

19 July 2024

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

---

## Acquisition of Minority Interest in Argyle Group

Regal Partners Limited (ASX:RPL) (“RPL”, “Regal”, or “Regal Partners”) is pleased to announce it has entered into an agreement to acquire a minority interest in the business trading as Argyle Group (“Argyle”), a highly experienced specialist manager of Australian water entitlement portfolios with approximately \$1.4 billion of funds under management (“FUM”)<sup>1</sup>.

The transaction will further expand Regal Partners’ growing capabilities across the highly attractive Australian water entitlements market and, on completion, will increase total pro forma FUM across RPL’s Real & Natural Assets strategies to \$2.1 billion and across the RPL group to approximately \$16.4 billion (both on a 100% FUM basis).<sup>2</sup>

Founded in 2007 and headquartered in Brisbane, Australia, Argyle has established a strong track record of investing in water and agriculture for over 17 years, on behalf of a diverse range of domestic and offshore institutional investors, private wealth advisory groups and direct wholesale investors. Led by Executive Chair and Chief Investment Officer (“CIO”) Kim Morison, Argyle is considered a pioneer within the Australian water entitlements market, having launched Australia’s first investable water fund in August 2012, the Argyle Water Fund, which has generated a +11.13% IRR since inception.<sup>3</sup>

Under the terms of a unit and share sale agreement, RPL has agreed to acquire 40% of the issued share capital of Argyle Group Holdings Pty Ltd (“Argyle Holdings”) and 40% of the issued units of Argyle Group Holdings Trust (“Argyle Trust”, for which Argyle Holdings acts as trustee) (the “Transaction”). The Transaction follows a corporate restructure of Argyle, which will see the divestment of Argyle’s agricultural investment management business (the “Agriculture Divestment”), establishing Argyle as Australia’s largest ‘pure-play’ water entitlements investment manager. Regal will acquire its stake in Argyle Holdings and Argyle Trust from departing securityholders associated with the Agriculture Divestment.

The total consideration for the Transaction is \$12 million (the “Consideration”), subject to customary net debt and working capital adjustments. The Consideration will be paid in cash and is expected to be funded from RPL’s existing cash sources. Regal expects the Transaction to be modestly accretive to RPL’s earnings per share in calendar year 2024, without assuming any synergies.

On completion of the Transaction, Argyle’s key management personnel will continue to retain their 60% stake in Argyle Holdings and Argyle Trust, with Argyle’s longstanding water investment team (under CIO Kim Morison and Investment Director Louise Kerber) maintaining their ongoing investment management of Argyle’s water portfolios.

Regal Partners’ Chief Executive Officer, Brendan O’Connor, said “We are excited about the benefits that Australian water entitlements can deliver to diversified portfolios and the broader outlook for the water market as a whole.

---

<sup>1</sup> Argyle Group management estimate of FUM for 30 June 2024, following completion of the Agriculture Divestment. FUM data is rounded, unaudited and includes non-fee earning FUM.

<sup>2</sup> Based on pro forma preliminary estimates of FUM by RPL and Argyle Group management for 30 June 2024. FUM (including 100% of Taurus Funds Management, Attunga Capital, Kilter Rural and Argyle) is rounded, unaudited, includes non-fee earning FUM and remains subject to finalisation of distributions and period-end fund accounting. Pro forma total group FUM of \$16.4 billion includes RPL’s recent acquisition of Merricks Capital.

<sup>3</sup> Internal rate of return (net of fees) (IRR) measured as at 30 June 2024. Past performance is not a reliable indicator of future performance.



We have been delighted with the opportunity to acquire an interest in Argyle and look forward to being a supportive partner to Kim and the team for many years ahead.”

Argyle Group’s CIO, Kim Morison, said “We are pleased to partner with Regal, a leading provider of alternative investment strategies, in Argyle’s next stage of growth as a pure-play water investment manager. Both Louise and I remain deeply committed to the Argyle business and look forward to continuing to deliver highly attractive outcomes for both our investors and irrigator counterparties alike.”

Completion of the Transaction is intended to occur before the end of July 2024, and is conditional upon the Agriculture Divestment and associated restructuring being finalised.

More information on the Transaction will be made available at Regal’s upcoming 1H24 result, which is scheduled to be released on Monday, 26 August 2024.

**AUTHORISED FOR RELEASE BY THE BOARD OF DIRECTORS OF REGAL PARTNERS LIMITED.**

**CONTACT INFORMATION:**

**Ingrid Groer, CFA**

Head of Corporate Affairs

Regal Partners Limited

Phone: +61 2 8197 4350

Email: [investorrelations@regalpartners.com](mailto:investorrelations@regalpartners.com)

**ABOUT REGAL PARTNERS LIMITED**

Regal Partners is an ASX-listed, specialist alternative investment manager with approximately A\$15.1 billion<sup>4</sup> in funds under management. Formed on 3 June 2022 following the merger of Regal Funds Management Pty Limited and VGI Partners Limited, the group manages a broad range of investment strategies covering long/short equities, private markets, real & natural assets and credit & royalties on behalf of institutions, family offices, charitable groups and private investors.

Housing seven dedicated alternative investment management businesses – Regal Funds Management, PM Capital, Merricks Capital, Taurus Funds Management, Attunga Capital, Kilter Rural and VGI Partners – the group employs approximately 185 staff, including more than 90 investment professionals, in offices across Australia and offshore.<sup>5</sup>

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 in Australia and Asia.

**ABOUT ARGYLE GROUP**

Argyle Group is a specialist manager of investments in Australian water entitlements, managing approximately \$1.4 billion in funds under management.

Drawing on its extensive agribusiness and commodity markets experience, Argyle’s management team has actively participated in the development of Australia’s water markets since 2007.

Argyle seeks to achieve superior non-correlated investor returns by investing in the most limiting input to Australia’s irrigated food and fibre industries.

For more information, please visit [www.argylegroup.com.au](http://www.argylegroup.com.au).

---

<sup>4</sup> Preliminary management estimate of FUM for 30 June 2024 and which is pro forma for RPL’s recent acquisition of Merricks Capital but does not include Argyle. FUM (including 100% of Taurus Funds Management, Attunga Capital and Kilter Rural) is rounded, unaudited, includes non-fee-earning FUM and remains subject to finalisation of distributions and period-end fund accounting.

<sup>5</sup> Business information, including brands, staff and offices, is prior to inclusion of Argyle.