

22 November 2022

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

Shaw and Partners Conference Presentation

Regal Partners Limited (ASX:RPL) is pleased to attach a copy of a presentation that will be given at the Shaw and Partners Wholesale Conference today, 22 November 2022.

In addition, RPL notes that Funds Under Management for the Group has increased from \$5.4bn at 30 September 2022 to \$5.5bn at 31 October 2022.

AUTHORISED FOR RELEASE BY:

Ian Cameron, Joint Company Secretary

ABOUT REGAL PARTNERS LIMITED

Regal Partners Limited is an ASX-listed, specialist alternatives investment manager with approximately \$5.5 billion¹ in assets under management.

Formed on 3 June 2022 following the merger of VGI Partners Limited and Regal Funds Management, the Group manages a diverse range of investment strategies covering long/short equities, private markets, real and natural assets and capital solutions on behalf of institutions, family offices, charitable groups and private investors.

The Group houses four dedicated alternative investment management businesses – Regal Funds Management, VGI Partners, Kilter Rural and Attunga Capital – together employing approximately 100 employees and over 45 investment professionals, located in offices across Sydney, Melbourne, Singapore and New York.

Combining deep industry experience, extensive networks and multi-award winning performance track records, Regal Partners seeks to be a leading provider of alternative investment strategies globally.

1. Unaudited Management estimate as at 31 October 2022. Funds under management for the group (including 100% of Kilter Rural and Attunga Capital) includes non-fee earning funds.



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Regal Partners Limited (ASX:RPL)

Shaw and Partners Wholesale Conference

22 November 2022

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Merger

- Merger between VGI Partners Limited (VGI Partners) and Regal Funds Management Pty Limited (RFM) completed on 3 June 2022 to form Regal Partners Limited (ASX ticker: RPL) - a leading provider of alternative investment strategies in Australia with \$5.5 billion of Funds Under Management (FUM)¹
- Business brands of Regal Funds, VGI Partners, Kilter Rural and Attunga Capital retained
- Integration across all functions now complete. Lead portfolio management responsibilities for VG8 transitioned to Phil King and Regal Funds Management with assistance from VGI Partners

1H22 result and recent entitlement offer

- 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
- 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
- A 1-for-5 entitlement offer was completed in October 2022, raising maximum amount of approximately \$110m³

Outlook

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

1. Unaudited Management estimate as at 31 October 2022. FUM for the group (including 100% of Kilter Rural and Attunga Capital) includes non-fee earning funds; 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%). 3. Includes shortfall placement.

Introducing Regal Partners Limited (ASX:RPL)¹

REGAL
PARTNERS



Regal Partners Limited is an ASX-listed, specialist alternative investment manager with A\$5.5 billion 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 leading provider of alternative investment strategies.
- The Group houses four dedicated alternative investment management businesses: **Regal Funds Management**, **VGI Partners**, **Kilter Rural** and **Attunga Capital**, together employing ~100 employees³, located in offices across Sydney, Victoria, Singapore and New York.

\$5.5bn

Funds Under
Management (FUM)

RPL

ASX ticker

\$863m

Market capitalisation²

4

Offices globally

~100

Employees³

>45

Investment professionals

1. Unaudited Management estimate as at 31 October 2022. Funds under management for the group (including 100% of Kilter Rural and Attunga Capital) includes non-fee earning funds; 2. As at last close 21 November 2022; 3. Includes full-time and part-time staff and staff in all group entities including Kilter Rural and Attunga Capital.

Five key takeaways

1.

Regal Partners Limited is a specialist, diversified alternatives investment management business: managing \$5.5 billion¹ 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 heritage in delivering **long-term positive** investment performance and returns for investors across a range of strategies

4.

Strong fundraising momentum across multiple products and assets classes and new growth initiatives within Regal Funds Management

5.

High level of alignment – Regal staff who held shares in Regal Funds Management exchanged their shares for RPL shares (no cash) in the merger. Those staff members hold their RPL shares subject to continuing voluntary escrow, as do certain VGI staff members. No other Regal or VGI staff have sold shares since merger completion. In addition, a new employee incentive grant² has been implemented to ensure alignment across the combined business

1. Unaudited Management estimate as at 31 October 2022. Funds under management for the group (including 100% of Kilter Rural and Attunga Capital) includes non-fee earning funds; 2. For further details, refer to the Appendix 3G lodged in relation to the issue of the employee incentive rights on 2 September 2022.

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:

Long/Short Equities, Private Markets, Resources Royalties & Private Credit¹

VGI PARTNERS

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

INVESTMENT STRATEGIES:

Long/Short Equities

KILTER RURAL

Kilter Rural² 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 Capital² offers private market exposure to **electricity, power** and **environmental commodity markets**, including global carbon markets.

INVESTMENT STRATEGIES:

Natural Assets – Power, Electricity & Carbon

1. Regal Private Credit Opportunities Fund launched in October 2022; 2. Regal Partners has a 61.49% interest in Kilter Rural and a 51% interest in Attunga Capital.

Regal Partners fund performance

Fund performance since inception¹

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Fund (as at 31 October 2022)	Launch year	Since inception p.a.
Long/short equities (unlisted)		
Regal Atlantic Absolute Return Fund ²	2004	24.1%
Regal Tasman Market Neutral Fund ²	2007	14.8%
Regal Australian Long Short Equity Fund	2009	14.3%
Regal Australian Small Companies Fund	2015	22.2%
Regal Tactical Opportunities Fund	2020	74.9%
Regal Resources Long Short Fund ²	2021	75.1% since inception ³
Regal Healthcare Long Short Fund ²	2022	-3.6% since inception ³
VGI Partners Master Fund	2009	9.5%
ASX-listed investment vehicles		
RF1 (Regal Investment Fund) ⁴	2019	22.8%
VG1 (Global Investments)	2017	0.3%
VG8 (Asian Investments)	2019	0.8%

Fund (as at 31 October 2022)	Launch year	Since inception p.a.
Private markets		
Regal Emerging Companies Fund	2016	19.1% IRR ^{5,6}
Regal Emerging Companies Fund II	2018	13.2% IRR ⁵
Regal Emerging Companies Fund III	2019	44.1% IRR ⁵
Regal Emerging Companies Opportunities Fund	2020	20.4%
Real and natural assets⁷		
Kilter Balanced Water Fund	2015	13.7%
Kilter Water Fund	2014	14.9%
Kilter Farmlands Fund	2018	1.3%
Attunga Power and Enviro Fund	2006	13.3%
Attunga Carbon and Enviro Fund	2022	5.4% ³
Capital solutions		
Regal Resources Royalties Fund ⁸	2019	30% IRR ⁸
Regal Private Credit Opportunities Fund	2022	Launched Oct 2022

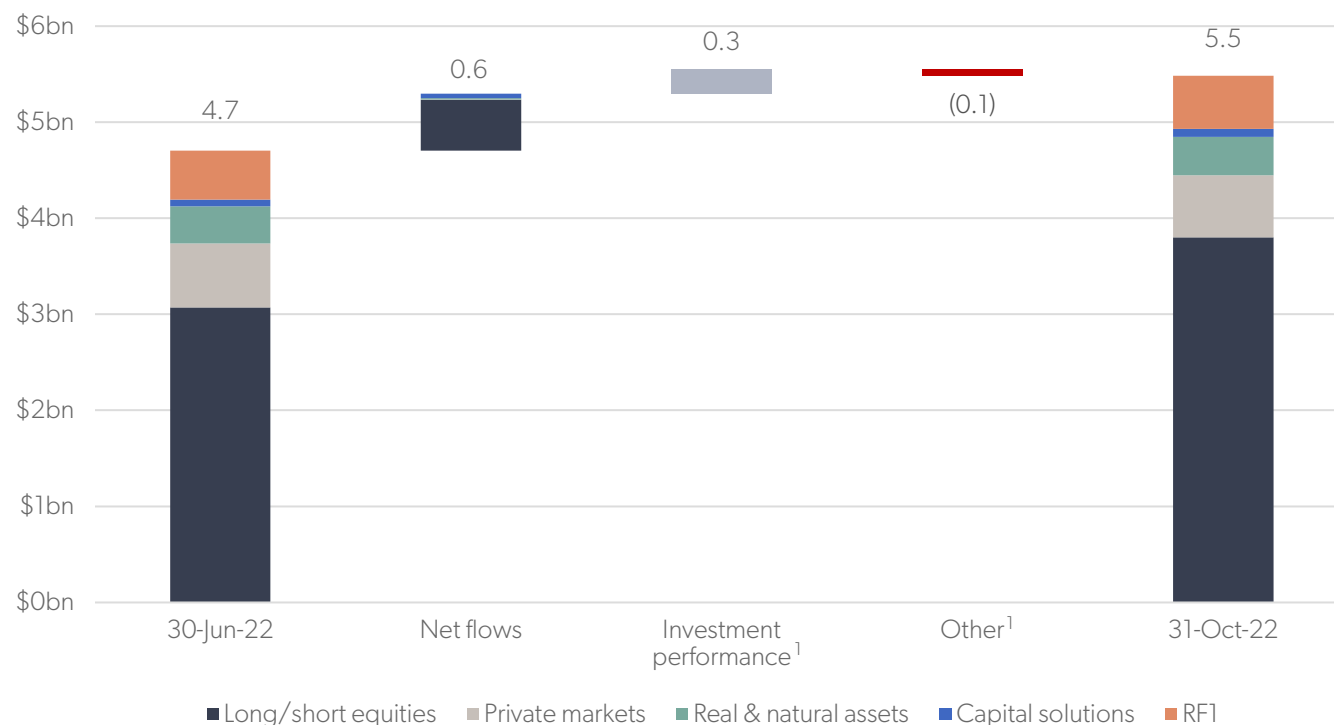
1. Past performance is not a reliable indicator of future performance and should not be relied upon as an indication of the future performance of any fund or strategy; 2. Cayman funds also available for Absolute Return, Market Neutral and Healthcare Long Short, with Resources Long Short targeted for launch in March quarter 2023; 3. Not annualised, less than 1 year track record (or 1 year track record for Resources Long Short); 4. Regal Investment Fund (ASX: RF1) provides exposure to a selection of RFM's strategies (Market Neutral, Long Short Equity, Global Alpha, Small Companies, Long Short Health Care, Emerging Companies, Water and Resources Royalties as at 31 October 2022); 5. 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; 6. As at February 2022. Strategy fully realised. 7. RPL is the majority owner of Kilter Rural and Attunga Capital; 8. Internal rate of return is based on the estimated fair value of the Resources Royalties Fund (last published; as at 9 September 2022). Regal Funds Management was a minority shareholder of the Fund's investment manager until October 2022 when Regal Funds Management became the trustee and manager of the Regal Resources Royalties Fund.

Regal Partners – An established platform for continued growth

Well diversified across asset class

REGAL
PARTNERS

FUM MOVEMENT BETWEEN 30 JUNE 2022 AND 31 OCTOBER 2022 BY ASSET STRATEGY¹



RECENT EVENTS

- FUM has increased from \$4.7bn at 30 June 2022 to \$5.5bn at 31 October 2022.¹
- Increase includes institutional mandate of \$0.5bn in Regal Australian Long Short Equity Strategy.
- The Regal Private Credit Opportunities Fund was launched in October.
- Also in October, Regal Funds Management was appointed trustee and investment manager of the Regal Resources Royalties Fund. The fund was formerly known as the Gresham Resources Royalties Fund (and Regal Funds owned 1/3 of its investment manager pre the restructure).
- The number of investment strategies in RF1 (the listed investment trust managed by Regal) has increased to eight, with Water added in August and Resources Royalties added in October.

1. Funds under management for the group (including 100% of Kilter Rural and Attunga Capital) includes non-fee earning funds. Investment performance and "other" in the chart represent RPL's total change for each of these categories.

Pro forma normalised profit or loss statement

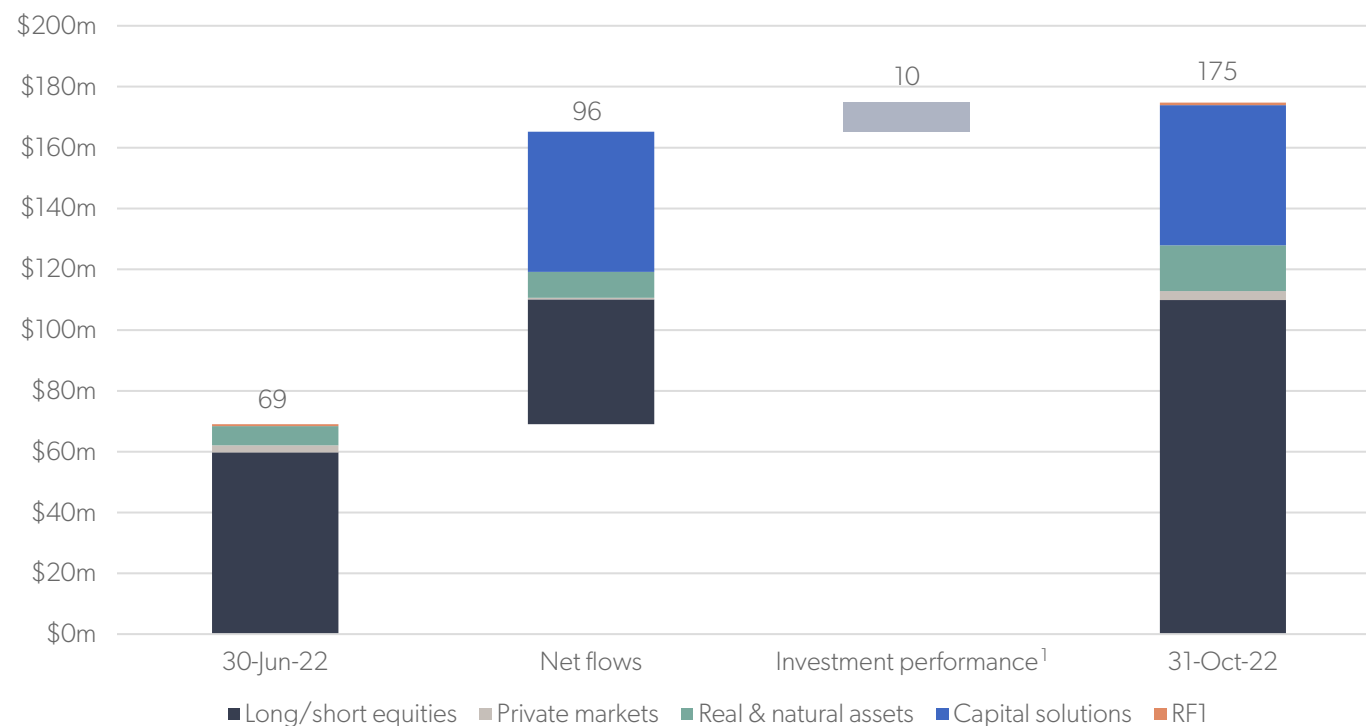
	6 months to Jun 2021 (1H21) ¹	6 months to Dec 2021 (2H21)	6 months to Jun 2022 (1H22)	12 months to Jun 2022
\$m				
Average FUM (\$bn) ²	5.8	6.0	5.6	5.8
Average management fee (%)	1.28%	1.18%	1.20%	1.19%
Management fees (net)	37.9	35.5	33.3	68.8
Performance fees (net)	114.4	49.2	22.7	71.9
Other income	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

1. Based on unaudited accounts for Regal Funds Management Pty Limited; 2. Funds under management for the group (including 100% of Kilter Rural and Attunga Capital) includes non-fee earning funds.

Recent entitlement offer has bolstered seed capital

GROWTH OF SEED CAPITAL BETWEEN 30 JUNE 2022 AND 31 OCTOBER 2022



The above chart excludes cash on balance sheet (\$47m at 30 June 2022; \$42m at 31 October 2022).

- Robust and liquid balance sheet; no debt.
- On 5 September 2022, RPL announced a 1-for-5 accelerated non-renounceable entitlement offer. The raising completed on 3 October 2022, raising approximately \$110m in gross proceeds.²
- Funds are expected to be used for:
 - Continuing to grow and scale existing strategies, and seed new strategies, such as the Regal Private Credit Opportunities Fund and the Resources Royalties Strategy;
 - Further co-investment alongside wholesale investors into new and existing funds and strategies;
 - Accelerating growth capabilities in distribution, marketing and technology; and
 - Costs associated with the Entitlement Offer
- In addition, increased balance sheet liquidity and flexibility provides Regal with optionality for inorganic growth opportunities should they make sense in diversifying Regal Partners' revenue base and leveraging the operating platform

1. Investment performance in the chart represents the total change in RPL's seed capital due to performance; 2. Includes shortfall placement.

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 >10% of AUM
- Multiple and growing number of asset classes building on heritage in long / short equities to deliver multi-asset capability
- 38% 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 available to scale up the business is currently estimated at ~\$15bn¹ of FUM

1. Management's current estimate of capacity based on the current Regal Partners strategies as at the date of this presentation.

Multiple opportunities for growth

1.

Maintain current fundraising momentum

- Continue to grow and scale existing strategies, building on 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

\$0.6bn of net flows from 30 June to 31 October 2022

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 including the launch of Regal Private Credit Opportunities Fund and the Resources Royalties Strategy

Private Credit fund launched Oct 2022. Resources Royalties restructure finalised Oct 2022. Targeting launch of USD Cayman vehicle for Resources Long Short Fund Mar Qtr 2023

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

Senior distribution professional relocated to Singapore with active search underway for additional distribution executives in Australia

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

Continue to identify and review inorganic growth opportunities; one recently made public

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

No turnover of senior investment professionals across the Group since Merger. Additional senior investment professional hired for VGI Partners Global strategy