

7 November 2024

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

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## RG8 Investor Update and Q&A Webinar Presentation

As previously announced, it gives us great pleasure to confirm that Regal Funds Management's Co-Founder and Chief Investment Officer Long/Short Equities, Philip King, will be providing a portfolio update today by webinar on the Regal Asian Investments Limited (ASX:RG8) strategy.

The webinar will commence at 11.00am (AEDT) today and the presentation slides are enclosed with this announcement.

Sharing his investment outlook and insights into broader thematic, Philip will be joined by members of Regal's Asian listed equities investment team to delve into opportunities on offer across the Asia-Pacific region.

Investors can register to view, and receive a recording of, the webinar via the following link:

[REGISTER NOW](#)

The presentation will be followed by a Q&A session. We encourage attendees to submit their questions in advance to allow the team to respond to as many queries as time permits. This can be done by registering to attend the webinar and submitting your questions when prompted, or by emailing [investorrelations@regalpartners.com](mailto:investorrelations@regalpartners.com).

### AUTHORISED FOR RELEASE BY:

**Candice Driver, Company Secretary**

### INVESTOR CONTACT INFORMATION:

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Regal Partners Limited, RG8  
Phone: +61 2 8197 4333  
Email: [investorrelations@regalpartners.com](mailto:investorrelations@regalpartners.com)

### ABOUT RG8

RG8 provides investors with access to an actively managed, concentrated portfolio, comprised of 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 Limited (ASX:VG8) to Regal Asian Investments Limited (ASX:RG8) to reflect those changes. Utilising a fundamental, bottom-up investment approach, the portfolio leverages Regal's extensive experience, network and specialist investment team.



REGAL  
ASIAN INVESTMENTS

# Investor Update & Q&A Regal Asian Investments (ASX:RG8)

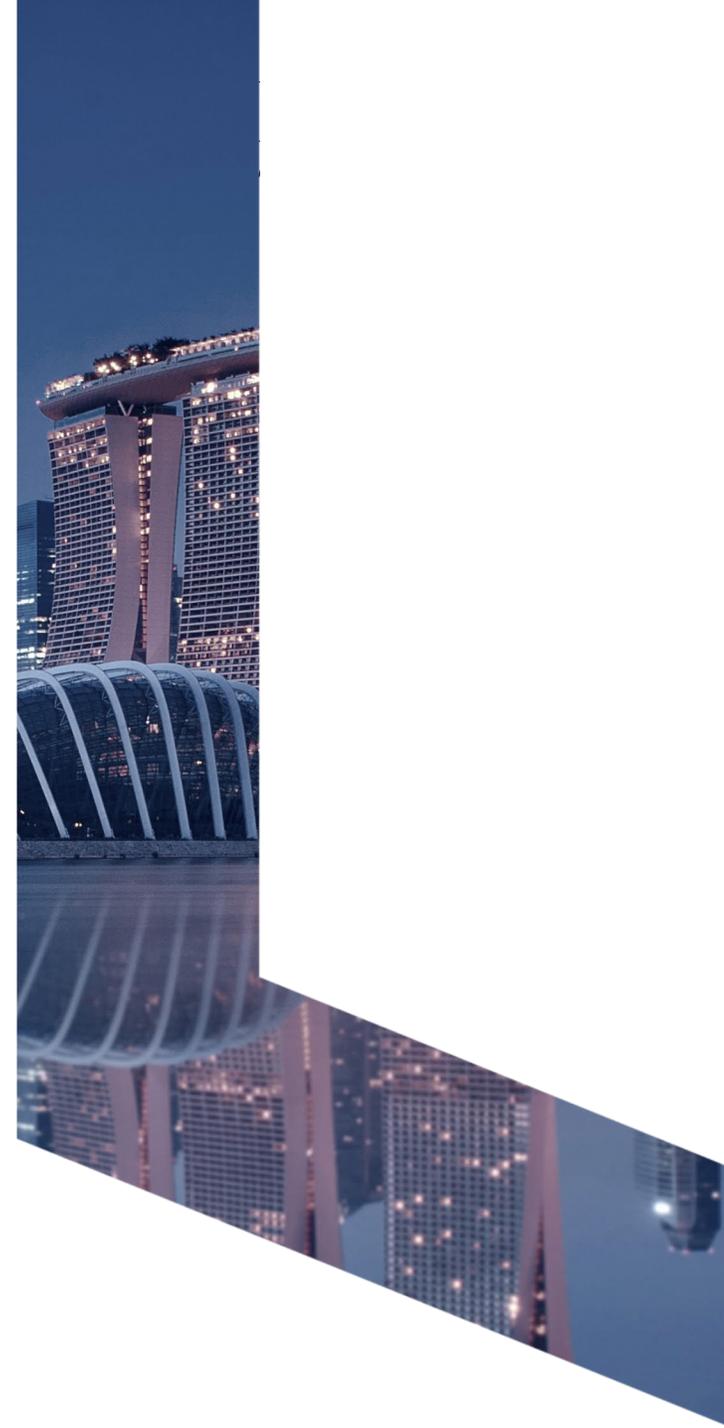
November 2024

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# Introduction

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Charlie Aitken, Regal Partners



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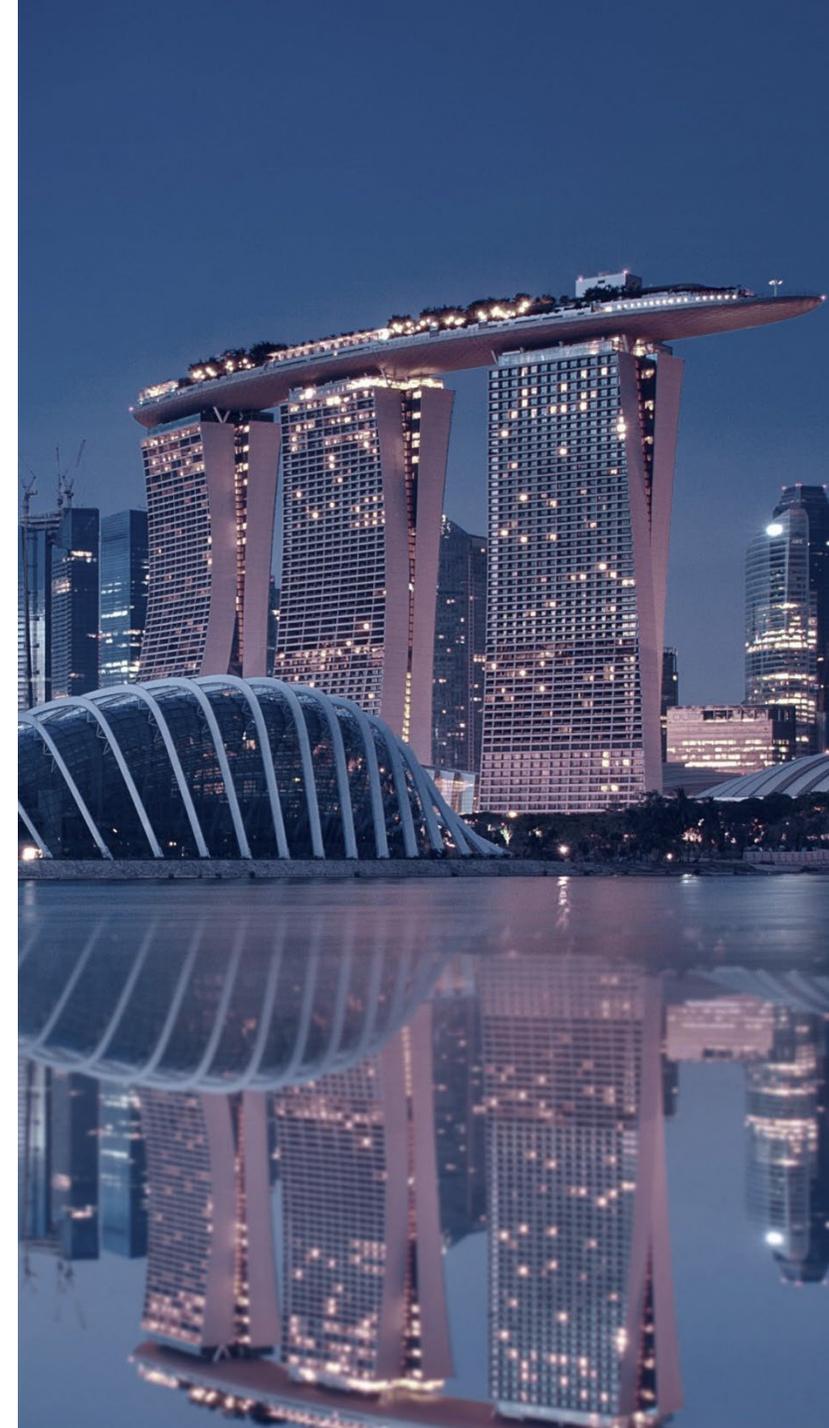
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This document contains certain "forward-looking statements" that are based on management's beliefs, assumptions and expectations and on information currently available to management. Forward-looking statements can generally be identified by the use of forward-looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial performance are also forward-looking statements. You are cautioned not to place undue reliance on forward-looking statements. Any such statements, opinions and estimates in this document speak only as of the date of this document and are based on assumptions and contingencies and are subject to change without notice, as are statements about market and industry trends, projections, guidance and estimates. Forward-looking statements are provided as a general guide only. The forward-looking statements contained in this document are not indications, guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of RG8 or Regal Partners, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including RG8, Regal Partners, their related bodies corporate or any of their respective directors, officers, employees, agents or advisers). In particular, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur. Except as required by law or regulation, RG8, and Regal Partners disclaim any obligation or undertaking to update forward-looking statements in this document to reflect any changes in expectations in relation to any forward-looking statement or change in events, circumstances or conditions on which any statement is based.



# Speakers



PHILIP KING

Co-Founder &  
CIO Long/Short Equities  
Regal Funds



GLEN BARNES

Head of Asia Fundamental  
Research  
Regal Funds



SHANNON MCCONAGHY

Senior Analyst, Asia  
Regal Funds



HENRY RENSHAW

Portfolio Manager  
Metals & Mining  
Regal Funds

# Regal Asian Investments Limited

(ASX:RG8)

REGAL  
ASIAN INVESTMENTS

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.

- Initially listing in November 2019, portfolio management responsibilities for RG8 transitioned from the VGI Partners investment team to Regal Funds Management (Regal) in June 2022.
- 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.
- Dividend policy: RG8 will seek to pay dividends of \$0.05 per share on a six-monthly basis.

\$396m

Portfolio Size<sup>1</sup>

\$2.28

Share Price<sup>1</sup>

\$2.49

Post-tax NTA<sup>1</sup>

+30.2%

Net Portfolio Return  
Since Regal Transition<sup>2</sup>

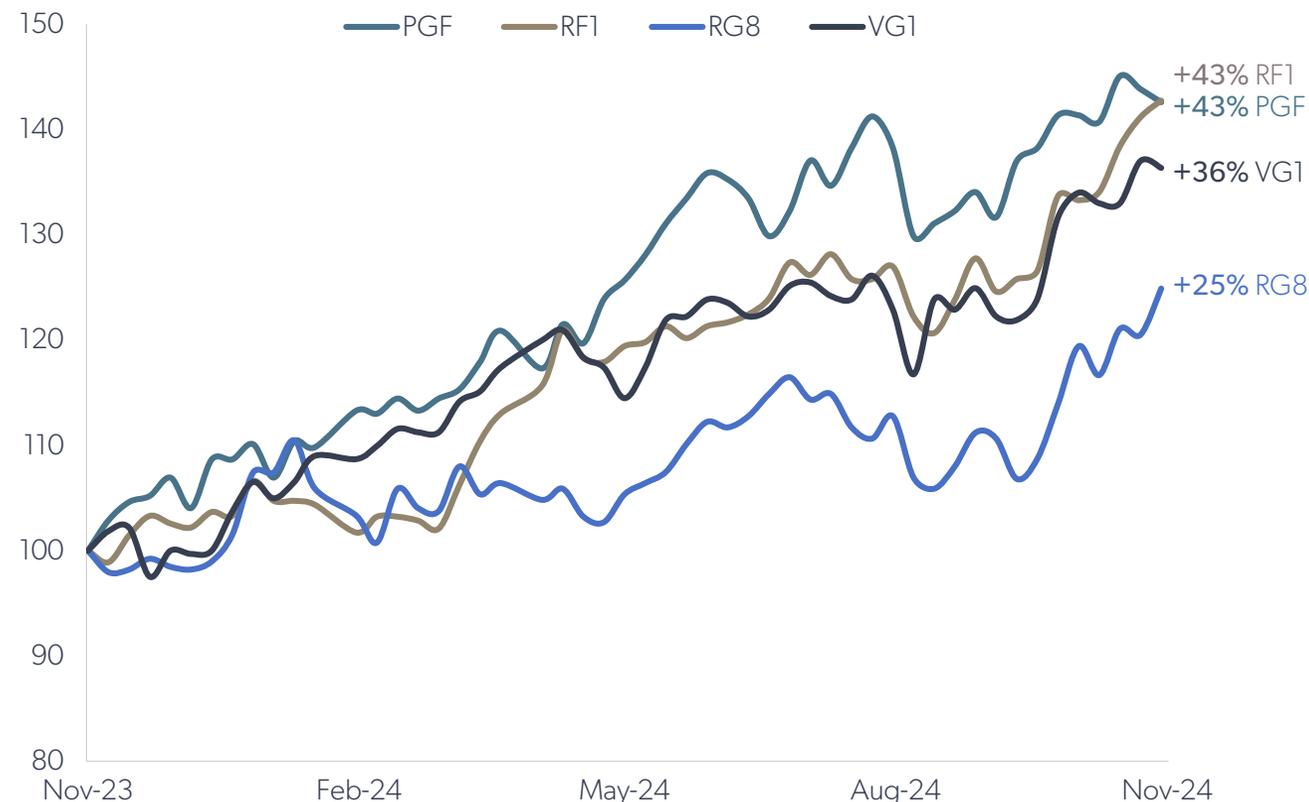
+44.4%

Share Price Return  
Since Regal Transition<sup>2,3</sup>

# Strong performance across all listed investment vehicles

Fund	Launch	Description	1 yr portfolio return <sup>1</sup>
  <small>GLOBAL OPPORTUNITIES FUND LIMITED</small>	2013	Global L/S Equities	+38.5%
 	2019	Multi-strategy alternatives	+26.8%
 	2019	Asian L/S High Conviction	+26.6%
 	2017	Global L/S High Conviction	+18.8%

TOTAL SHAREHOLDER RETURN INDEX<sup>2</sup>



Source: Regal, PM Capital, VGI Partners, Bloomberg. Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance.

1. RG8 portfolio return estimated for 12 months to 31 October 2024. Portfolio return for PGF/RF1/VG1 based on reported return for 11 months to 30 September 2024, combined with portfolio return in October 2024 that has been estimated using weekly NTA disclosure as at 1 November 2024. Net of fees and costs and is adjusted for capital flows including those associated with the payment of distributions/dividends and tax, share issuance and/or cancellations (option exercise, distribution/dividend reinvestment plan (pre franking benefits), share purchase plan, and equal access buyback) where relevant. 2. Total shareholder return (gross dividends) per Bloomberg from 3 November 2023 to 1 November 2024 (weekly data) indexed to a starting value of 100.

# RG8: Strong performance, discount to NTA improving

Key statistics as at 31 October 2024

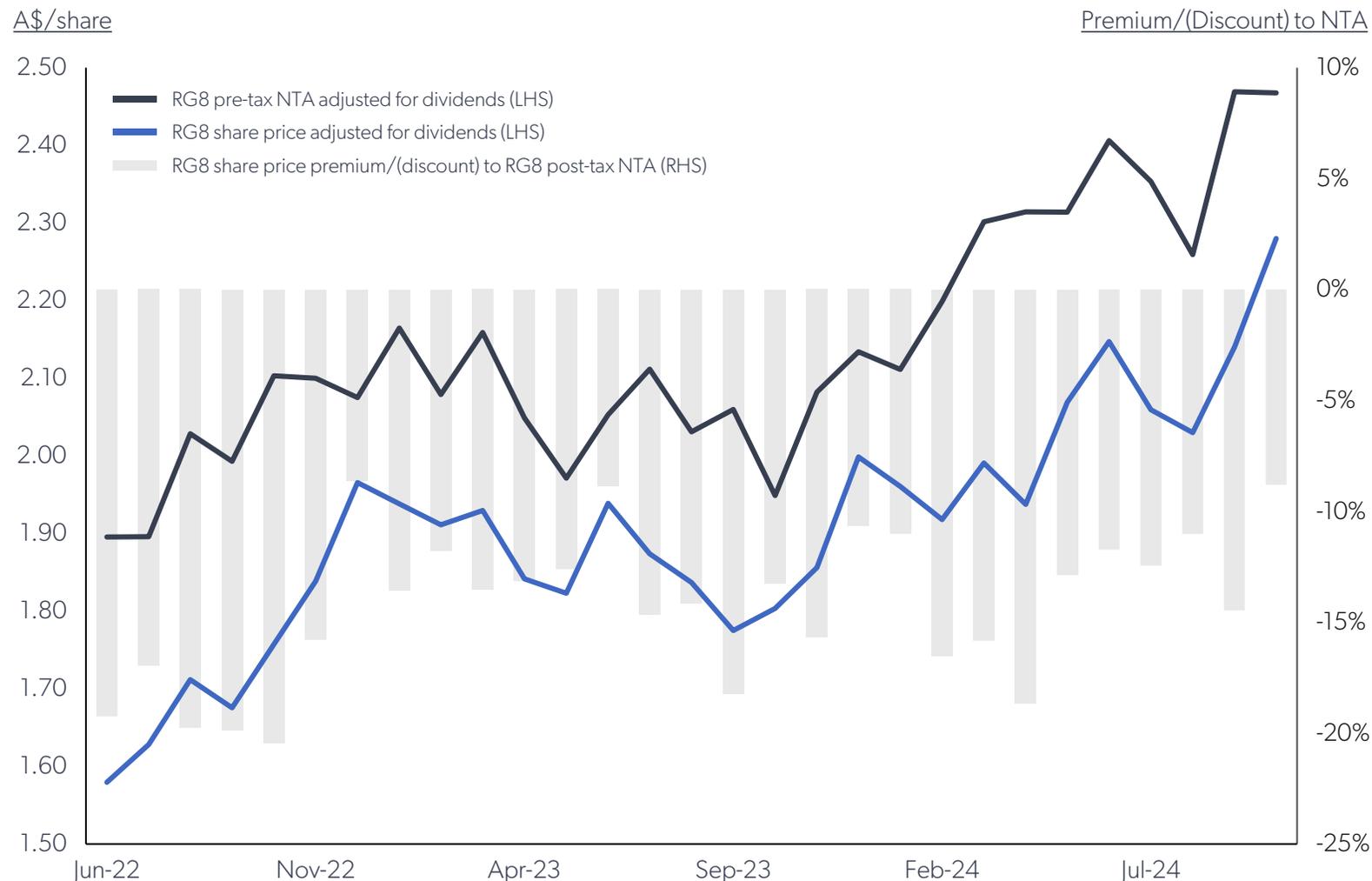
Portfolio Size  
\$396m

Post-tax NTA  
\$2.49

Share Price  
\$2.28

Net Portfolio Return (since Regal transition)  
+30.2%

Dividend Yield incl Franking (last 12 months)  
+6.3%

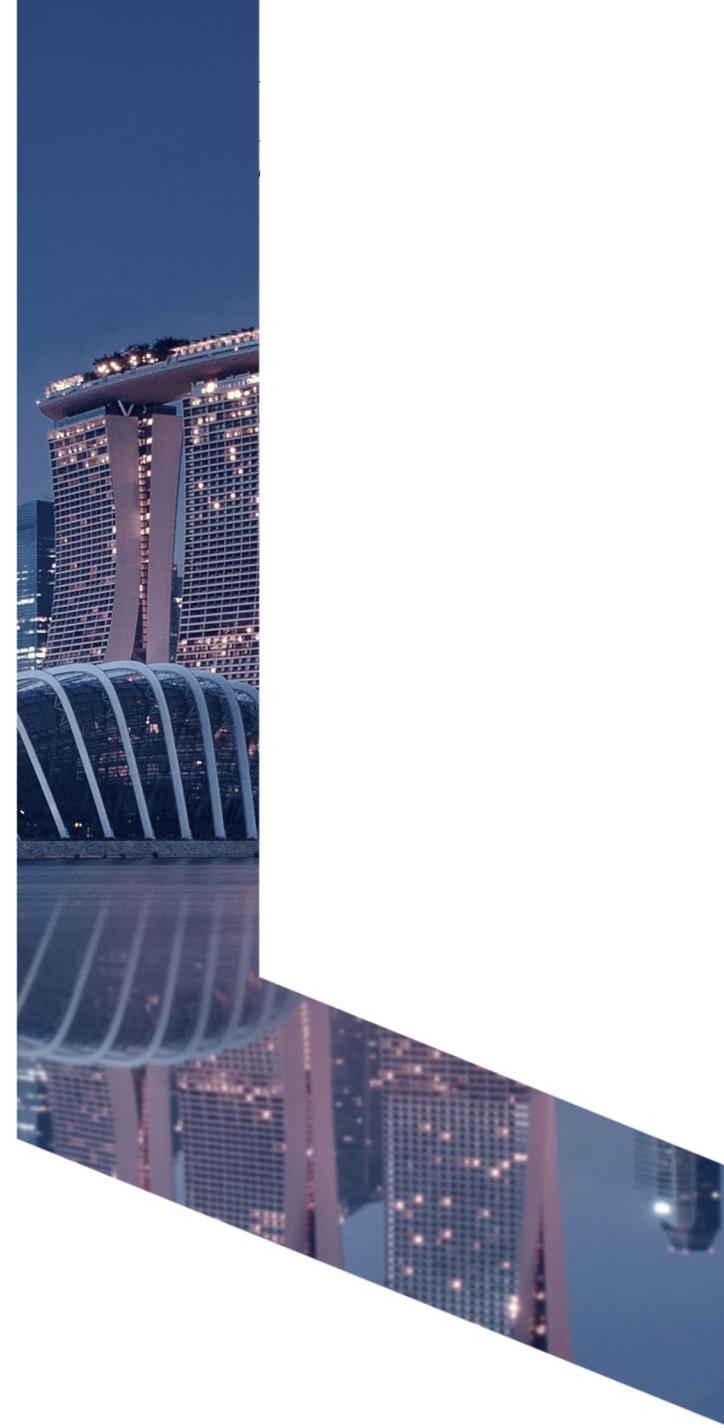


Source: Citco Fund Services (NTA and portfolio returns to 30 September 2024), Regal (portfolio size, NTA and portfolio return estimated for month to 31 October 2024), Bloomberg. Performance has been adjusted to include dividends and is based on monthly returns from 1 July 2022 (being the start of the first full month following transition of RG8's portfolio management to Regal Funds Management after completion of the merger between the parent of the investment manager of RG8, VGI Partners Limited, and Regal Funds Management Pty Limited). Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance.

# Market Outlook

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Philip King, CIO Long/Short Equities, Regal Funds



# Market update

## Key takeaways

1

### Lagging Asian markets have created good value opportunities

- Attractive P/Es with good growth
- Increasing focus on shareholder value, especially in Japan

2

### Asia provides great exposure to the boom in AI

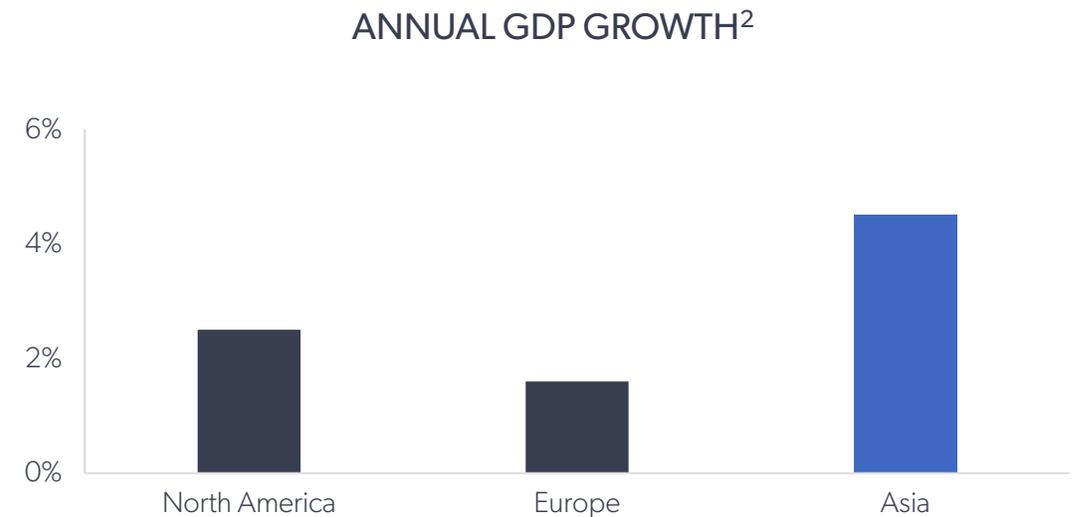
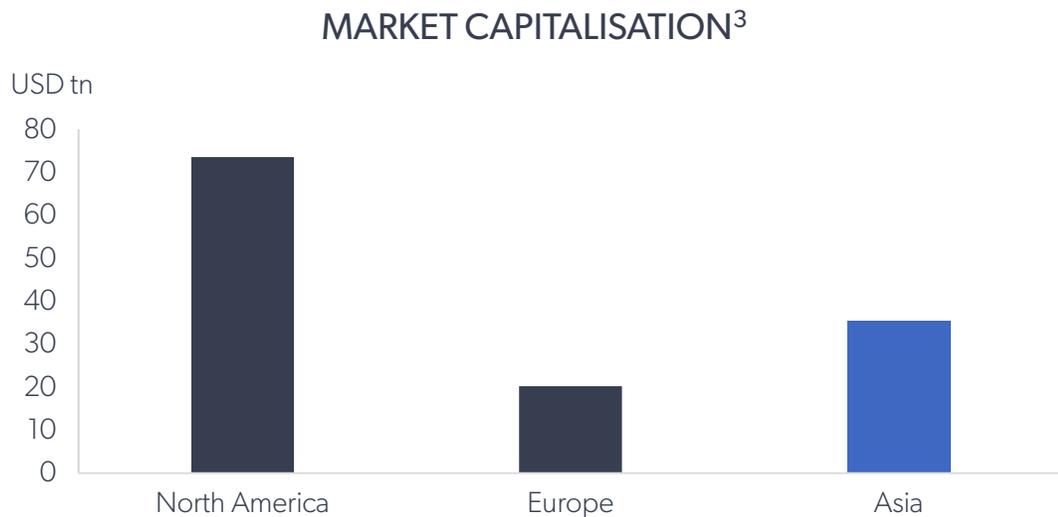
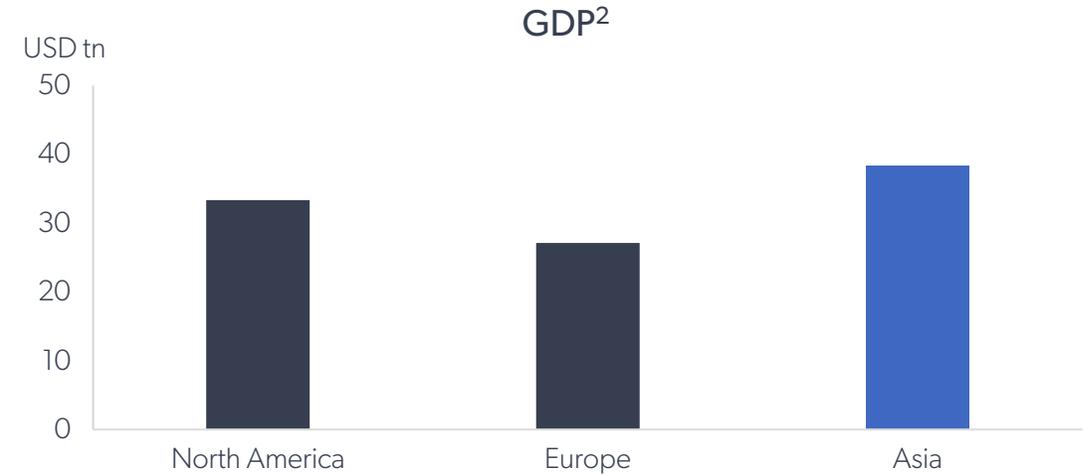
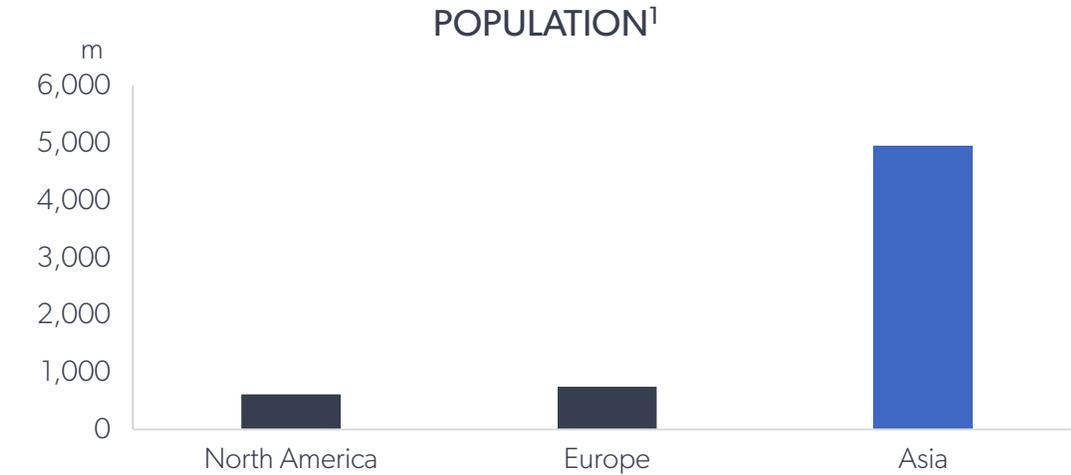
- Our preferred exposures include Asian semiconductor names as well as TSMC

3

### Asia continues to drive demand for commodities

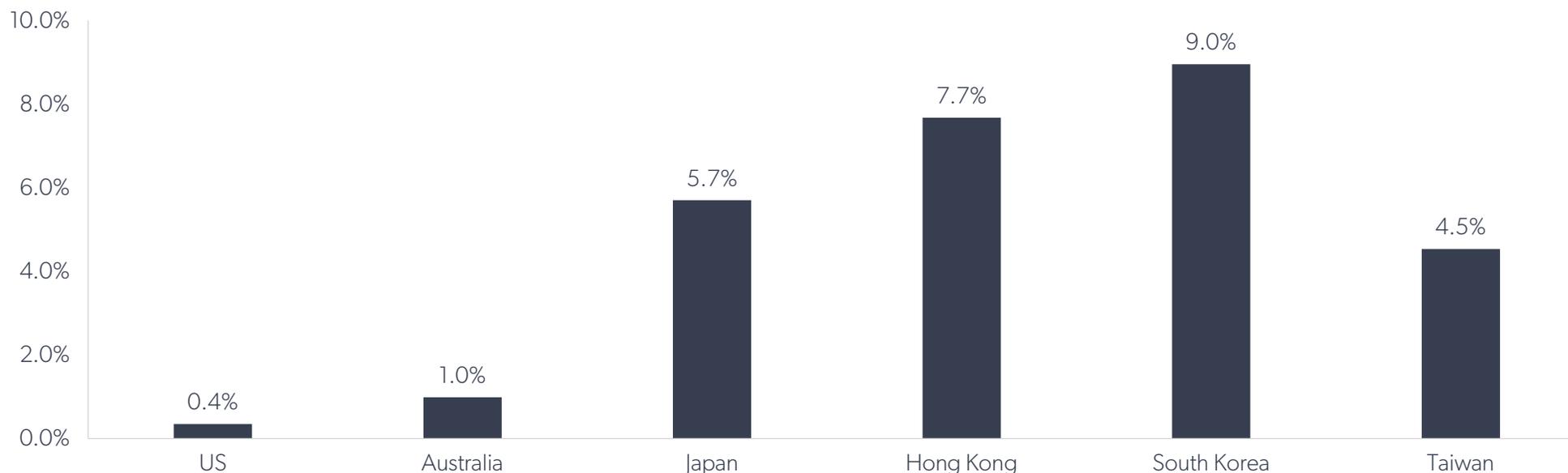
- Our preferred exposures remain copper and uranium
- Gold exposure increased

# Asia provides huge opportunity



# Attractive valuations in Asia

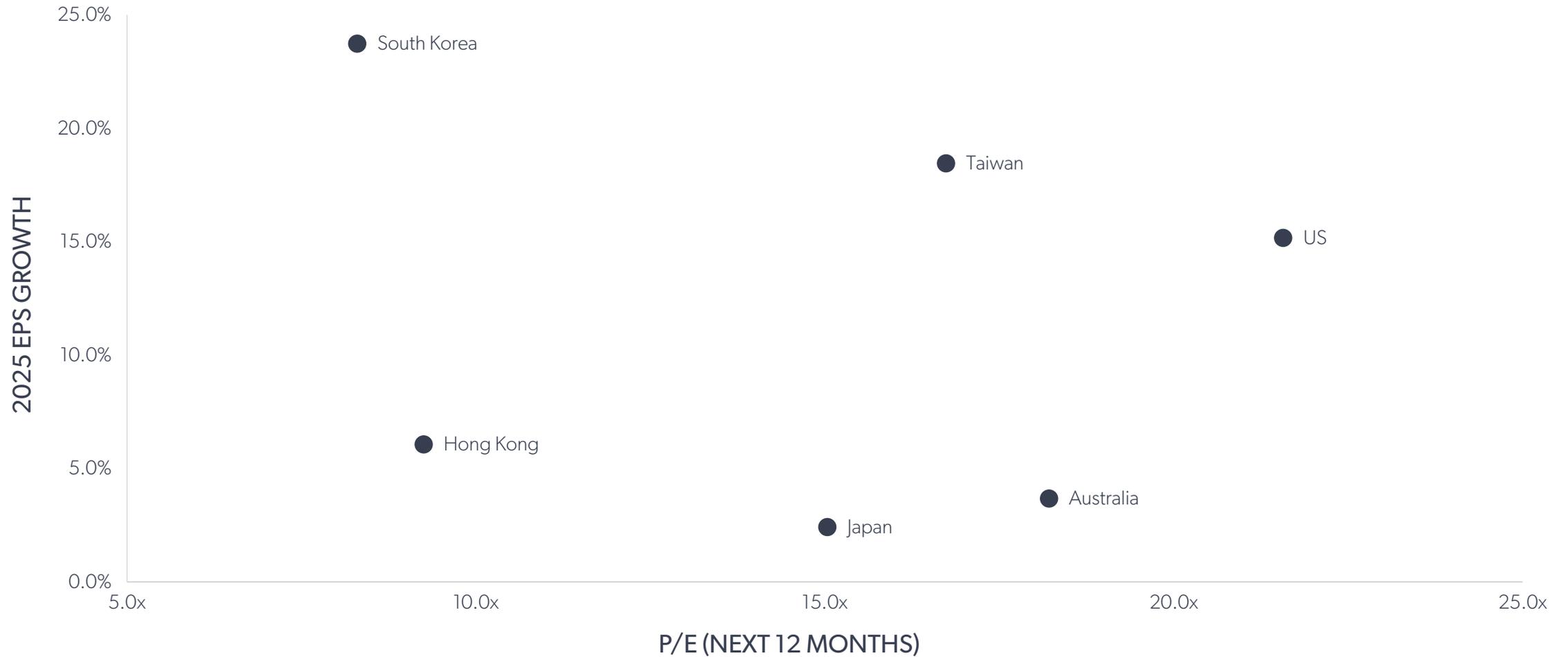
## EQUITY RISK PREMIA



P/E (next 12 months)	21.6x	18.2x	15.0x	9.3x	8.3x	16.7x
Corporate earnings yield	4.6%	5.5%	6.6%	10.8%	12.0%	6.0%
10 year government yield	4.3%	4.5%	1.0%	3.1%	3.1%	1.4%
Equity risk premium	0.4%	1.0%	5.7%	7.7%	9.0%	4.5%
EPS growth (2025)	15.2%	3.7%	2.4%	6.1%	23.7%	18.5%

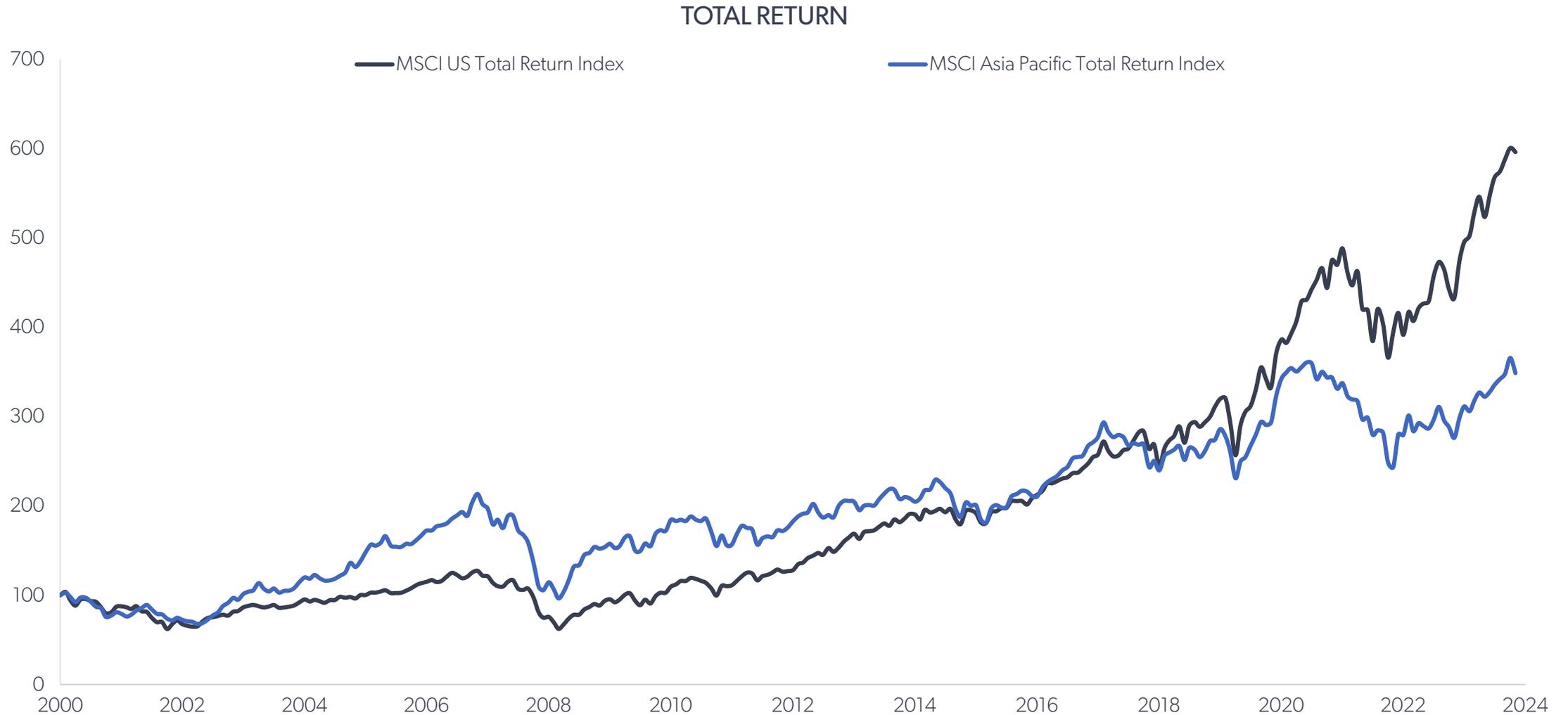
Source: Bloomberg as at 31 October 2024. MSCI US Index, MSCI Australia Index, MSCI Japan Index, Hang Seng Index, MSCI Korea Index and MSCI Taiwan. Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance.

# Attractive valuations in Asia

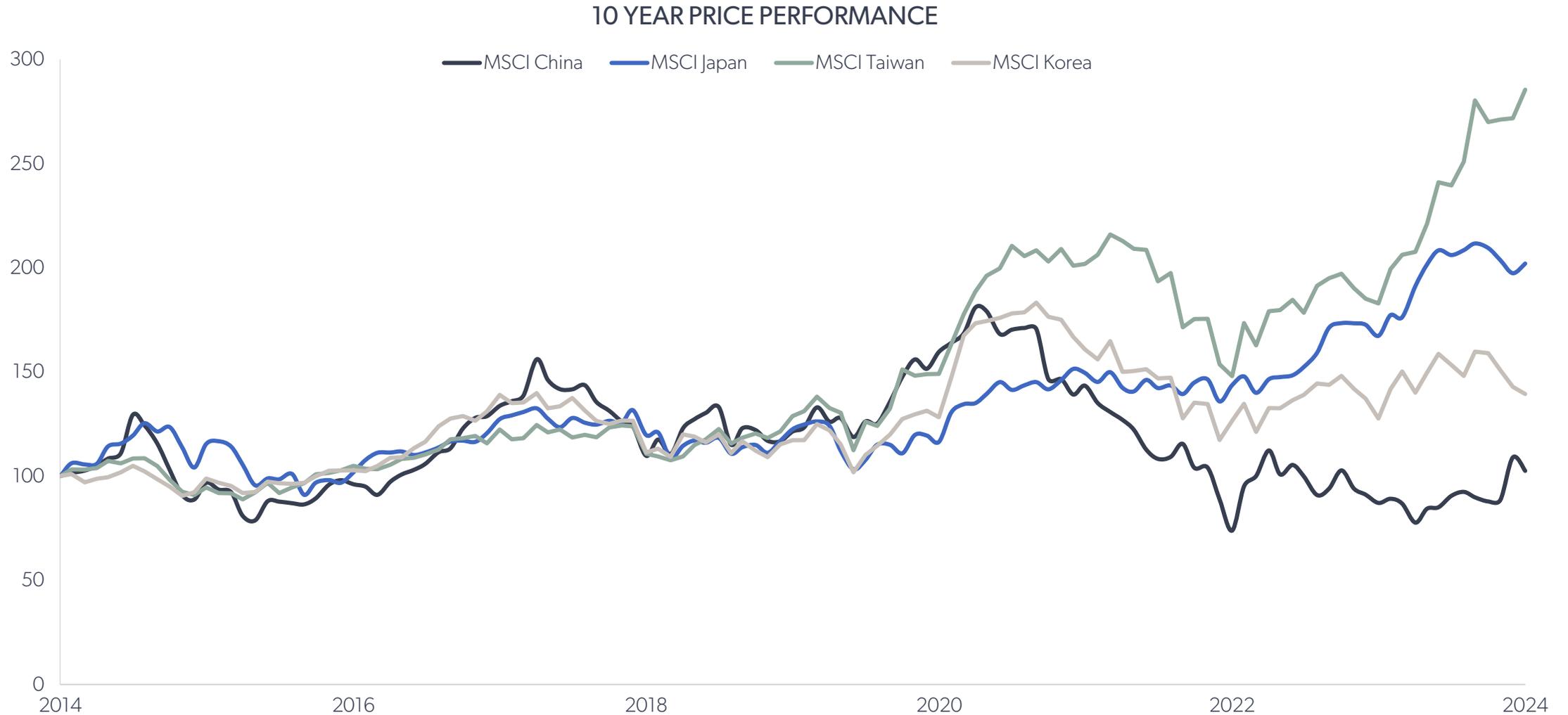


Source: Bloomberg as at 31 October 2024. MSCI US Index, MSCI Australia Index, MSCI Japan Index, Hang Seng Index, MSCI Korea Index and MSCI Taiwan. Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance.

# Asian equities continue to lag



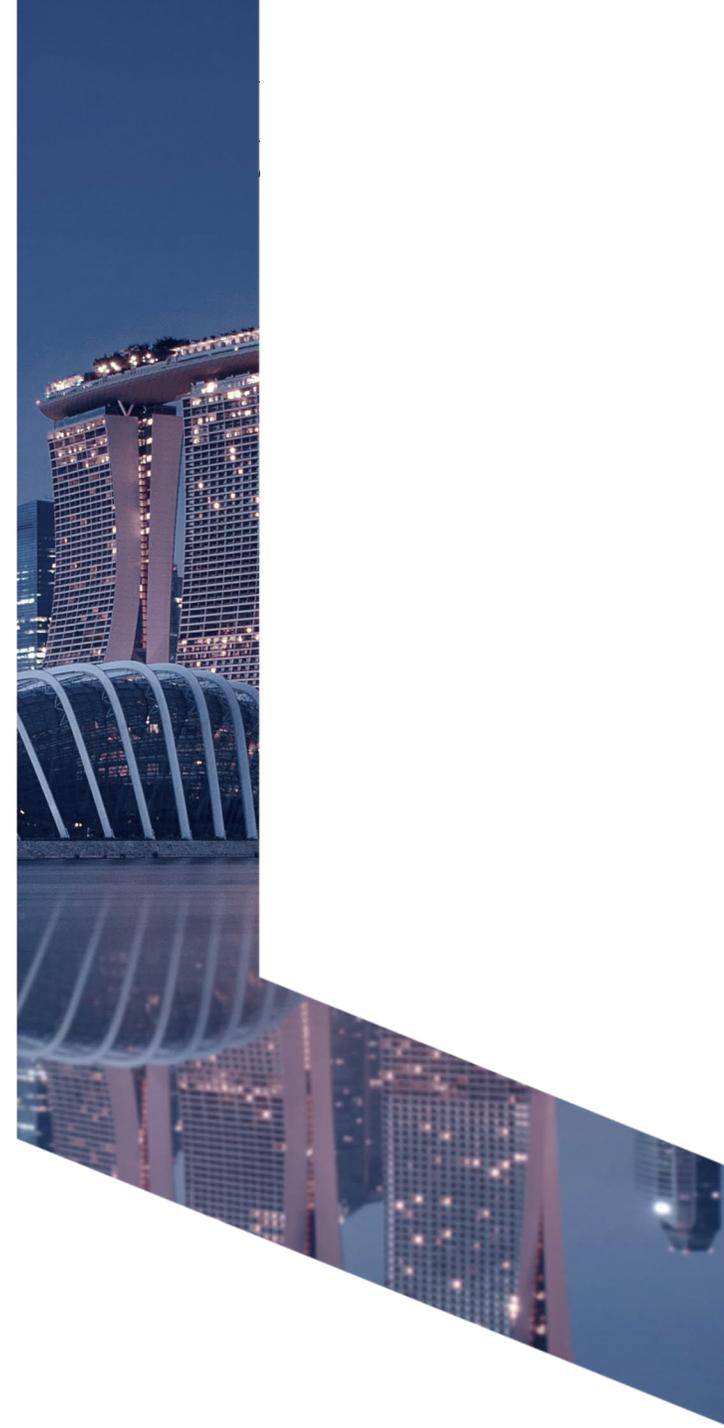
# Diverging performance of Asia's largest markets



# China

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Philip King, CIO Long/Short Equities, Regal Funds

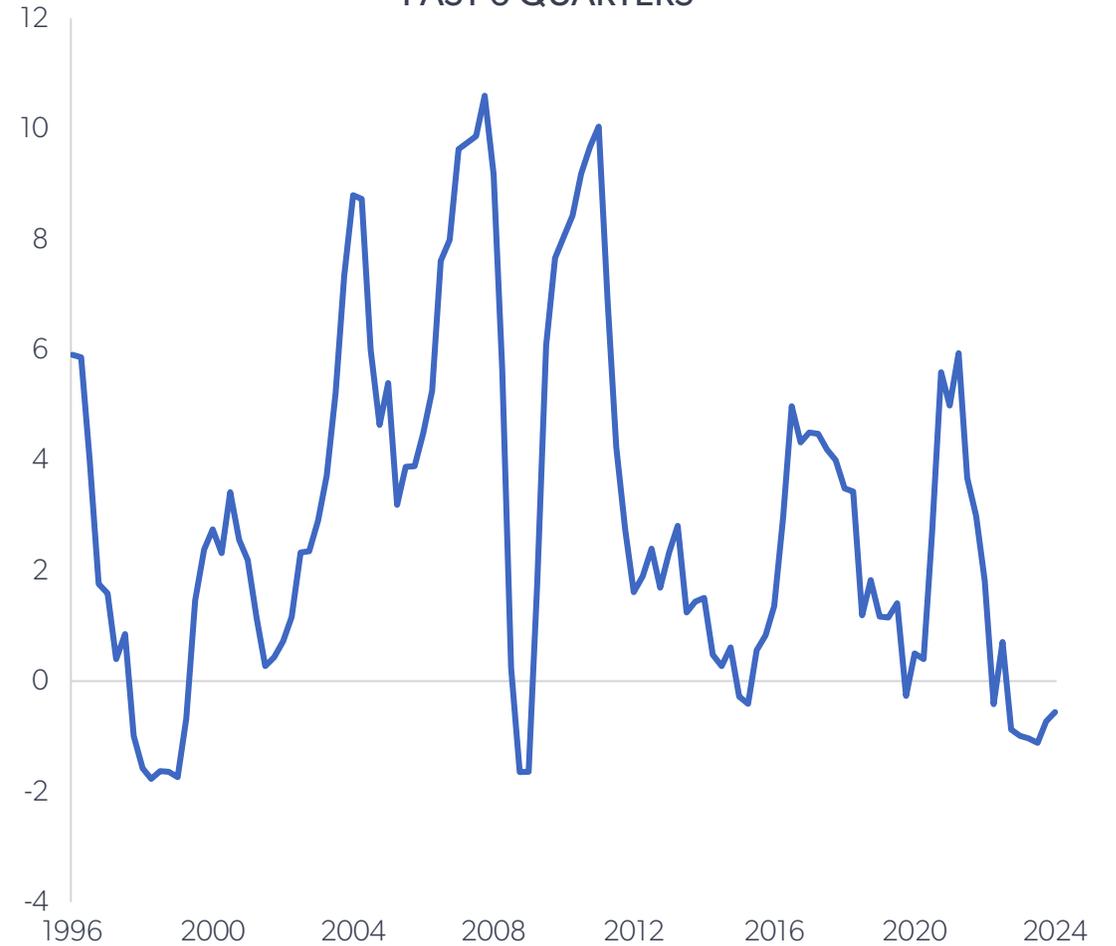


# China economic conditions are weak

### CHINA CONSUMER CONFIDENCE REMAINS WEAK

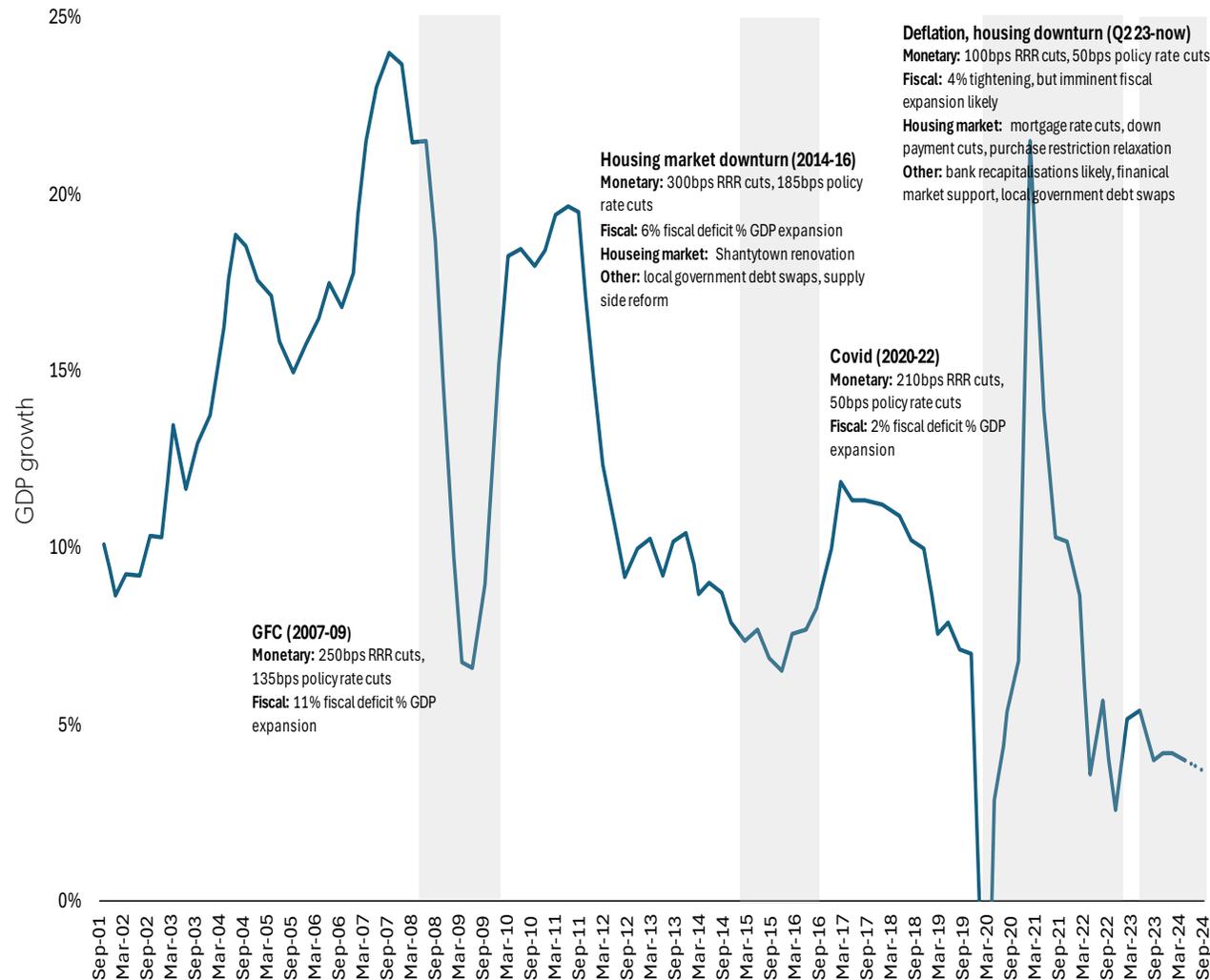


### CHINA INFLATION (GDP DEFLATOR) SHOWING DEFLATION FOR THE PAST 6 QUARTERS



Source: Left – Bloomberg as at 30 September 2024 (monthly data). Right – Bloomberg as at 30 September 2024 (quarterly data).

# China's policy has turned pro-growth, but more is required

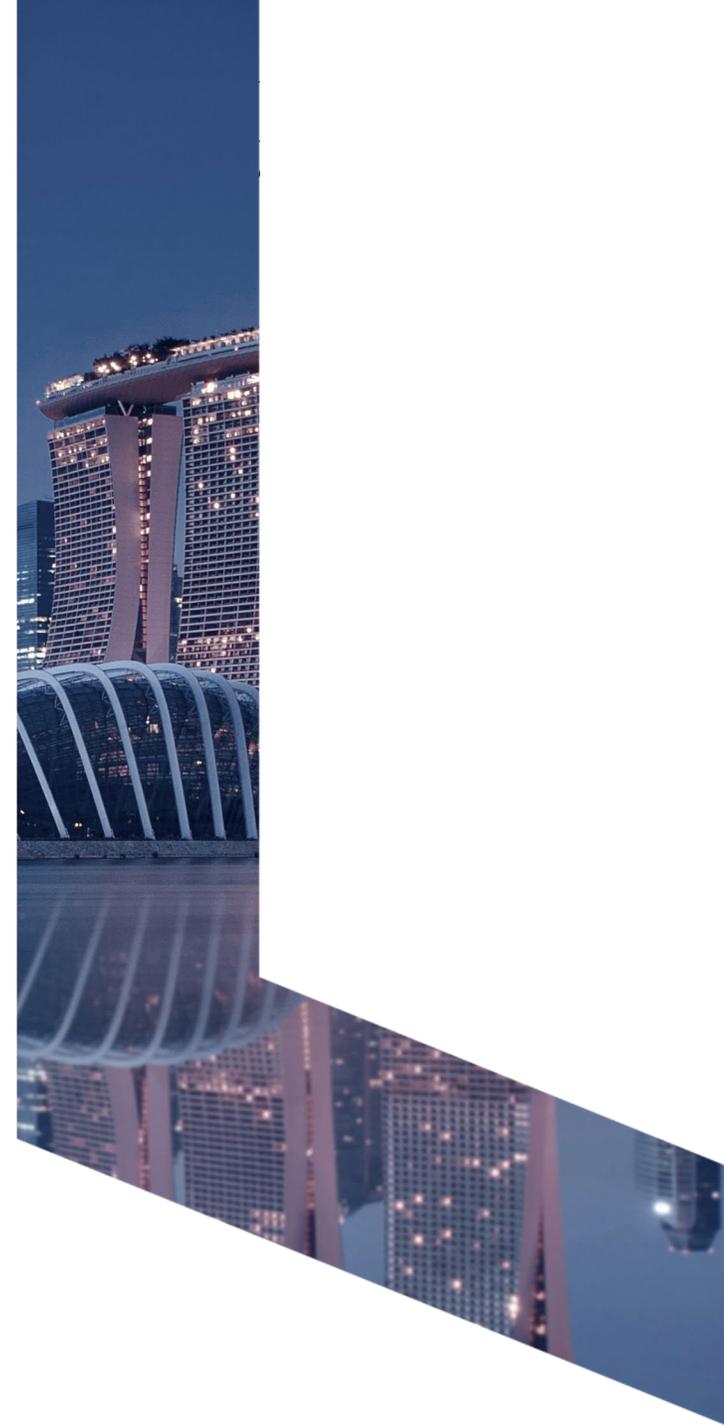


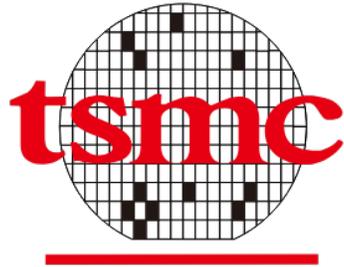
- Larger China stimulus has occurred numerous times
- Turned more pro-growth since September 2024 due to worsening economic conditions including deflation
- Policy focus currently:
  - Increasing liquidity
  - Lowering funding costs
  - Stabilising property markets
  - Improving local government funding conditions
  - Bank recapitalisations
  - Equity market support
  - Modest consumption stimulus
  - Counter cyclical fiscal policy
- More detail required; size, speed and execution are key
- Despite current actions, significant headwinds remain which are not easy to fix short-term
- Regardless, certain Chinese stocks have reasonable outlooks and are attractively priced

# Taiwan and China

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Glen Barnes, Head of Asia Fundamental Research



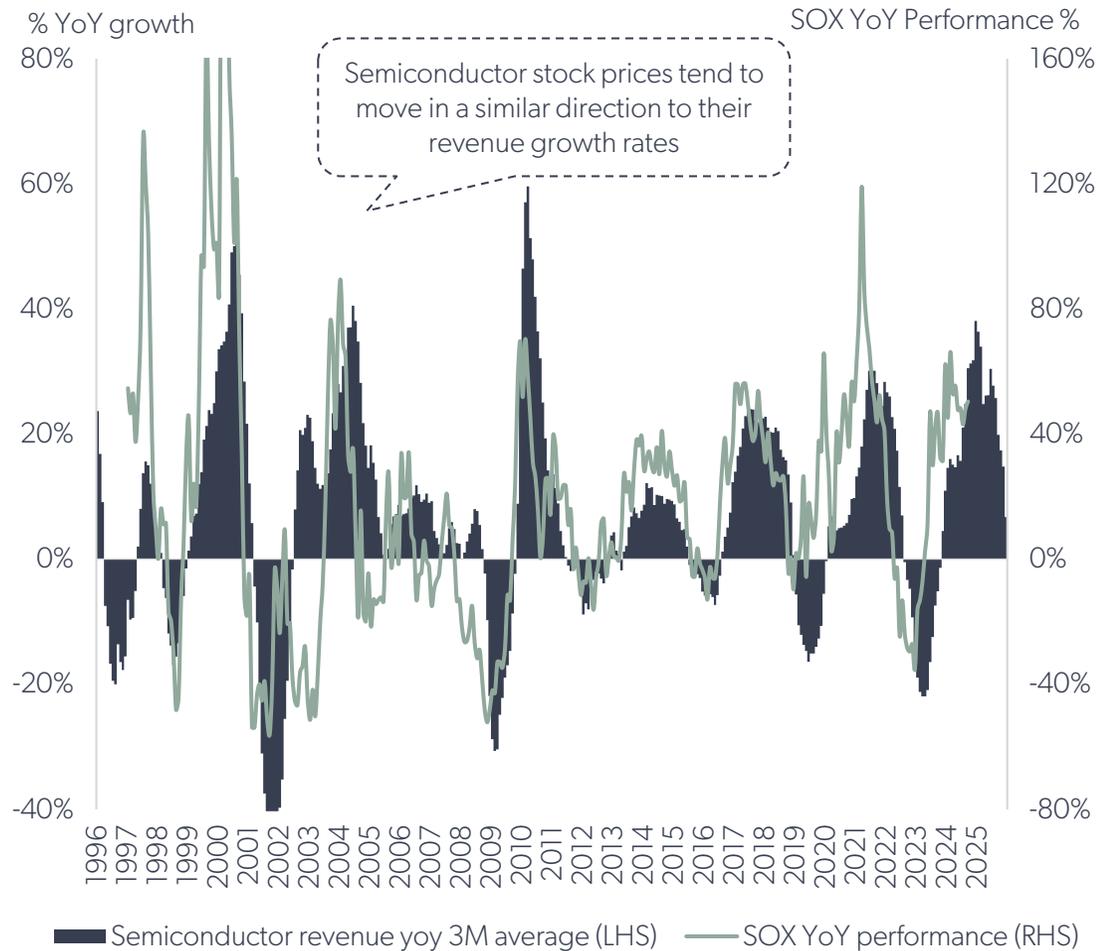


- Global leader in contract semiconductor chip manufacturing
- Clear leader in leading edge chip manufacturing technologies
- Crucial player in the supply chain for the most advanced chips including AI-related chips
- Significant competitive advantages that continue to get stronger
- Less volatile earnings versus the semiconductor sector generally, partly due to superior pricing power
- Attractive valuation, particularly versus 15-20% medium-term growth profile

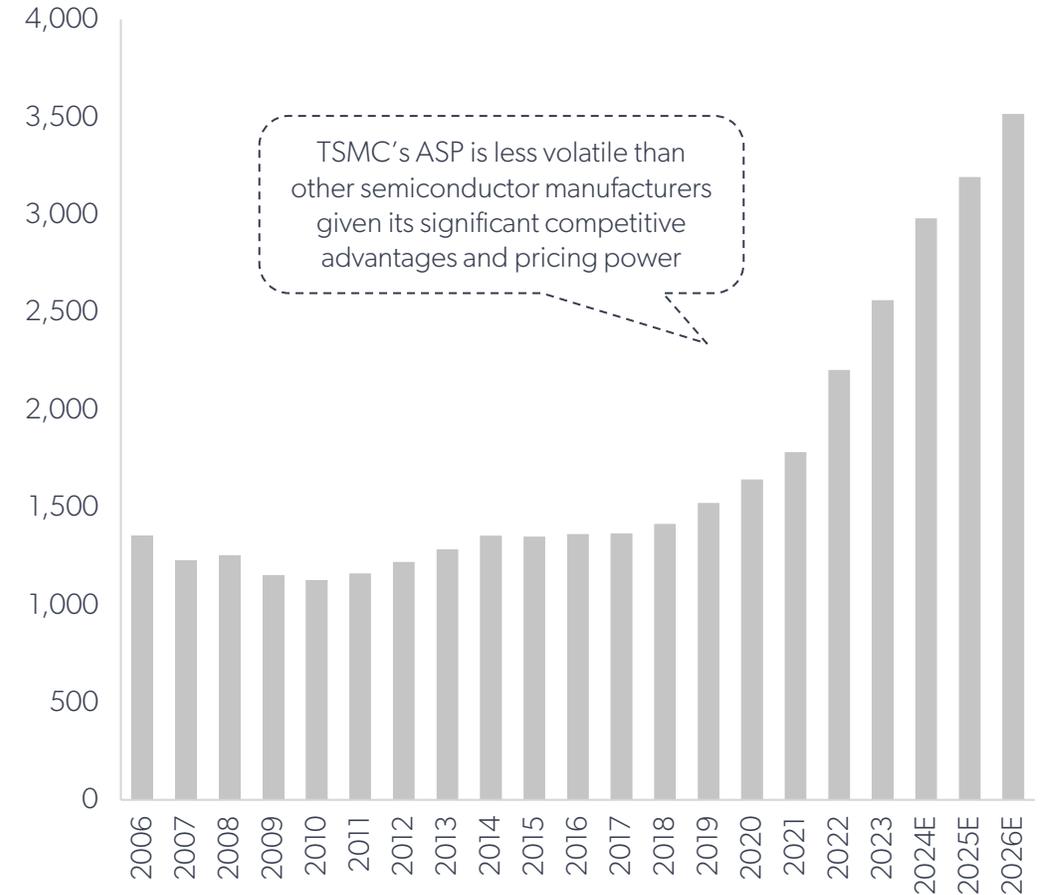
## SHARE PRICE PERFORMANCE



## SEMICONDUCTOR STOCK PRICES vs. REVENUE GROWTH



## TSMC BLENDED WAFER AVERAGE SELLING PRICE (ASP) (US\$)



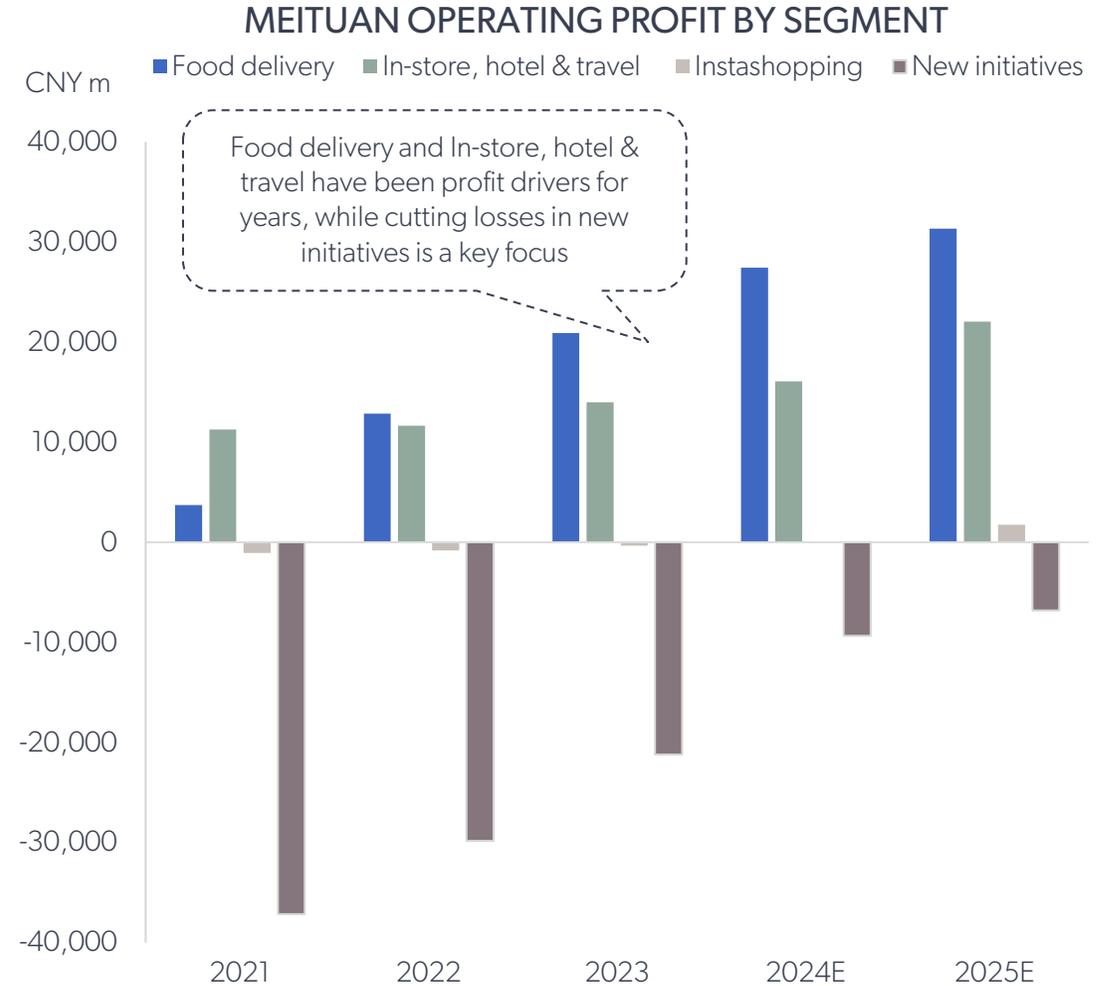
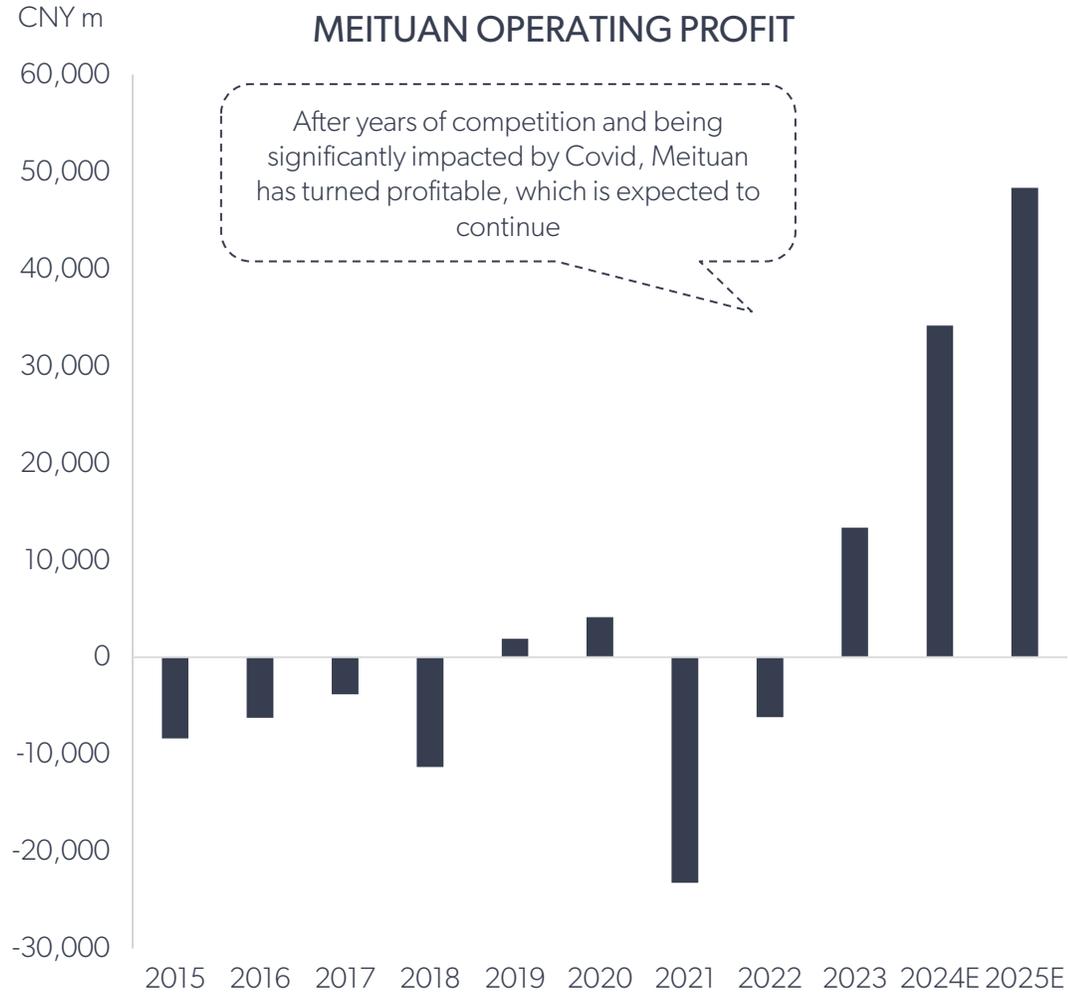


- One of China's largest ecommerce platforms
- Dominates food delivery with c.80% share and is the largest platform for local services such as restaurant and travel bookings
- Competitive advantages from scale, leading market positions, significant traffic, extensive delivery network and millions of businesses on its platform
- Faced intense competition from Douyin in its in-store local services business. However, Meituan defended its market position well and recently Douyin refocused on profitability, leading to more rational competition
- Growth is expected to remain robust, driven by:
  - Key end markets outgrowing overall consumption market
  - Some recovery in China consumption growth
  - Continued margin expansion from more rational competition, cost control, smaller losses from new initiatives

## SHARE PRICE PERFORMANCE



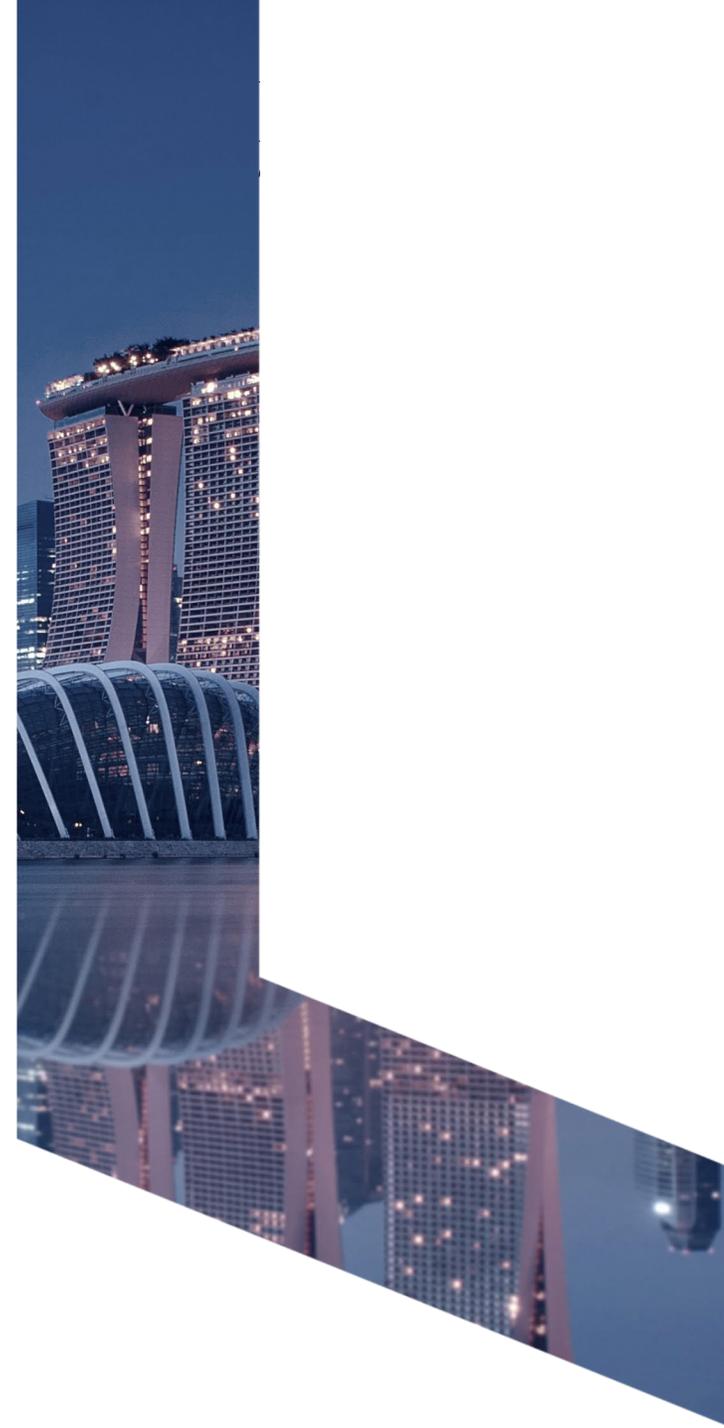
# Meituan



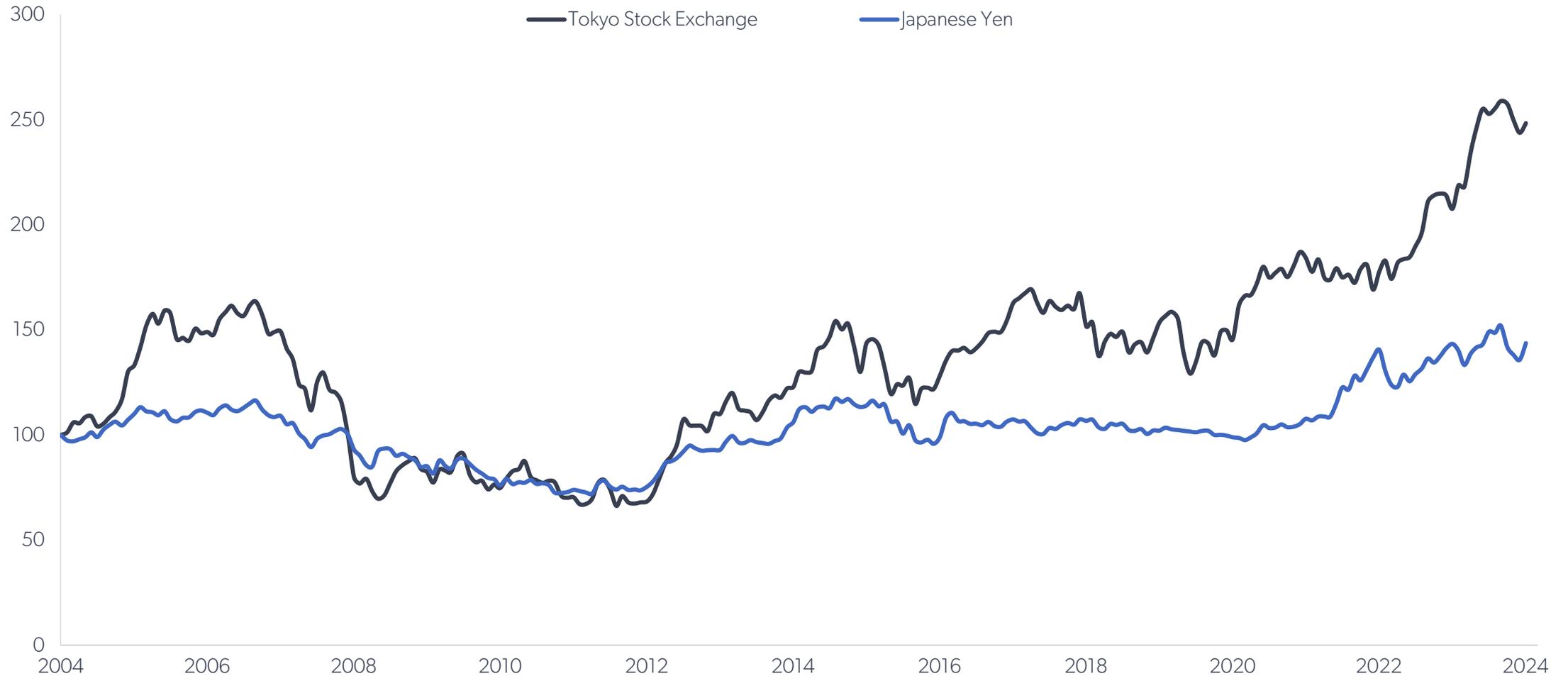
# Japan

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Philip King, CIO Long/Short Equities, Regal Funds



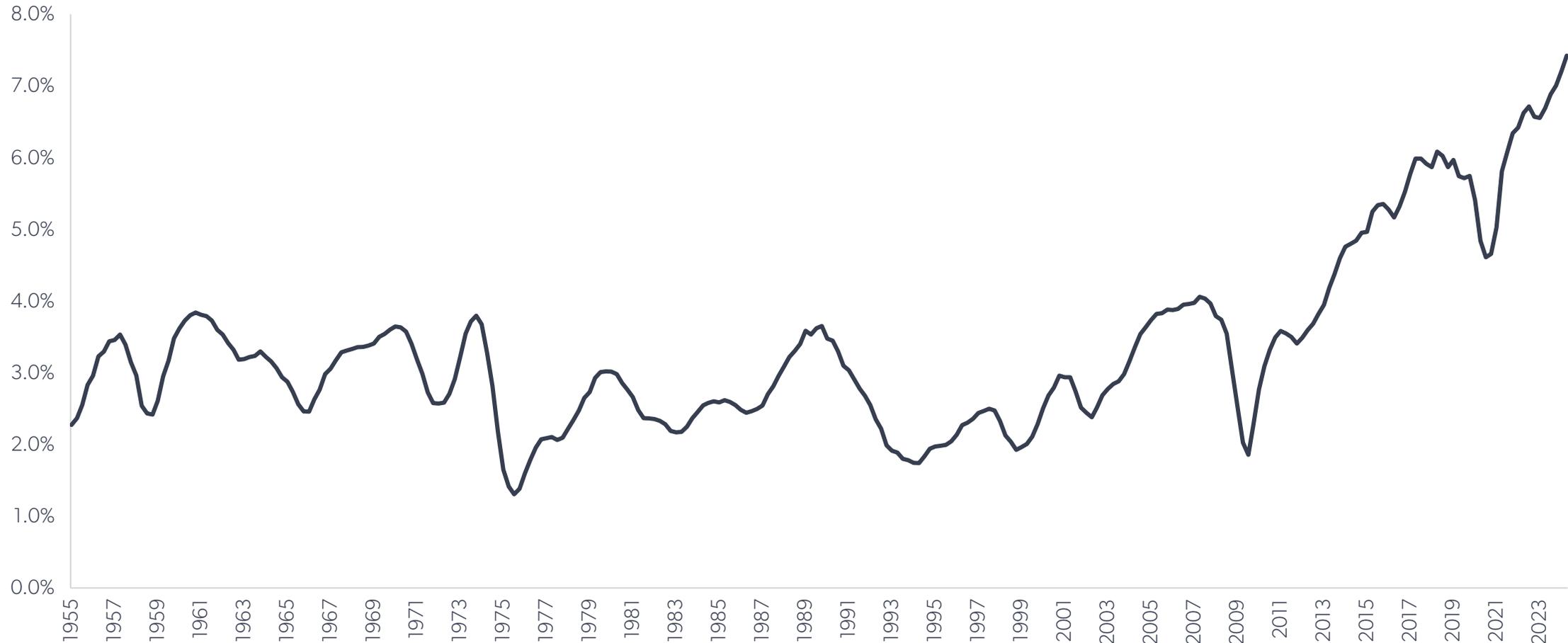
# Weak yen breathing life into Japanese market



# Improving profitability in Japan

## PRE-TAX PROFIT MARGIN

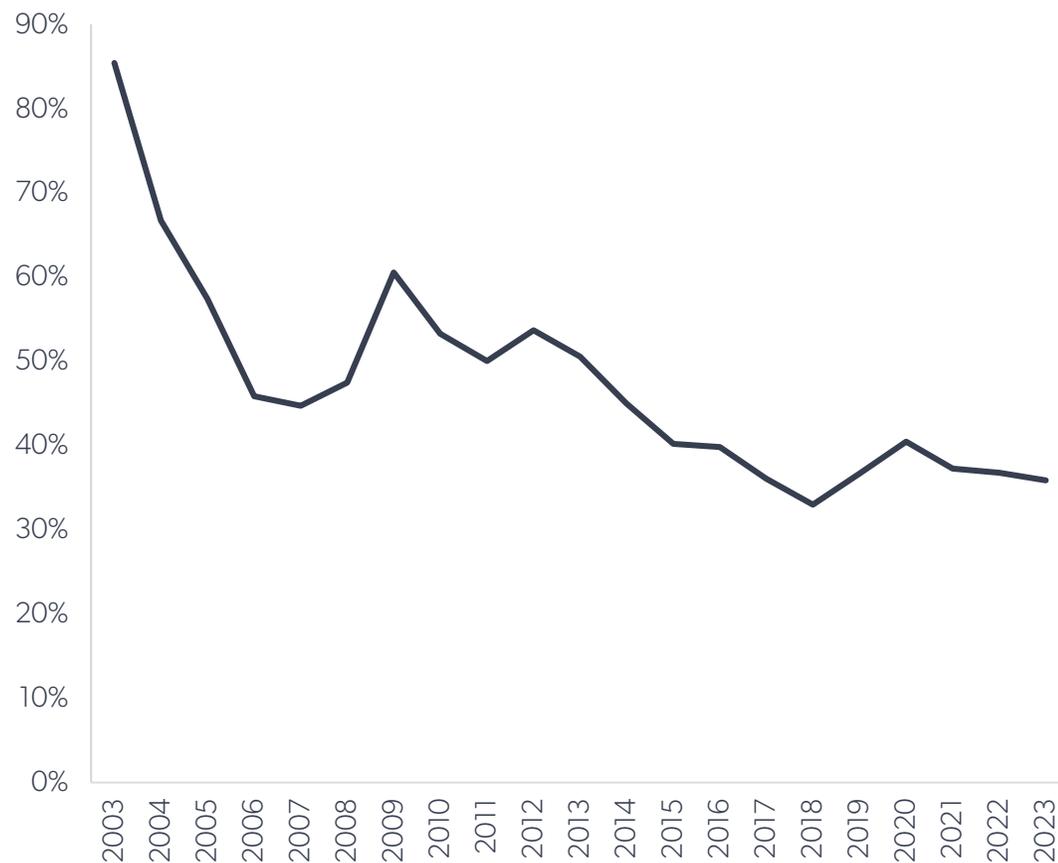
Japanese non-financial corporate profit/revenue booked in Japan



# Improving shareholder returns

## JAPANESE COMPANIES ARE LESS FOCUSED ON DELEVERAGING

Large listed corporate net debt to equity ratio



## AND RETURNING MORE CASH TO SHAREHOLDERS

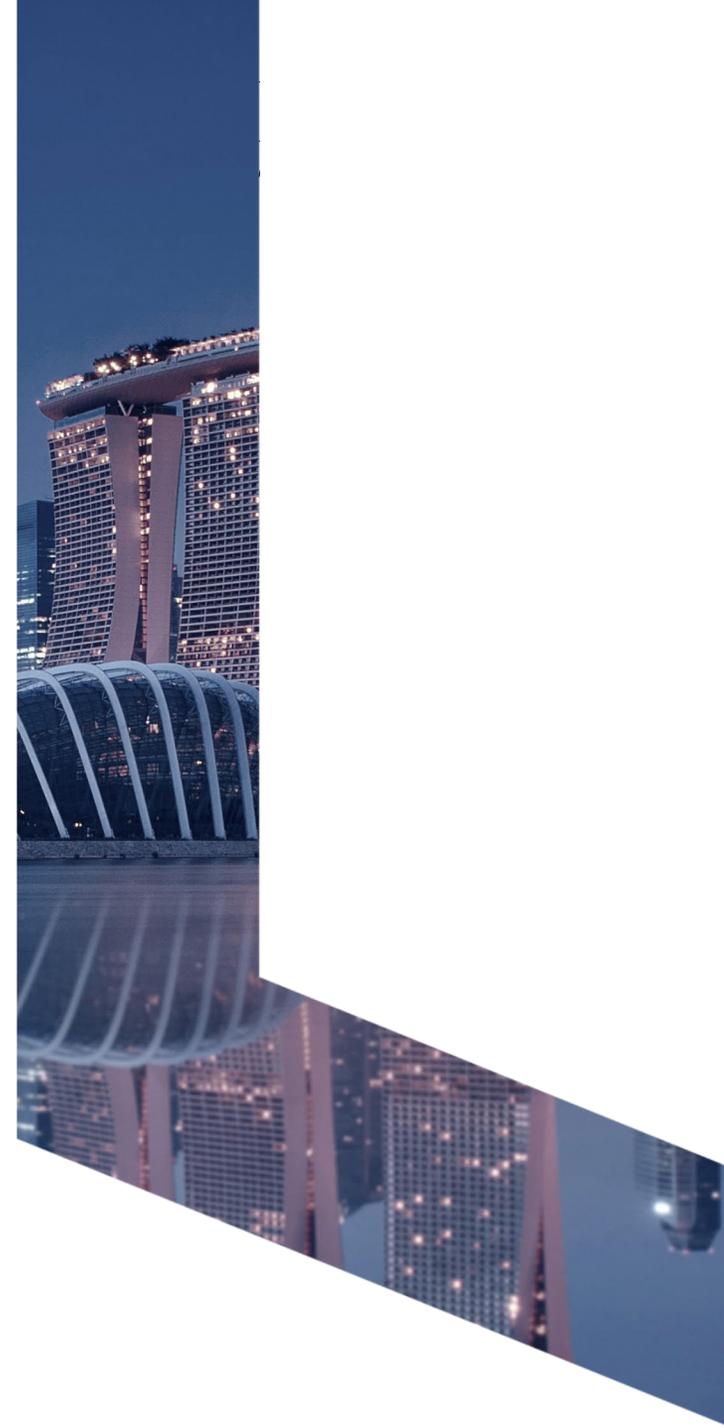
Listed corporate share buy-back announcements



# Japan

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Shannon McConaghy – Senior Analyst



# Mitsubishi Heavy Industries



- Global leader in gas turbines, leveraged to rising Liquid Natural Gas power generation as nations look to reduce emissions
- A leader in nuclear power plants, benefiting from plant restarts in Japan as well as an improving installation outlook for both traditional reactors and small modular reactors
- Japan's largest defence contractor benefiting from a rapidly increasing defence budget and contract margins
- Restructuring low margin businesses
- Transitioning from deleveraging to increasing shareholder returns

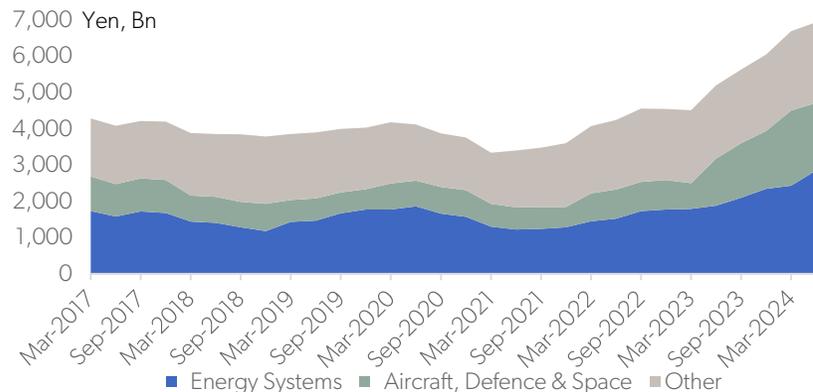
## SHARE PRICE PERFORMANCE



# Mitsubishi Heavy Industries

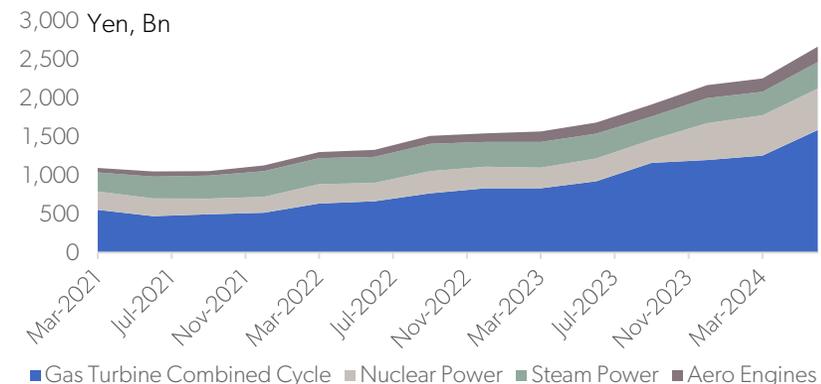
## SIGNIFICANT NEW ORDER GROWTH

MITSUBISHI HEAVY INDUSTRIES (ORDER INTAKE, TRAILING 12 MONTHS)



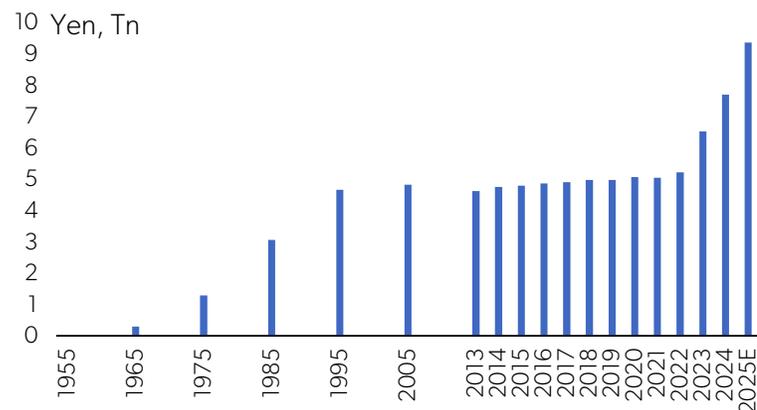
## LEVERAGED TO LNG AND NUCLEAR POWER DEMAND

ENERGY SYSTEMS SEGMENT (ORDER INTAKE, TRAILING 12 MONTHS)



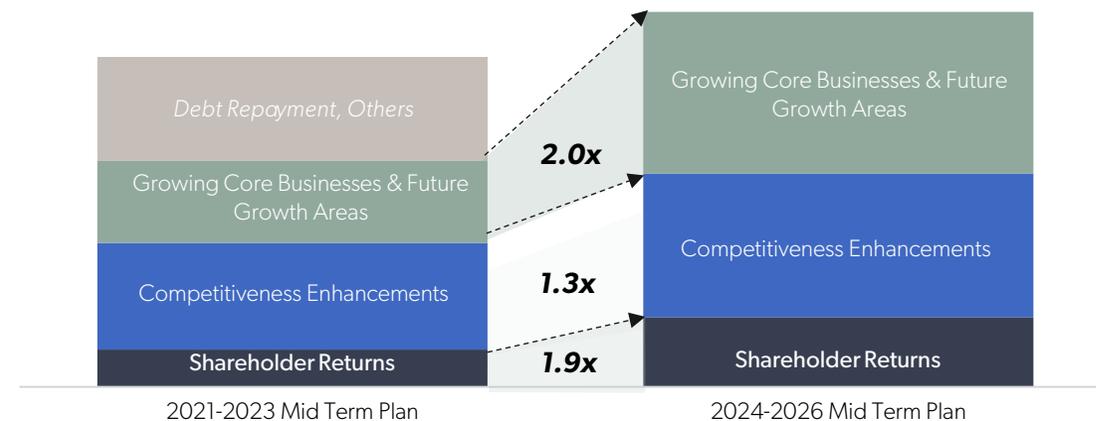
## JAPAN'S LARGEST DEFENCE CONTRACTOR

JAPAN DEFENCE BUDGET



## ALLOCATING MORE CAPITAL TO GROWTH AND SHAREHOLDERS

MITSUBISHI HEAVY INDUSTRIES CAPITAL ALLOCATION PLAN





- Holding company 29% owned by Masayoshi Son
- A “software-bank” with investments in technology companies and communication infrastructure assets around the globe
- Trading on a 60% discount to Net Asset Value (NAV)
- >70% of assets are listed with a strong IPO exit pipeline for remaining unlisted assets
- Under pressure from a large global activist to unlock value
- Strong history of shareholder returns with significant cash on the balance sheet

## SHARE PRICE PERFORMANCE

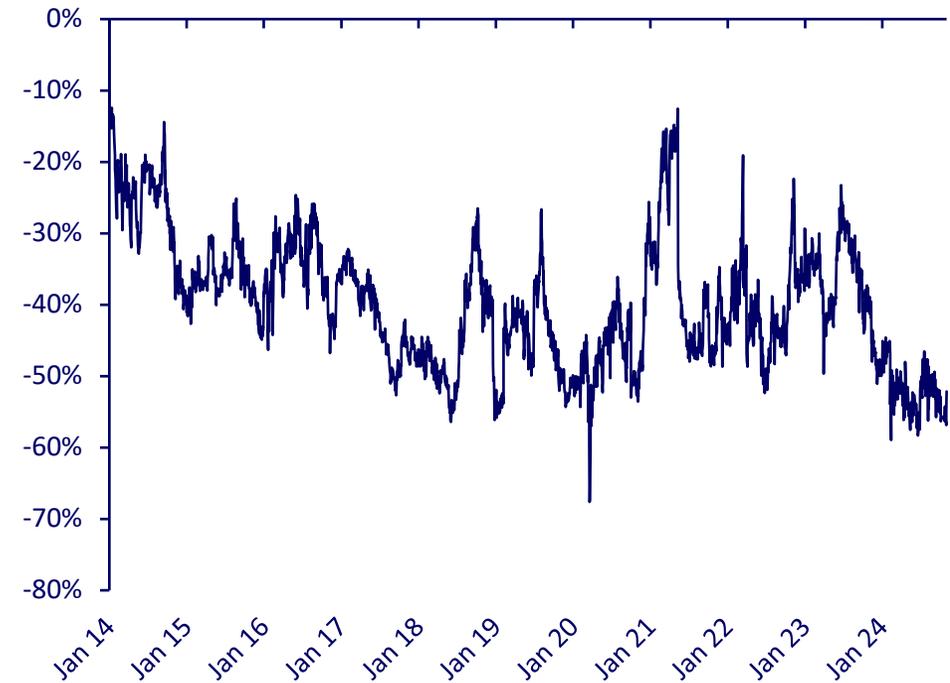
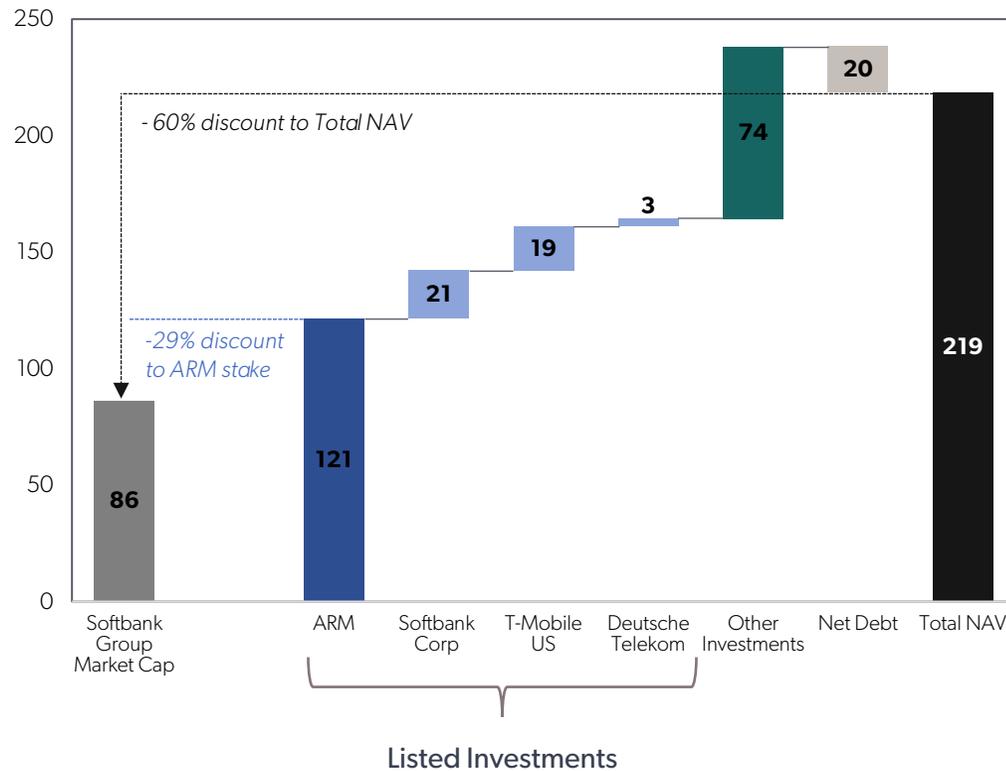


## SOFTBANK GROUP TRADES AT A 60% DISCOUNT TO NAV

## ACTIVIST PRESSURE TO CLOSE THE NEAR RECORD DISCOUNT

SOFTBANK GROUP PORTFOLIO

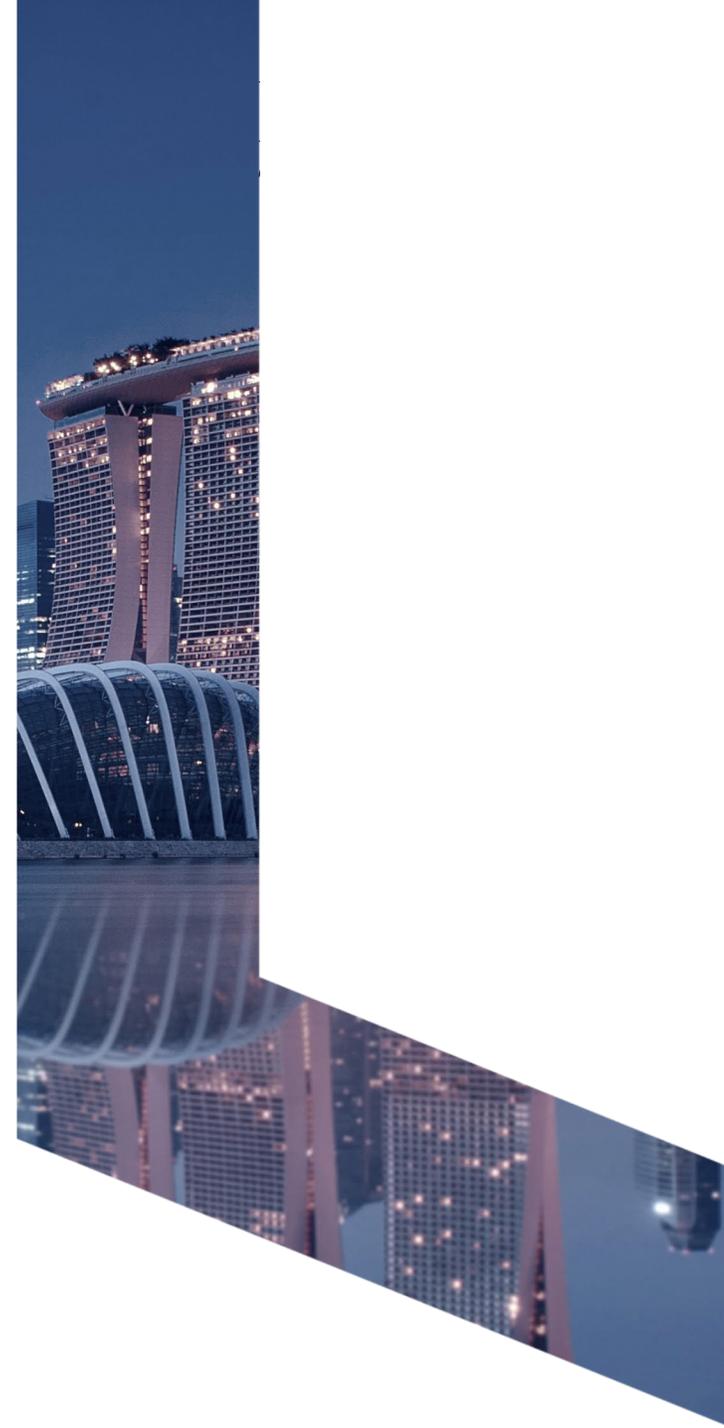
SOFTBANK GROUP DISCOUNT TO NAV OVER TIME



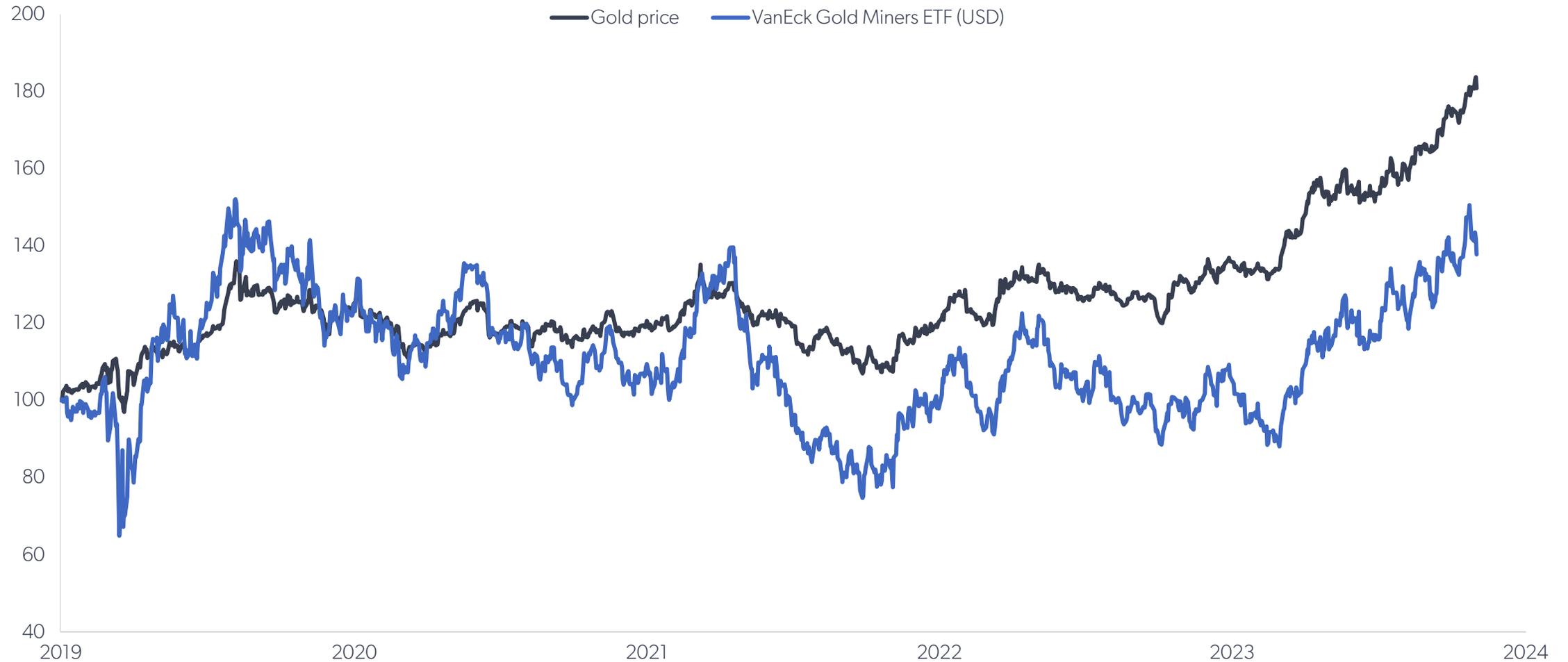
# Mining

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Philip King, CIO Long/Short Equities, Regal Funds



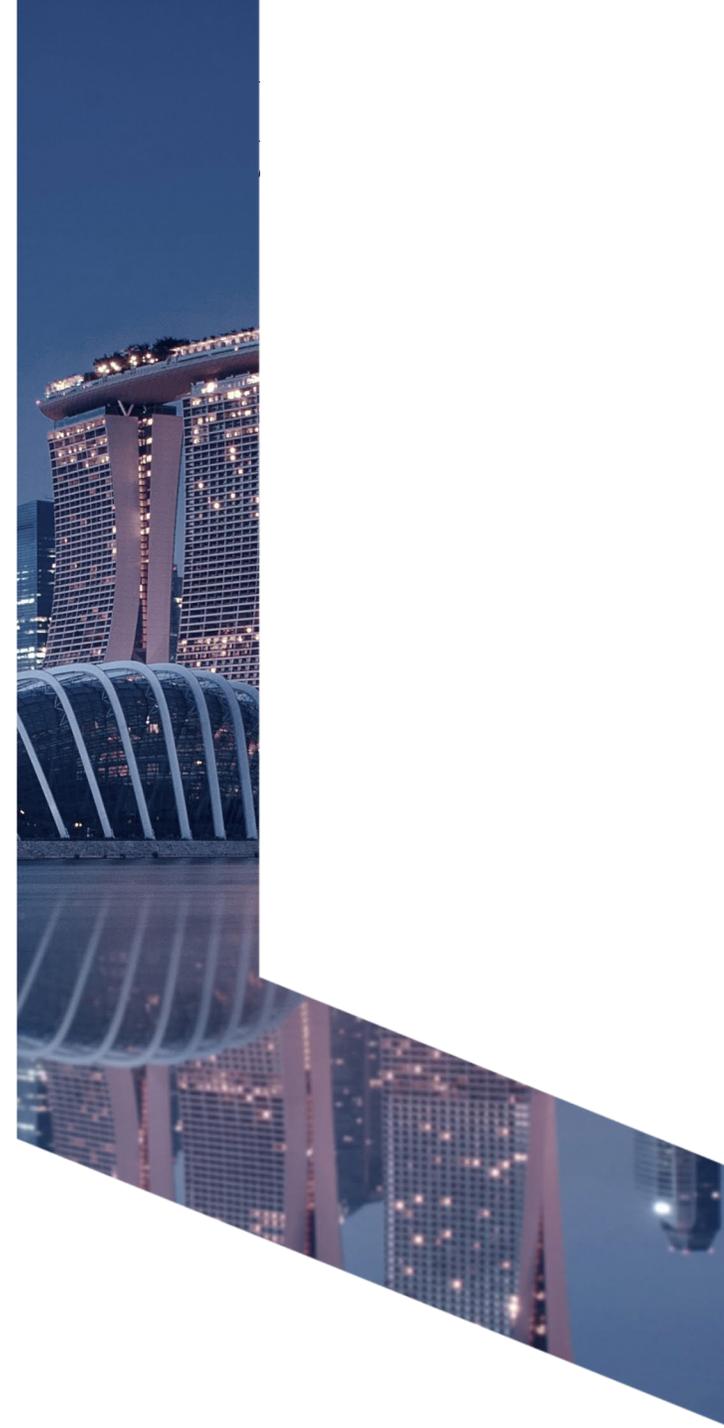
# Gold equities lagging gold price gains



# De Grey Mining

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Henry Renshaw, Portfolio Manager, Regal Funds



# De Grey Mining



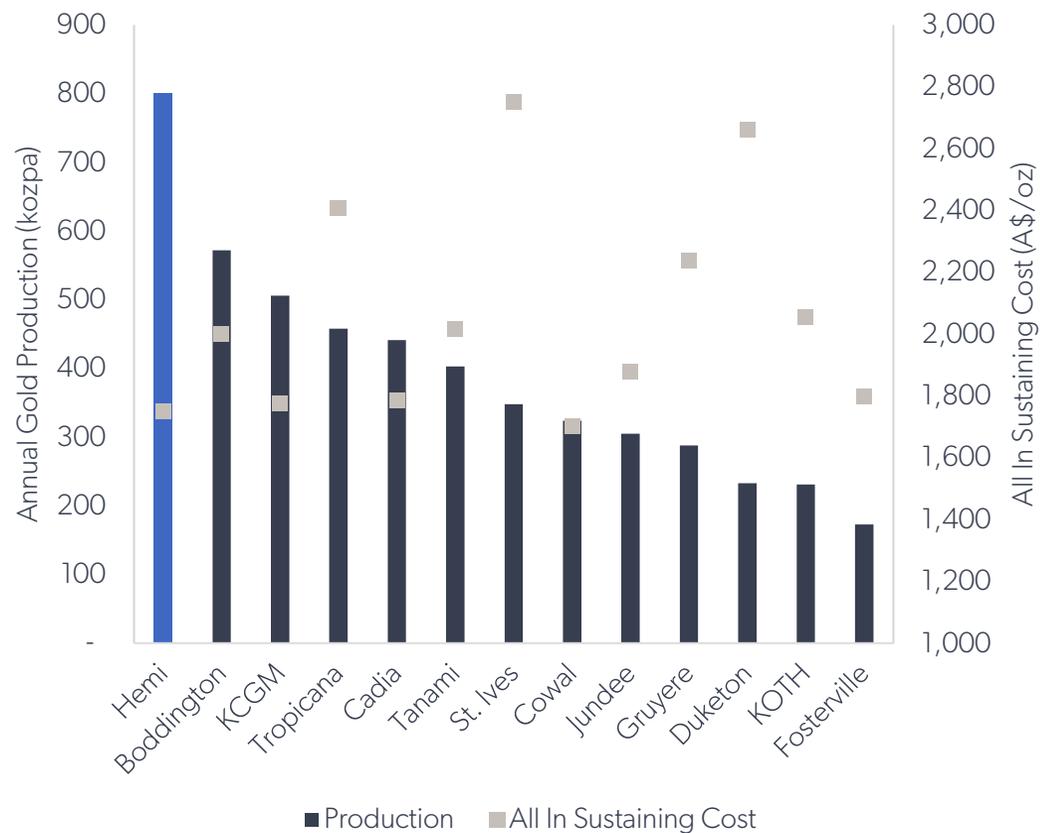
- Australian-based gold developer with 100% ownership of the Hemi gold project located in Western Australia
- Once the project has been constructed, the Hemi mine will be the largest gold mine in Australia and turn De Grey into one of the largest gold producers on the ASX
- The project is fully funded, De Grey have A\$828m in cash and credit approved term sheets for A\$1bn senior debt with A\$130m cost overrun facility, targeting finalisation of debt this current quarter. The capital cost estimate for the project is A\$1.5bn
- First production expected early 2027 (~2-year construction timeline)
- Size and scale = potential takeover target

## SHARE PRICE PERFORMANCE

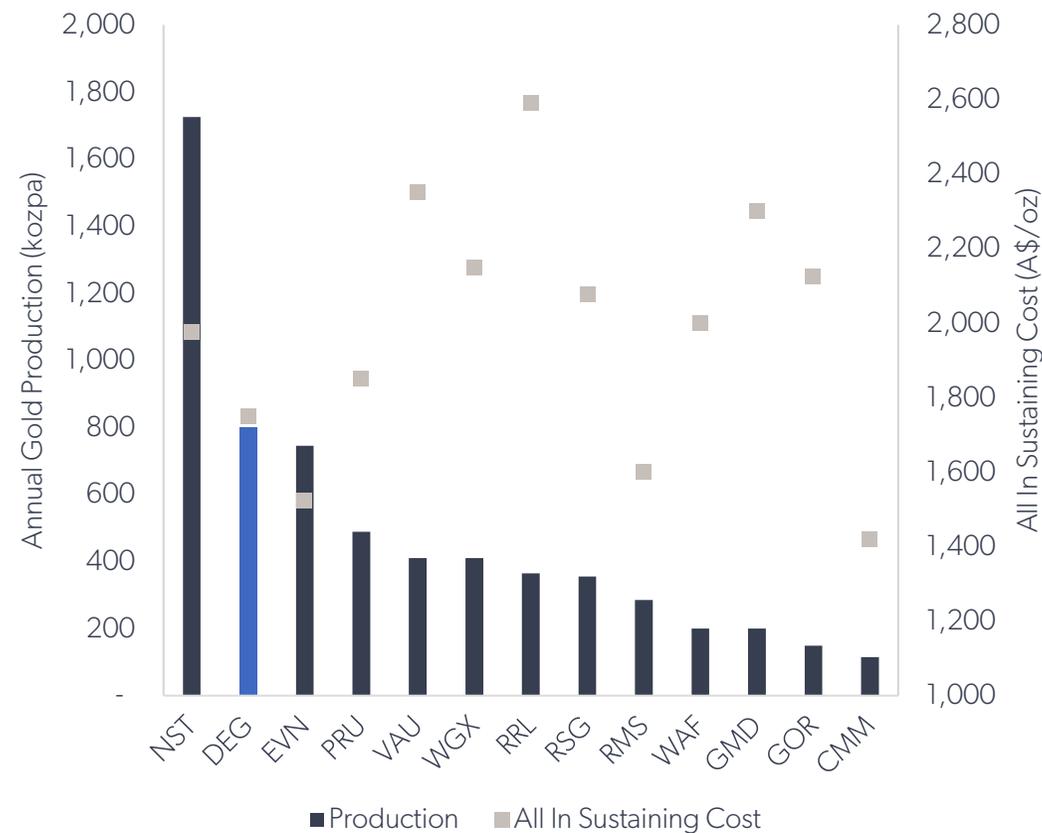


# One of the ASX's largest gold mines and miners

**DE GREY'S HEMI PROJECT CAN BE THE LARGEST IN AUSTRALIA<sup>1</sup>**  
REGAL'S EXPECTED ULTIMATE CAPACITY VS OTHER LARGE MINES



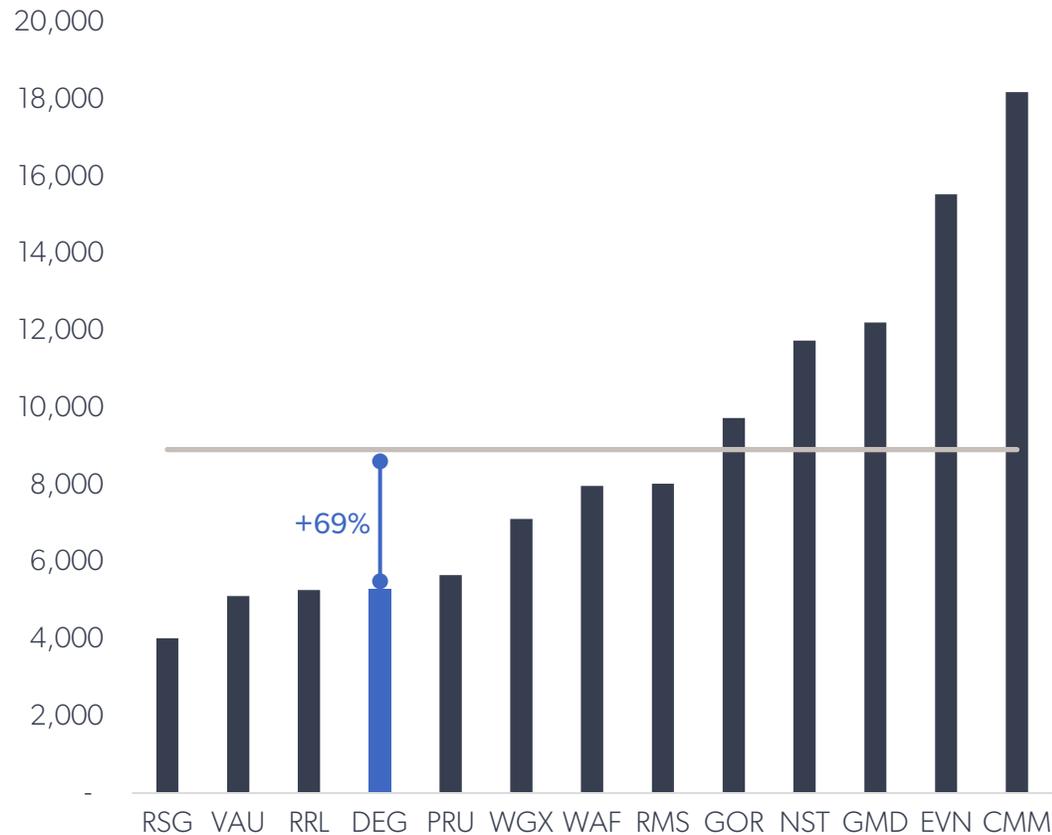
**HEMI MAY ENABLE DE GREY TO BECOME ONE OF THE ASX'S LARGEST GOLD MINERS<sup>2</sup>**



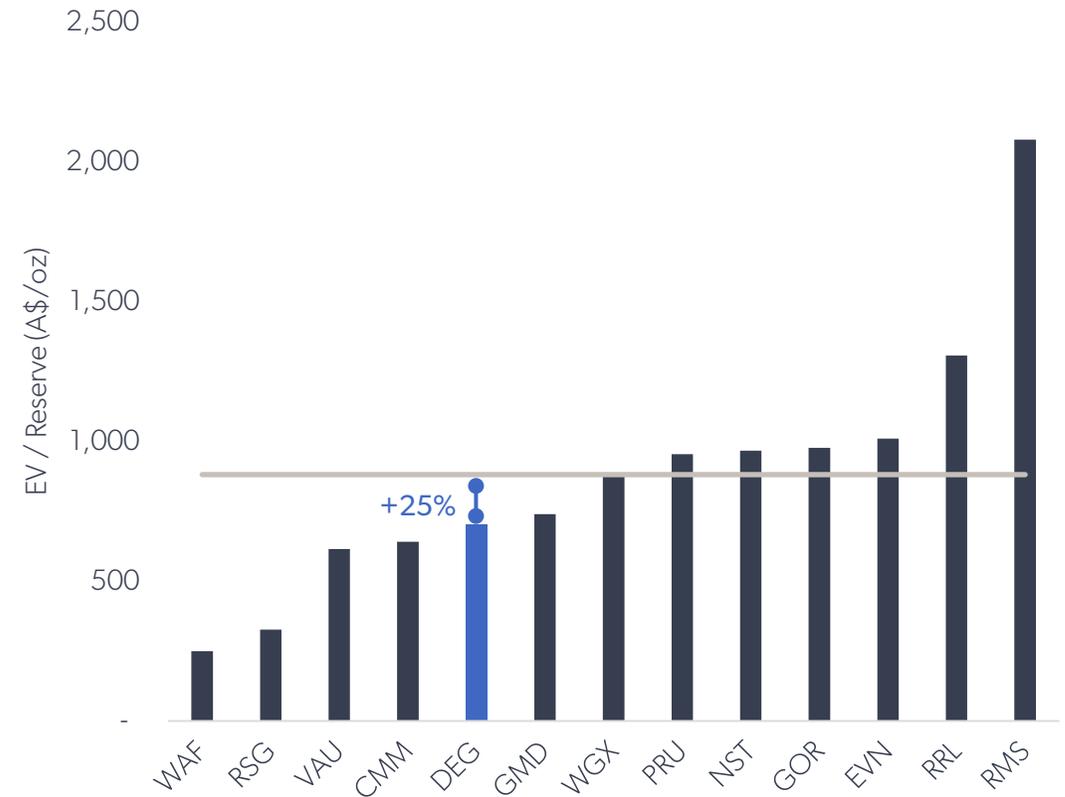
1. Company reports & Visible Alpha, N.B. "Regal's expected ultimate capacity" includes regional production and underground, Hemi AISC is DFS estimate inflated 35%, all other asset production and AISC is current year Visible Alpha consensus estimates.  
2. Company reports. N.B. "Regal's expected ultimate capacity" includes regional production and underground, Hemi AISC is DFS estimate inflated 35%, all other company production and AISC is the midpoint of the current year company group guidance.

# Size and scale compelling vs peers

**EV / ANNUAL PRODUCTION<sup>1</sup>**  
DE GREY 69% UPSIDE TO ASX PRODUCER AVERAGE



**EV / RESERVE<sup>2</sup>**  
DE GREY 25% UPSIDE TO ASX PRODUCER AVERAGE



1. Company reports, Bloomberg & Visible Alpha. "Regal's expected ultimate capacity" for De Grey, all other company production is the midpoint of the current year company group guidance.

2. Company reports, Bloomberg.

Please submit  
your questions  
via the side  
menu on  
the webcast  
player



PHILIP KING

Co-Founder &  
CIO Long/Short Equities  
Regal Funds



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