

Monthly Performance Report – February 2023

February 2023^{1,2,3}

Post-Tax Net Tangible Assets (NTA) per share (ex-dividend)	\$2.33
Net Portfolio Return – February	-4.0%
Net Portfolio Return – Since Inception (p.a.)	+0.4%
Share Price at Month End (ex-dividend)	\$2.06
Portfolio Size (\$m)	\$463 million
Portfolio Currency Exposure	Fully hedged to AUD ⁴

February 2023 Performance Commentary

RG8's net portfolio return for February 2023 was -4.0%, with the portfolio impacted by weaker Chinese equity markets (MSCI China Index -10.2% for the month) as the region gave back some gains from strong performance in prior months.

The largest detractors from returns came from long positions in Hong Kong-listed Chinese technology companies. We continue, however, to see these investments as having significant upside.

One example is Chinese air travel technology service provider TravelSky, which has a near monopoly in technology used to book domestic Chinese airline passenger tickets. Since highlighting the company in our recent Investor Letter (published 2 February 2023), our bottom-up analysis has continued to indicate that the company is successfully expanding its earnings streams into other airline and airport software applications. Our analysis is also supporting our non-consensus view that scheduled domestic flight numbers this year will exceed pre-COVID-19 levels due to the addition of significant airport capacity over the last three years which has reduced a large industry bottleneck. Webscraping of future flight schedules currently indicates aggregate flight activity for this year is on track to exceed 2019 levels by +15%. Further, we believe there is the potential for near-term upward revisions to consensus expectations, as analysts adjust their models for higher flight volumes than expected, and feed through the full operating leverage impacts to the bottom line. Finally, our longer term airport-by-airport modelling would also suggest that consensus is underestimating passenger growth by an even greater degree for the coming years.

The largest positive contributor to returns was a short position in an Australian consumer stock which had a material miss in earnings. Our second largest contributor was a Hong Kong-listed company that saw a material devaluation on the back of a report that suggested the company has been materially overstating its earnings. Short selling continues to be an area in which we invest significant effort as a tool to both manage risk and generate alpha for our investors.

Buy-back: In February, just under 1.4m RG8 shares were bought at an average price of \$2.17.

Dividend: As part of its 1H23 results in February, RG8 announced a 5c fully franked interim dividend, with an ex-dividend date of 27 February and payment date of 29 March. This is in line with RG8's announcement in August 2022 that it will seek to pay dividends of at least 5c per share per half-year period. The Board intends for dividends to be franked to the fullest extent possible and to seek to grow the level of dividend over time.

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	204 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	8%	0%	8%	8%
Consumer Discretionary	12%	-11%	1%	23%
Consumer Staples	0%	-1%	-1%	1%
Energy	15%	0%	15%	15%
Financials	3%	-7%	-4%	10%
Health Care	21%	-4%	17%	25%
Industrials	15%	-4%	12%	19%
Information Technology	12%	-4%	8%	16%
Materials	18%	-7%	12%	25%
Real Estate	4%	0%	4%	4%
Utilities	2%	0%	2%	2%
Total	110%	-38%	72%	149%

REGION (BY LISTING)	LONG	SHORT	NET	GROSS
Australia	43%	-14%	30%	57%
Hong Kong	27%	-2%	25%	29%
Japan	32%	-22%	10%	55%
Netherlands	4%	0%	4%	4%
UK	4%	0%	4%	4%
Total	110%	-38%	72%	149%

Portfolio Statistics

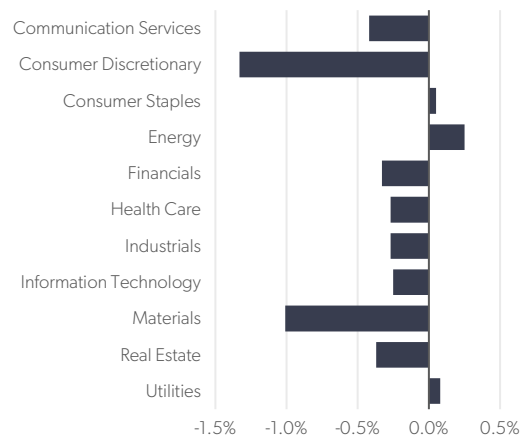
Long Exposure:	110%
Short Exposure:	-38%
Net Exposure:	72%
Gross Exposure:	149%
Average Weighted Market Cap (US\$):	50,230m

Distribution History (Ex-date)

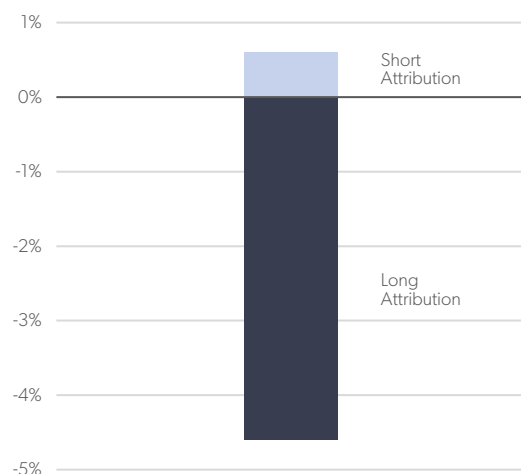
27 Feb 2023	5.0c
29 Aug 2022	5.0c
16 Mar 2022	5.0c
30 Aug 2021	5.5c

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%											0.2%
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 28 February 2023, NTA after including deferred tax liabilities/deferred tax assets on unrealised gains/losses was \$2.34 per share (ex-dividend), which includes \$0.07 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: 13 March 2023. Authorised for release by Ian Cameron, Company Secretary. Regal Asian Investments Limited, 39 Phillip Street, Sydney NSW. ABN 58 635 219 484.

