

Monthly Performance Report – January 2023

January 2023^{1,2,3}

Post-Tax Net Tangible Assets (NTA) per share	\$2.48
Net Portfolio Return – January	+4.3%
Net Portfolio Return – Since Inception (p.a.)	+1.7%
Share Price at Month End	\$2.14
Portfolio Size (\$m)	\$496 million
Portfolio Currency Exposure	Fully hedged to AUD ⁴

January 2023 Performance Commentary

RG8's net portfolio return for January 2023 was +4.3%, with the long book adding +6.7% and the short book detracting -2.4% from returns.

Large contributors to returns in January included our long positions in Hong Kong listed technology companies. This includes Baidu Inc (9888 HK), China's leading internet search engine. Baidu's stock price has risen substantially since our initial purchase in late October 2022, however we continue to see it as attractively valued against the core earnings outlook for its search engine business, with further upside potential from its range of already revenue generating artificial intelligence (AI) solutions. As recently argued by Forbes magazine, China is likely to lead the world in the implementation of AI in certain areas, in part driven by proactive government support. In our recent investor letter, we highlighted Baidu's global leadership in autonomous driving, where it already generates revenues from its AI driven robo-taxis that have been authorised to operate without in-car safety drivers in certain cities. Baidu is also generating revenue from AI software used across 63 cities to enhance their traffic management systems and prepare the roads for AI driver assistance that can improve safety and traffic. More recently, the stock has received attention for its Chat-GPT-like application ERNIE-bot. Baidu has spent years investing in this area and accrued the most AI patent applications in China according to Goldman Sachs. Its natural language processor will likely come with significant synergies to existing services, such as allowing its customers to more easily engage with its AI cloud solutions platform and better optimise its already dominant search engine.

Other large contributors to performance in January included Australian energy companies that are likely to benefit from rising energy demand following China's reopening from COVID-19. We continue to see past underinvestment in energy supply as creating a favourable outlook and highlighted the improved industry structure in our recent investor letter.

Key detractors to returns in January included shorts that we see as structurally challenged businesses but saw their stock prices benefit from a recovery in sentiment during the month.

Buy-back: Approximately 1.5 million RG8 shares were bought at an average price of \$2.17 during January.

1H23 result: RG8 expects to release its 1H23 results on Thursday, 16 February.

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	205 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	9%	0%	9%	9%
Consumer Discretionary	12%	-15%	-3%	27%
Consumer Staples	0%	-1%	-1%	1%
Energy	16%	0%	16%	16%
Financials	3%	-6%	-3%	9%
Health Care	20%	-4%	16%	24%
Industrials	9%	-7%	2%	15%
Information Technology	12%	-3%	9%	15%
Materials	20%	-8%	11%	28%
Real Estate	4%	0%	4%	4%
Total	105%	-45%	60%	150%

REGION (BY LISTING)	LONG	SHORT	NET	GROSS
Australia	37%	-18%	18%	55%
Hong Kong	27%	-2%	25%	29%
Japan	32%	-24%	8%	57%
Netherlands	4%	0%	4%	4%
UK	5%	0%	5%	5%
Total	105%	-45%	60%	150%

Portfolio Statistics

Long Exposure:	105%
Short Exposure:	-45%
Net Exposure:	60%
Gross Exposure:	150%
Average Weighted Market Cap (US\$):	59,411m

Distribution History (Ex-date)

29 Aug 2022	5.0c
16 Mar 2022	5.0c
30 Aug 2021	5.5c

Net Portfolio Return^{2,3}

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2023	4.3%												4.3%
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 January 2023, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.46 per share, which includes \$0.04 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.

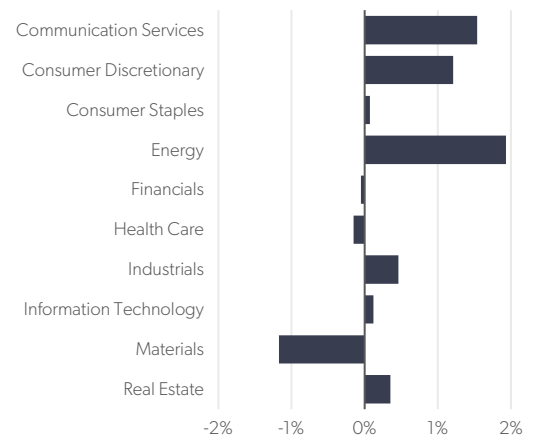
³ Past performance is not a reliable indicator of future performance.

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

Monthly Attribution Analysis

SECTOR ATTRIBUTION



LONG SHORT ATTRIBUTION

