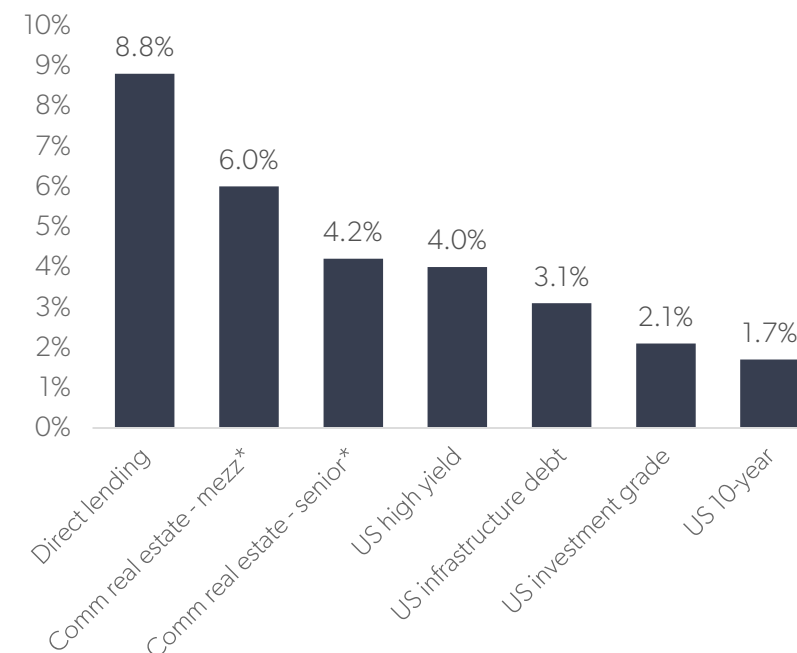
THE OPPORTUNITY

- Many traditional borrowers (e.g. the major banks) are withdrawing from parts of the market because of regulatory capital changes, concentration risks or ESG concerns. This has created an opportunity for Private Credit investors to directly originate investments.
- Private Credit is a growing asset class from a low base. Many borrowers choose to avoid an expensive and dilutive equity raise or a restrictive debt package from a traditional finance provider creating a natural demand for Private Credit investments.

REGAL'S CAPABILITY

- Regal has established a leading position as one of Australia's largest providers of capital to Australian private companies via the Emerging Companies investment strategy over the past six years. Regal's extensive relationships with these companies, brokers and other fund managers provide a comprehensive pipeline of unique private market deal opportunities.
- Regal is uniquely placed to analyse the deal opportunities that other lenders see as too complex and has the capacity to leverage Regal's large fundamental and sector-specific investment team and independent risk management capability.
- Regal expects to seed the Regal Private Credit Opportunities Fund.

Indicative asset class yields on select US credit



Asset class: Capital solutions – Resources Royalties

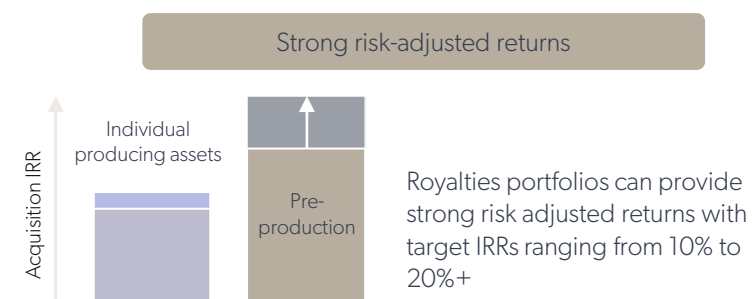
WHAT IS RESOURCES ROYALTIES?

- The nature of a royalty often enables it to circumvent many of the direct risks of mining, thereby improving the risk/reward normally associated with investing in the natural resources sector.
- Royalties sit between debt and equity in the capital structure and represents a contractual right that can be structured to transfer with a tenement.
- Royalties portfolios can provide strong risk adjusted returns depending upon the nature of the project. Further, Resource conversion and increased production can provide upside to the royalty holder.



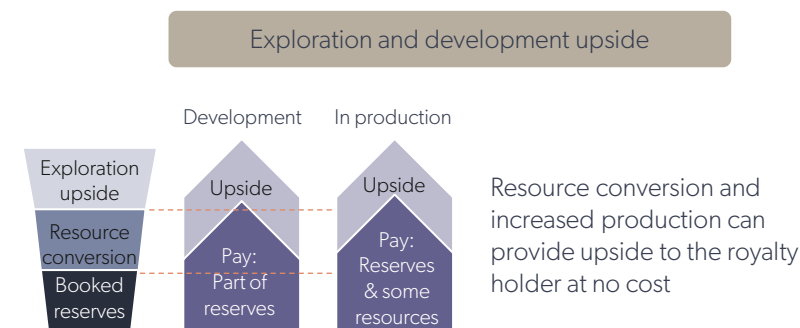
THE OPPORTUNITY

- Traditional finance providers have withdrawn or reduced their lending to the developers of natural resource projects, particularly energy related projects. This has created an opportunity for alternative providers of capital such as Resources Royalties Funds.
- Further investment in natural resource and energy projects is required to decarbonise the global economy.
- We see demand for commodities over the medium term as remaining strong.



REGAL'S CAPABILITY

- Regal is a significant investor in Australian resource companies providers via the Regal Resources Long Short Fund as well as many of Regal's absolute return investment strategies. Regal's extensive relationships with brokers and other fund managers provide a comprehensive pipeline of unique private market deal opportunities.
- Regal is uniquely placed to analyse the deal opportunities that other investors see as too complex as a result of Regal's large fundamental and dedicated Resources and Energy investment teams and independent risk management capability.



Regal Funds: Australia's most highly awarded alternatives manager

REGAL FUNDS MANAGEMENT

INDIVIDUAL STRATEGIES AWARDED



Australian Alternative Investment Manager of the Year: 2019, 2016, 2014 & 2011



Nominee, Australian Equities Alternatives: 2019



Winner, Management Firm of the Year: 2018

Market Neutral Strategy



Finalist, Best Market Neutral Fund: 2022*



Finalist, Best Market Neutral Fund: 2021



Winner, Best Market Neutral Fund: 2019 & 2014



Winner, Best Arbitrage & Market Neutral Fund: 2018



Winner, Best Market Neutral Fund: 2014

Australian Long Short Equity Strategy



Finalist, Best Single Country Fund: 2019



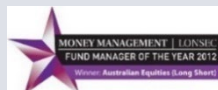
Finalist, Best Long Short Fund: 2019



Finalist, Australian Equities Long Short: 2018, 2014 & 2012



Winner, Long Short Fund: 2018 & 2011



Winner, Australian Equities Long Short: 2012

Australian Small Companies Strategy



Finalist, Best Single Country Fund: 2019



Winner, Best Australian Fund: 2018



Winner, Best Single Country Manager: 2018



Finalist, Australian Equities Long Short: 2018

Emerging Companies Strategy



Winner, Best New Fund of the Year: 2020



Winner, Best Single Country Fund: 2020

Absolute Return Strategy



Winner, Best Long Short Fund: 2016 & 2014



Finalist, Best Long Short & Absolute Return Fund: 2011

Regal Investment Fund (ASX:RF1)



Finalist, Best Listed Alternative Investment Product: 2022*



Winner, Best Arbitrage (Relative Value, Quant & MN Fund): 2021

Kilter Rural



Winner, Impact Asset Manager of the Year: 2019

*Nomination stage only. Award winners to be announced at the 2022 Australian Alternative Investment Awards & Hedge Funds Rock Event on 22 September 2022.