

24 February 2023

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

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## 2022 Financial Results Briefing Presentation

Regal Partners (ASX:RPL) will hold its 2022 financial results webcast and call at 11am (AEDT) today, Friday, 24 February 2023. Please find the presentation attached.

The session will be hosted by Brendan O'Connor, Managing Director and Chief Executive Officer, and Ian Cameron, Chief Financial Officer.

### WEBCAST DETAILS

Please click [here](#) to access the webcast presentation.

Please enter your name, email and company to register for the webcast. The webcast will be interactive, with questions able to be submitted online during the event using the "Ask a Question" box. We also encourage investors to submit questions in advance by emailing them to [investorrelations@regalpartners.com](mailto:investorrelations@regalpartners.com).

A recording of the webcast will be available on Regal Partners' website at [www.regalpartners.com](http://www.regalpartners.com) after the event.

### TELECONFERENCE DETAILS

Please click [here](#) to pre-register for the conference call.

Participant dial-in numbers (conference ID 10028660) below if no pre-registration:

Australia (toll free)	1800 809 971	New Zealand (toll free)	0800 453 055
Sydney	+61 2 9007 3187	Other	+61 7 3145 4010

### AUTHORISED FOR RELEASE BY:

Ian Cameron, Joint Company Secretary



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## ABOUT REGAL PARTNERS LIMITED

Regal Partners Limited is an ASX-listed, specialist alternatives investment manager with approximately \$5.4 billion<sup>1</sup> in funds under management.

Formed on 3 June 2022 following the merger of VGI Partners Limited and Regal Funds Management Pty Limited, the group manages a broad 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, including 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 in Australia and Asia.

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<sup>1</sup> Unaudited Management estimate as at 31 January 2023. Funds under management for the group (including 100% of Kilter Rural and Attunga Capital) includes non-fee earning funds.





# Regal Partners Limited (ASX:RPL)

## 2022 Results Presentation

24 February 2023

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REGAL  
PARTNERS



# Disclaimer



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## **Normalisation adjustments**

Financial Information is presented on both a statutory basis (prepared in accordance with Australian accounting standards which include Australian equivalent to International Financial Reporting Standards (IFRS)) as well as information provided on a non-IFRS basis. Regal Partners considers that the non-IFRS financial information is important to assist in evaluating Regal Partners' performance. The information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. For a reconciliation of the non-IFRS financial information contained in this document, refer to slide 24 of this presentation.

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## **Information dissemination**

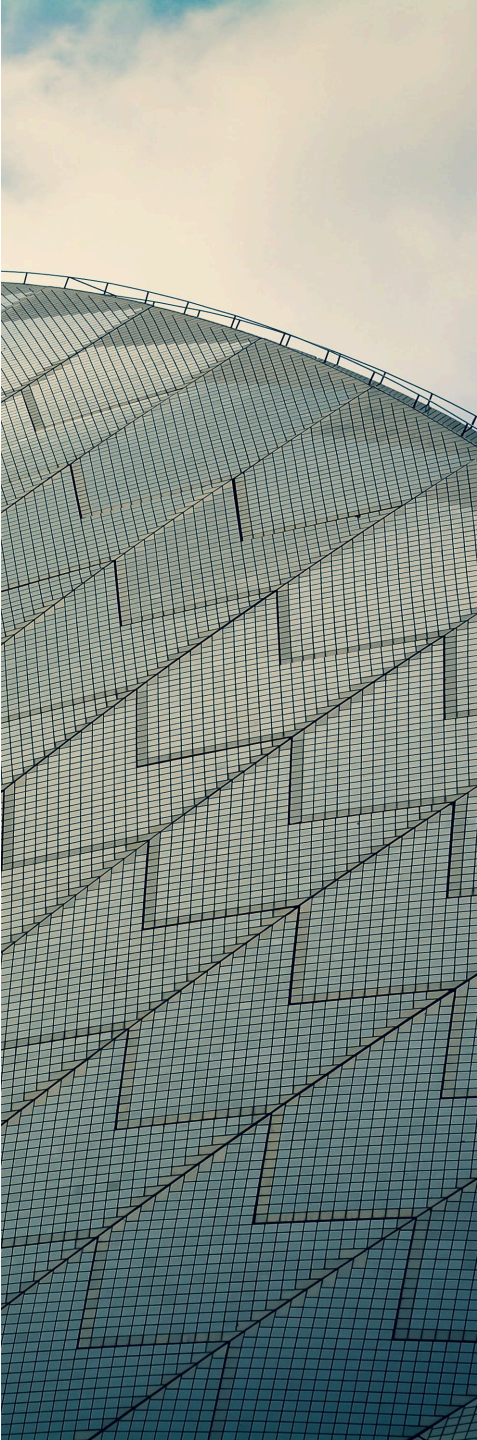
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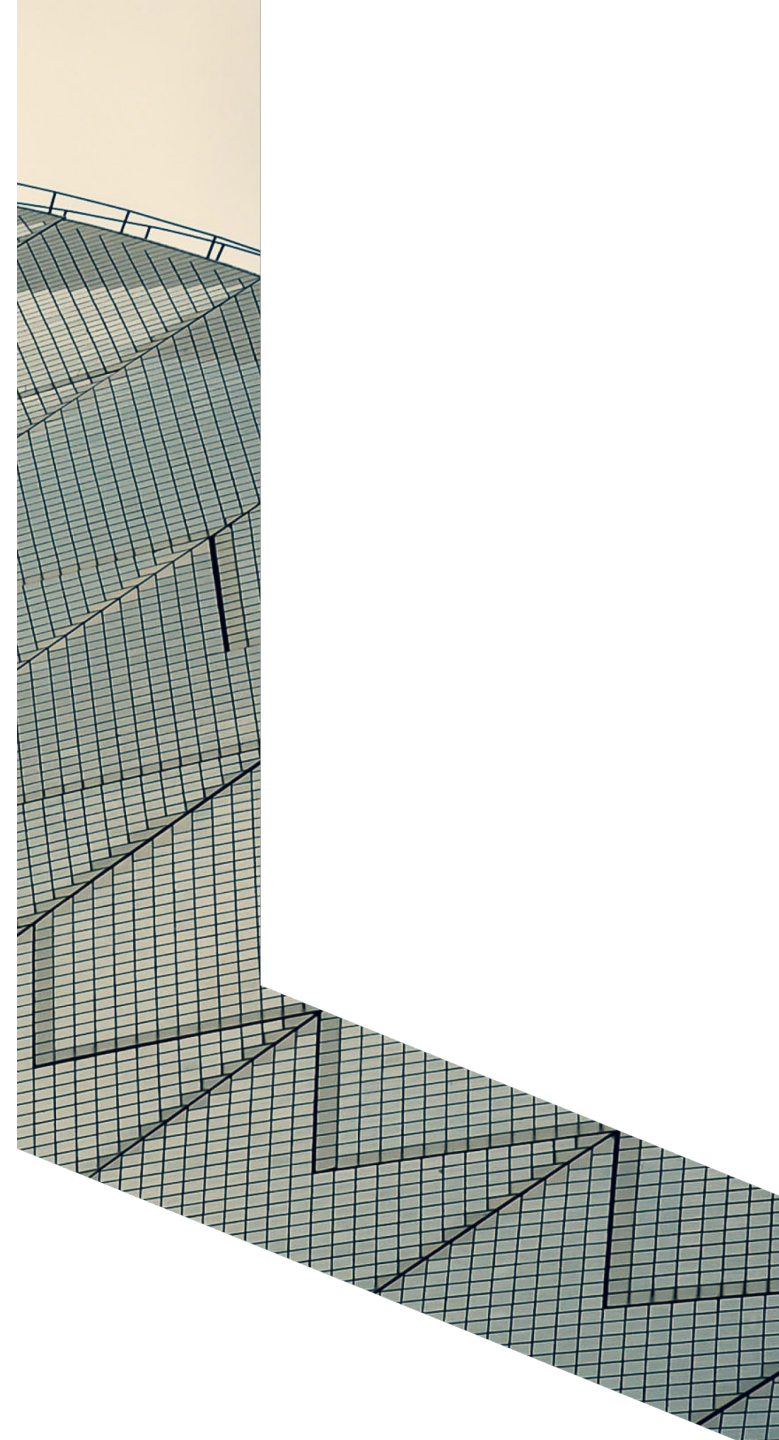
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# 1. Highlights and Corporate Update

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Brendan O'Connor (CEO)



**“Regal Partners aims to be a leading provider of alternative investment strategies in Australia and Asia”**

## TRANSFORMATIVE YEAR

- Regal Partners (RPL) formed on 3 June 2022 following the merger between Regal Funds Management Pty Limited (RFM) and VGI Partners Limited (VGI Partners).
- Net inflows of +\$0.7bn for the six months to 31 December 2022. Total funds under management (FUM) increased by \$0.5bn to \$5.2 billion as at 31 December 2022,<sup>1</sup> rising a further ~\$0.2bn to \$5.4bn as at 31 January 2023<sup>1</sup>.
- Capital raise completed for RPL in October 2022, raising the maximum amount of ~\$110m<sup>2</sup>

## FIRST FULL HALF POST MERGER COMPLETION

- Normalised 2H22 Net Profit After Tax (NPAT) of \$18.2m<sup>2</sup>, 2H22 statutory NPAT of \$6.7m
- 2H22 performance fees of \$14.5m despite the challenging markets<sup>3</sup>
- Final dividend of 4c per share (100% franked) with Dividend Reinvestment Plan (DRP) launched
- Robust balance sheet, with \$214m in cash and investments on balance sheet, no debt

## OUTLOOK

- Strong start to the year with group well diversified and positioned for growth from new and existing funds and strategies
- Targeting \$1bn of net inflows for the 12 months to 30 June 2023

1. Unaudited Management estimate of FUM. FUM for the group (including 100% of Kilter Rural and Attunga Capital) includes non-fee earning funds. 2. All NPATs refer to NPAT attributable to RPL shareholders. Normalised NPAT has been calculated by adding back certain types of amortisation (contract assets, long-term variable remuneration) and project transaction costs (all tax-effected at 30%). Normalised NPAT methodology now includes unrealised fair value movements on investments. 3. Includes gross \$5.6m of fees received from Gresham Royalties Management Pty Ltd as a dividend from an affiliate.

# Regal Partners Limited (ASX:RPL)<sup>1</sup>

R E G A L  
P A R T N E R S



Regal Partners Limited is an ASX-listed, specialist alternative investment manager with >\$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 employees<sup>3</sup>, located in offices across Sydney, Victoria, Singapore and New York.

\$5.4bn

Funds Under  
Management (FUM)<sup>1</sup>

RPL

ASX ticker

\$800m+

Market capitalisation<sup>2</sup>

4

Offices globally

~100

Employees<sup>3</sup>

>45

Investment professionals<sup>3</sup>

1. Unaudited Management estimate of funds under management as at 31 January 2023. Funds under management for the group (including 100% of Kilter Rural and Attunga Capital) includes non-fee earning funds. 2. As at last close 23 February 2023. 3. Includes full-time and part-time 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 \$5.4 billion<sup>1</sup> 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 **strong long-term** absolute investment performance for investors across a range of alternative investment strategies

4.

**Strong fundraising momentum** across multiple products and asset classes, supported by long-standing and well-diversified client relationships and innovative product development

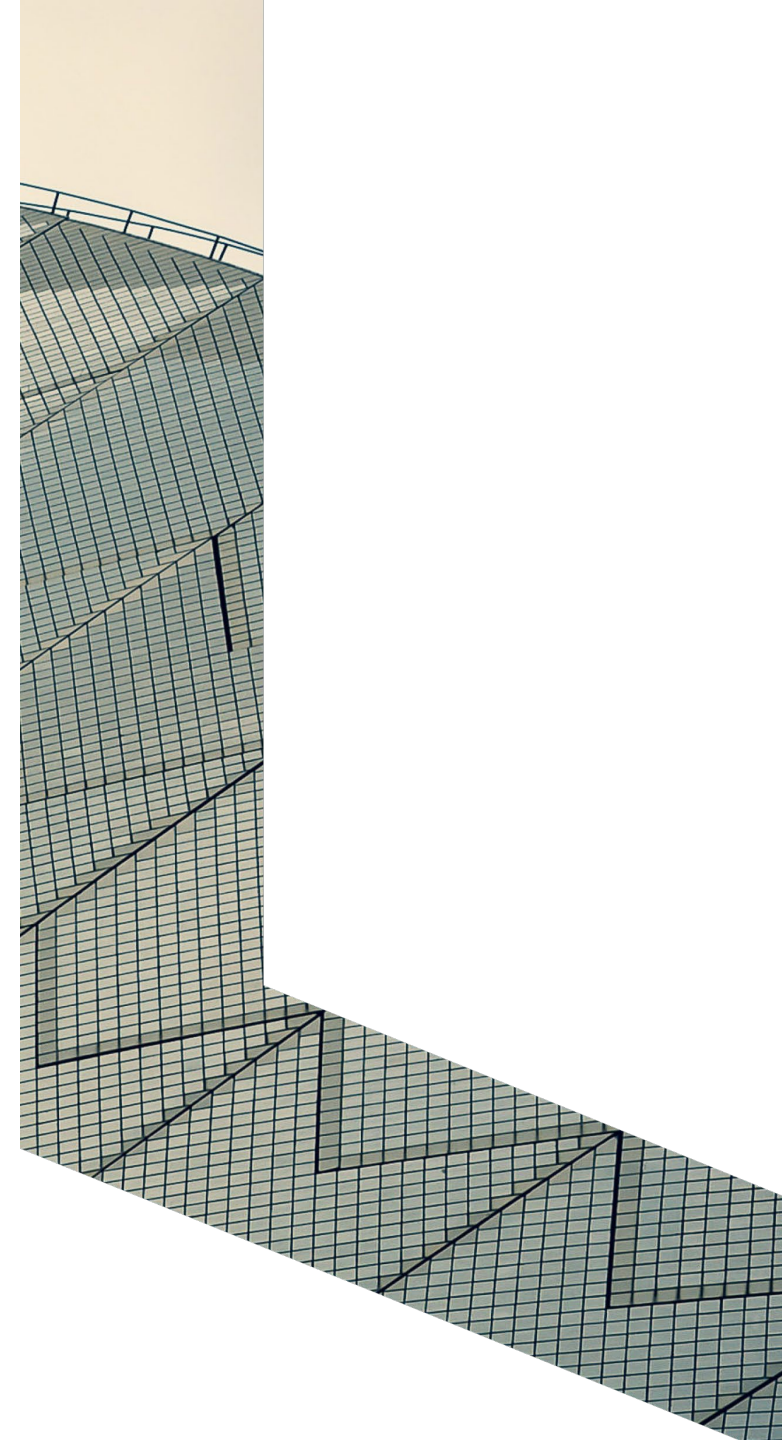
5.

**High level of alignment** – Regal staff, founders and Foundation represent the largest pool of capital across the RPL shareholder register and within the underlying Funds

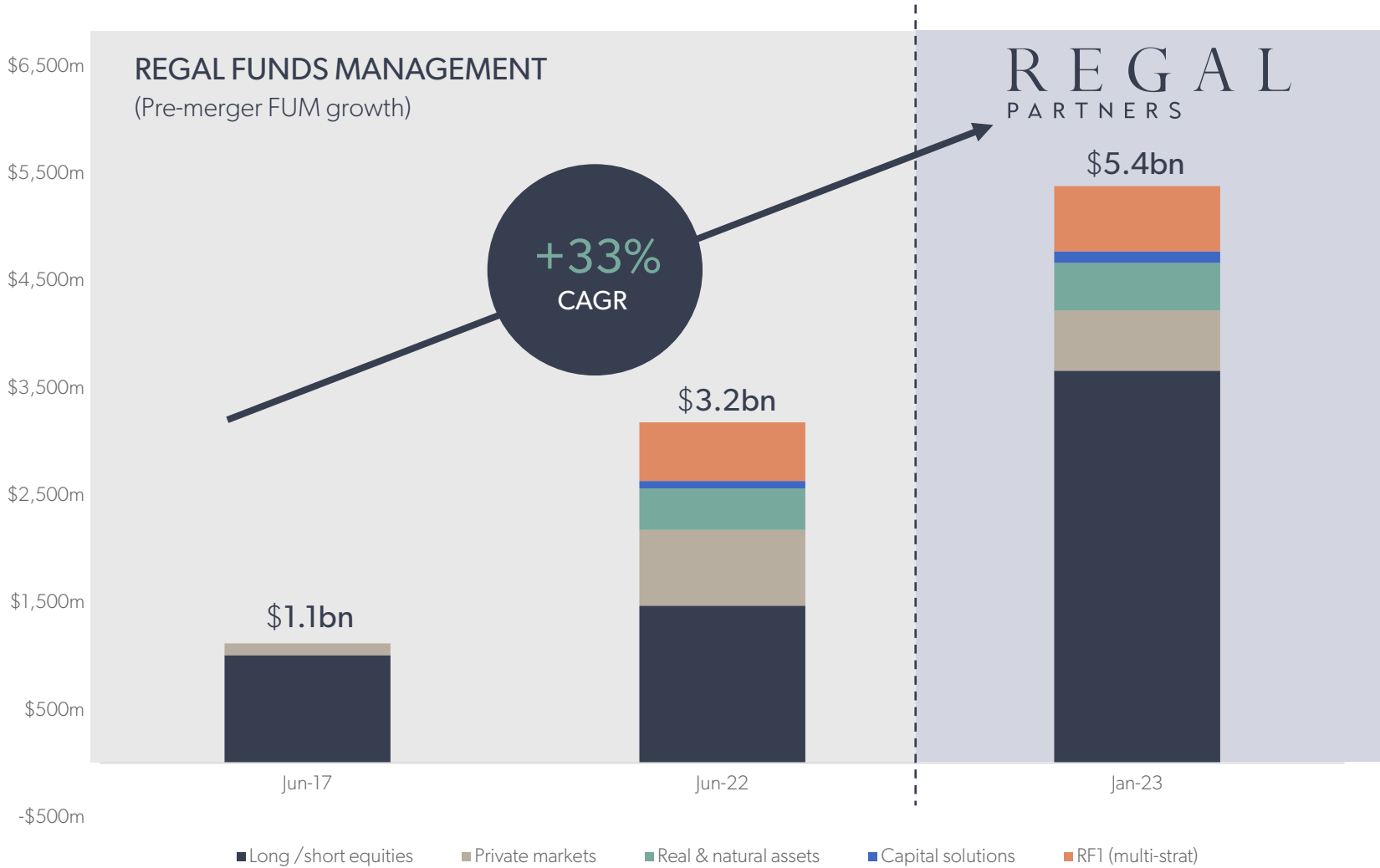
## 2. Growth and Business Drivers

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Brendan O'Connor (CEO)



# Strong momentum in FUM growth



**1.15%**  
Average management fee  
on total group FUM in 2H22<sup>1</sup>

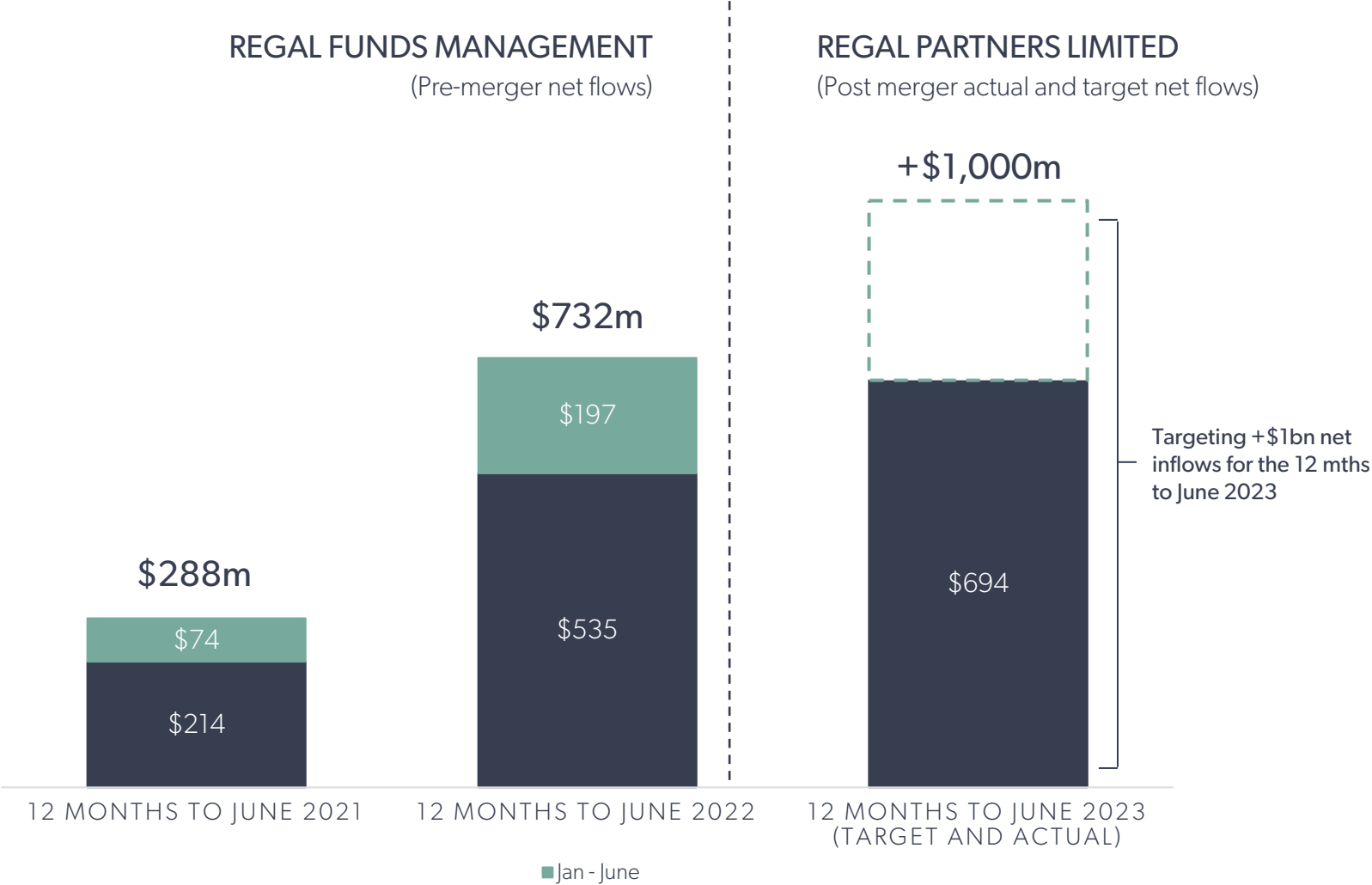
**100%**  
of products have  
performance fee earning  
capability



1. Includes fee paying and non-fee paying FUM.



# Net inflows accelerating across the group



**+\$694m**

Net client inflows in half-year post merger completion

**73%**

of Funds<sup>1</sup> experienced positive or flat net flows in 6 mths to Dec 2022

**>20,000**

Investors across the group

**\$15bn**

Existing capacity across the group

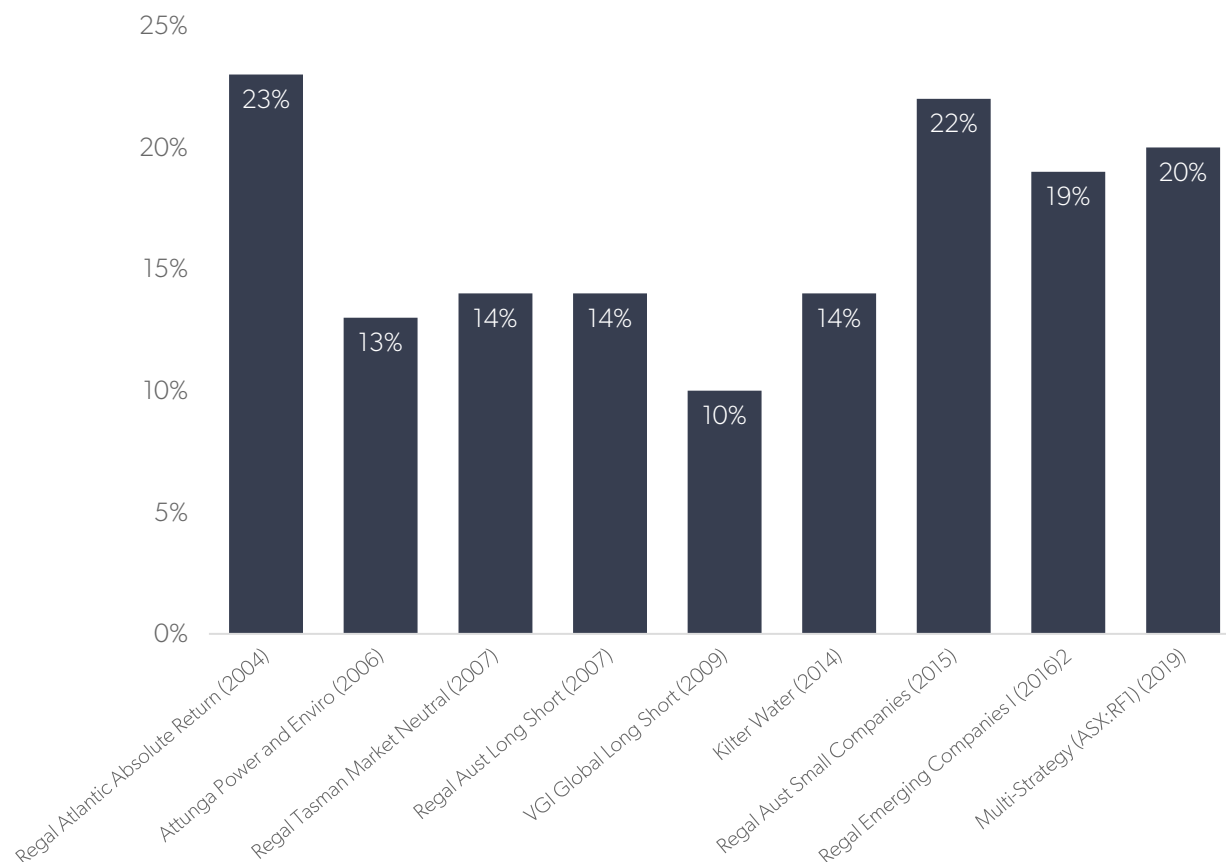
1. Within the Group.

# Strong performance & client driven product innovation

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PARTNERS

## EXISTING FUNDS STRONG LONG TERM PERFORMANCE<sup>1</sup>

(annualised net returns for select Australian unit trusts with > 3 year track record)



## NEW INVESTMENT STRATEGIES PROVEN ABILITY TO INNOVATE AND GROW

(new Australian unit trusts launched within previous 3 years)

7

New strategies launched in  
Australia since 2020

~\$1.1bn

New strategy total  
Fund size<sup>3</sup>

FUND NAME	LAUNCH	TOTAL RETURN <sup>1</sup>	LEAD PMs
Regal Tactical Opportunities Fund	Jul 2020	+232%	Philip King
Regal Emerging Companies Opportunities Fund	Aug 2020	+45%	Ben McCallum Jessica Farr-Jones
Regal Resources Long Short Fund	Nov 2021	+69%	Tim Elliott
Regal Healthcare Long Short Fund <sup>4</sup>	Jan 2022	+1%	Dr Craig Collie
Attunga Carbon & Enviro Fund	Jan 2022	-4%	Donovan Marsh Sam Curtis
Regal Resources Royalties Fund <sup>5</sup>	Oct 2022	+120%	Simon Klimt, James Morrison
Regal Private Credit Opportunities Fund	Oct 2022	+3%	Jacob Poke Gavin George

1. As at 31 January 2023. Past performance is not a reliable indicator of future performance. It should not be relied upon (and is not) an indication of future performance. Performance is net of fees and costs and assumes reinvestment of distributions since inceptions. 2. Internal Rate of Return (IRR) 3. Fund size represents total NAV for Australian Unit Trusts. 4. Class A. 5. Performance since the launch of the Gresham Resources Royalties Fund in August 2019. Fund since renamed as the Regal Resources Royalties Fund, managed solely by Regal.

# Business unit highlights for the half

## Long / Short Equities & Private Markets

- Regal Funds Management won **Global Equities** and **Market Neutral** categories at 2022 HFM Asia Performance Awards, in addition to winning **Market Neutral** category at annual AIMA Australia Awards
- Secured institutional mandate from large domestic superannuation fund in Australian Equity L/S Strategy (~\$500m)
- Completed \$92m capital raise in ASX-listed Regal Investment Fund (ASX:RF1)
- Completed integration of VGI Partners and Regal Funds Management operations, technology, risk and finance functions

## Real & Natural Assets

- Large US-based institutional investor doubles investment in the Kilter Water strategy
- Dedicated Head of Distribution hired for Kilter Rural, to further accelerate growth
- Independent research rating received for Kilter Water and Murray Darling Balanced Water Fund
- Australia's largest private water donation granted via Kilter's Murray-Darling Balanced Water Fund, in conjunction with the Nature Conservancy
- Successful launch of first year of Attunga Carbon & Enviro Fund

## Capital Solutions

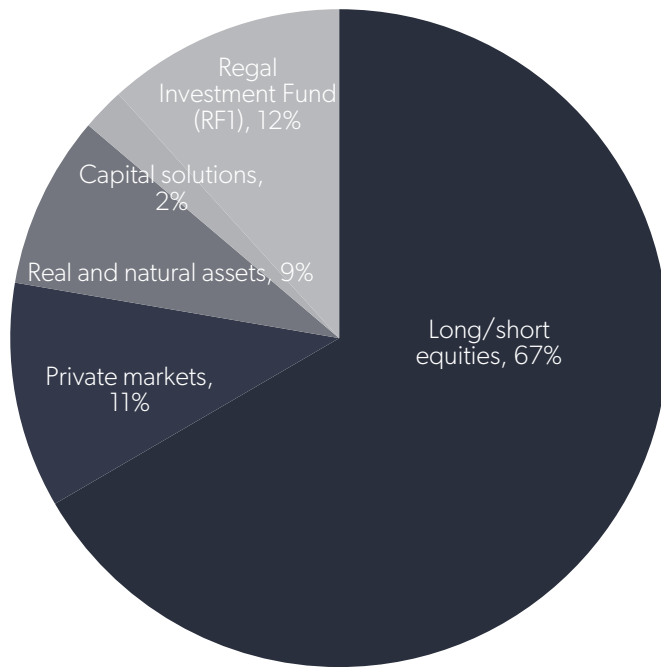
- Launch of Regal Private Credit Opportunities Fund (RPCOF) in October 2022
- Secured \$200m commitment in RPCOF (with option for further \$100m) received from prominent external Australian Family Office to accelerate growth
- Launch of re-branded Regal Resources Royalties strategy, managed by Regal Funds Management

Quality and diversity of FUM across channel and product type increasing, with a broadening of wholesale and family office investors and a growing pipeline of offshore interest in specialist strategies

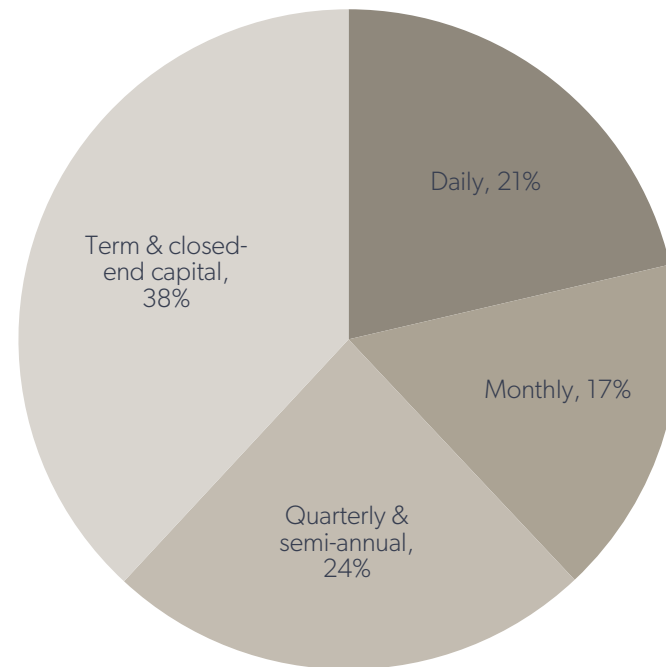


# Established & diversified platform for continued growth

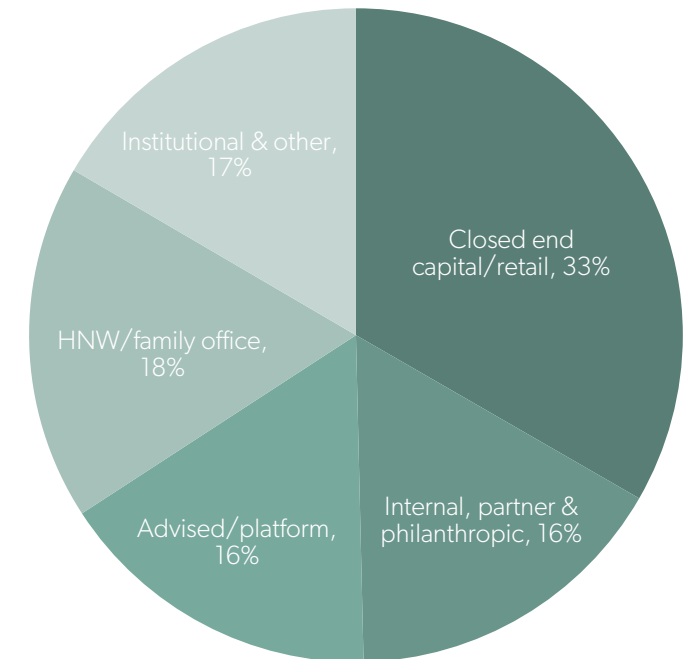
FUM BY ASSET STRATEGY



FUM BY FUND LIQUIDITY



FUM BY CLIENT CHANNEL<sup>1</sup>



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

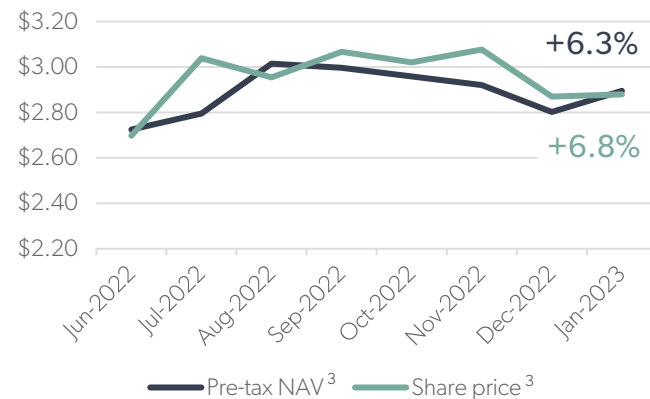
1. Based on management estimate.

# Listed vehicles provide retail investors access to alternatives

\$1.77bn<sup>1</sup> in listed investment vehicles across the group

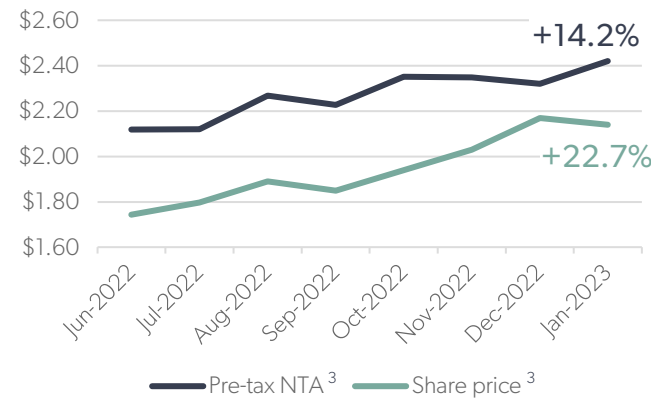
## Regal Investment Fund (ASX:RF1) – LIT

- Portfolio FUM: **\$610m<sup>1</sup>**
- Eight strategies after adding Water and Resources Royalties in 2022
- Plans to add Private Credit as ninth strategy when appropriate



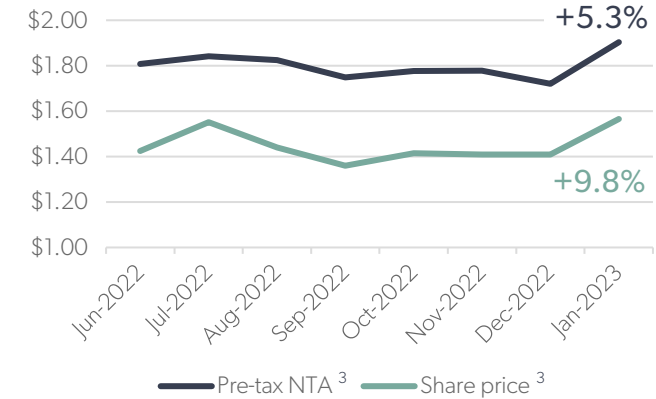
## Regal Asian Investments Limited (ASX:RG8) – LIC

- Portfolio FUM: **\$496m<sup>1</sup>**
- Portfolio management transitioned from VGI to Regal Funds Management in June 2022. Name and ticker changed from to Regal Asian Investments Limited (ASX:RG8) in Nov 2022
- East Point expected to add further Asian expertise<sup>2</sup>



## VGI Partners Global Investments Limited (ASX:VG1) – LIC

- Portfolio FUM: **\$668m<sup>1</sup>**
- Regal's Head of Trading Australia (now Head of Trading Nth America) relocated to NY office in July 2022 to enhance global insights
- VGI Partners' Sydney investment team bolstered by experienced additions



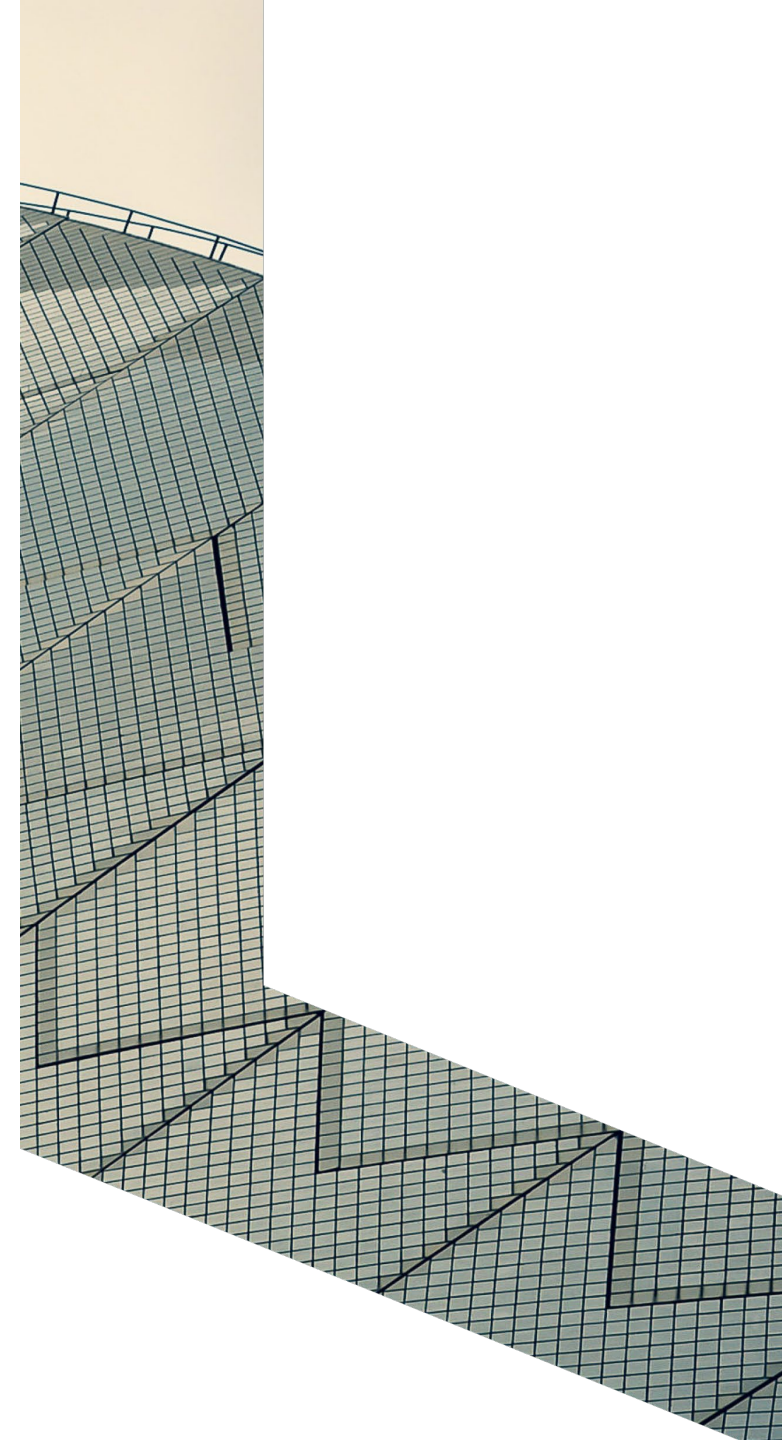
Aligned approach to capital management and investor communications

1. As at 31 January 2023. 2. RPL announced on 10 February 2023 a binding agreement to acquire East Point Asset Management. Completion of the acquisition is subject to customary regulatory approvals in Hong Kong. 3. Pre-tax NAV, NTA and share price adjusted for distributions and dividends. Past performance is not a reliable indicator of future performance. It should not be relied upon (and is not) an indication of future performance.

# 3. Financials

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Ian Cameron (CFO)





# Pro forma normalised profit or loss statement

	6 months to Jun 2022 (1H22)	6 months to Dec 2022 (2H22)	Year to Dec 2022	Year to Dec 2021 <sup>1</sup>
\$m				
Average FUM (\$bn) <sup>2</sup>	5.6	5.1	5.4	5.9
Average management fee (%)	1.20%	1.15%	1.17%	1.23%
Management fees (net)	33.3	29.7	63.0	73.4
Performance fees (net)	22.7	14.5	37.2	163.6
Other income	(12.4)	7.8	(4.6)	11.1
<b>Total net income</b>	<b>43.6</b>	<b>52.1</b>	<b>95.7</b>	<b>248.1</b>
Employee benefits expense	(20.4)	(19.7)	(40.1)	(62.7)
Other expenses	(10.4)	(8.0)	(18.4)	(23.3)
<b>Total expenses</b>	<b>(30.8)</b>	<b>(27.7)</b>	<b>(58.5)</b>	<b>(86.0)</b>
Profit before income tax	12.8	24.3	37.2	162.1
Income tax expense	(3.7)	(6.5)	(10.1)	(49.0)
Profit after tax pre non-controlling interests	9.2	17.9	27.1	113.1
Non-controlling interests	(2.6)	0.3	(2.3)	(1.5)
<b>Normalised NPAT</b>	<b>6.6</b>	<b>18.2</b>	<b>24.8</b>	<b>111.5</b>
Cost/income (%)	71%	53%	61%	35%
Earnings per share (cents)	3.1	7.7	11.1	52.7

- 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 long-term variable remuneration)
- 2H22 performance fees of \$14.5m 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 prior to merger completion on 3 June 2022 and actual shares outstanding post the merger

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.

# Strong balance sheet

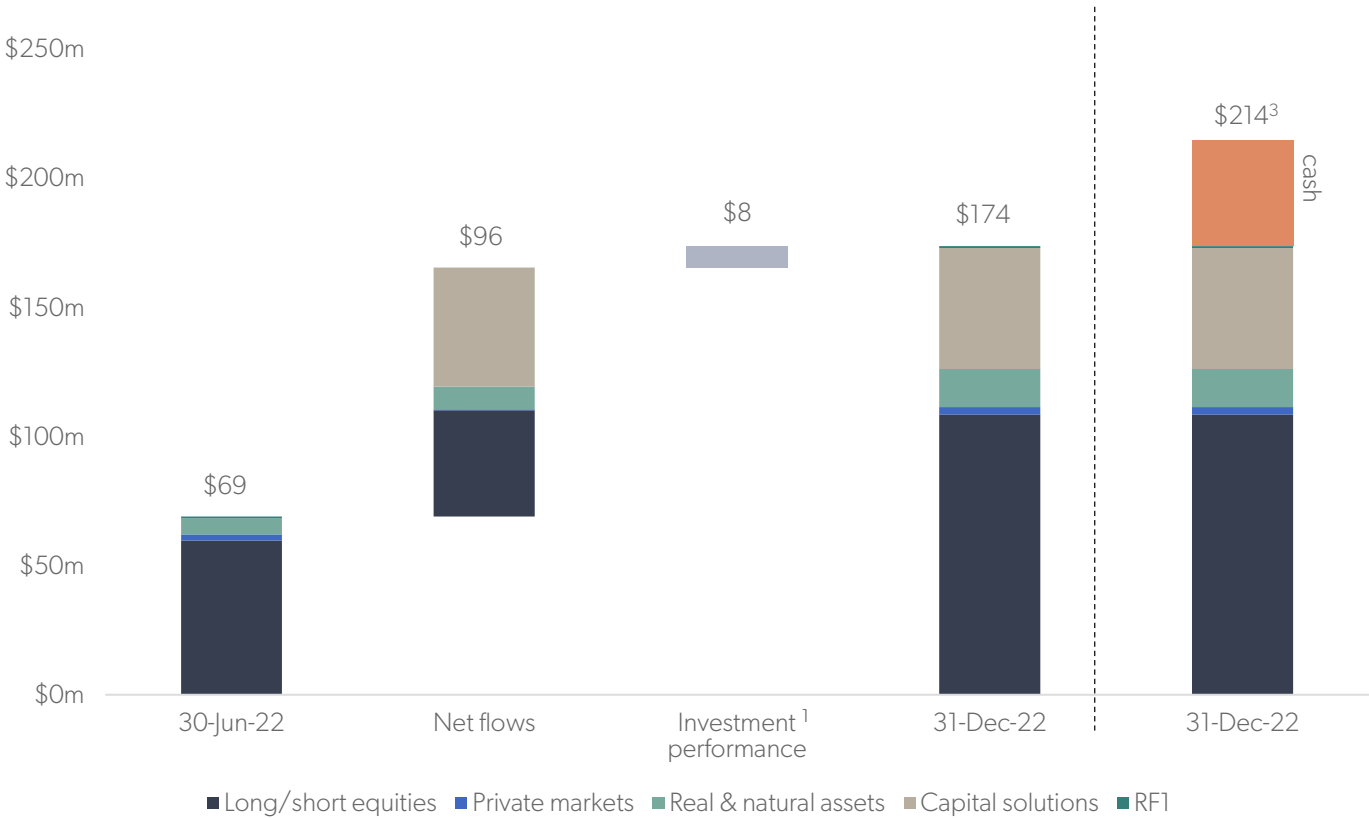
	31 Dec 2022	30 Jun 2022
\$m	Group	Group
Cash and cash equivalents	39.8	47.2
Trade and other receivables	23.3	35.9
Investment in financial assets	173.7	69.1
Contract assets	33.9	36.5
Intangible assets	183.8	182.1
Other assets	32.2	33.8
<b>Total assets</b>	<b>486.6</b>	<b>404.5</b>
Trade and other payables	3.8	12.1
Employee entitlements	21.5	48.7
Other liabilities	25.4	31.5
<b>Total liabilities</b>	<b>50.7</b>	<b>92.3</b>
<b>Net assets</b>	<b>435.9</b>	<b>312.2</b>
Shares outstanding (m)	253.8m	211.5m
Franking credits (\$m)	31.0	26.0

- Robust and liquid balance sheet; no debt; \$214m of cash and investments (which primarily comprises holdings in listed funds (VG1 and RG8) and Regal Funds Management (RFM) unlisted funds)
- Contract assets relate to certain VG1/RG8 IPO costs that are being amortised over 10 years
- Intangible assets largely due to goodwill arising from the merger between VGI Partners and RFM
- Approximately 141.0m RPL shares were issued to RFM's shareholders on 3 June 2022 in exchange for their shares in RFM (no cash)
  - All shares issued to RFM shareholders are subject to either formal escrow deeds or intention statements not to sell or transfer until a range of dates between March 2024 and December 2026
- 1-for-5 RPL entitlement offer completed on 3 October 2022, raising maximum amount of approximately \$110m.<sup>2</sup> 42.3m shares were issued under the capital raising, taking total shares outstanding to 253.8m.
- East Point transaction involves issuance of just under 0.8m shares, subject to escrow arrangements, as well as additional deferred equity consideration if certain conditions are met
- 2H22 dividend of 4c per share (100% franked): record date 7 March 2023; payment date 22 March 2023; DRP launched
- Surplus franking credits equivalent to 6 times 2H22 dividend

1. For further details, refer to the Appendix 3G lodged in relation to the issue of the employee incentive rights on 2 September 2022. 2. Includes shortfall placement.

# Recent entitlement offer has bolstered seed capital

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



- 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.<sup>2</sup>
- Proceeds of the offer (net of costs associated with the raising) 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; and
  - accelerating growth capabilities in distribution, marketing and technology.
- In addition, increased balance sheet liquidity and flexibility provides Regal with optionality for inorganic growth opportunities should they make sense in diversifying the Group's revenue base and leveraging the operating platform.

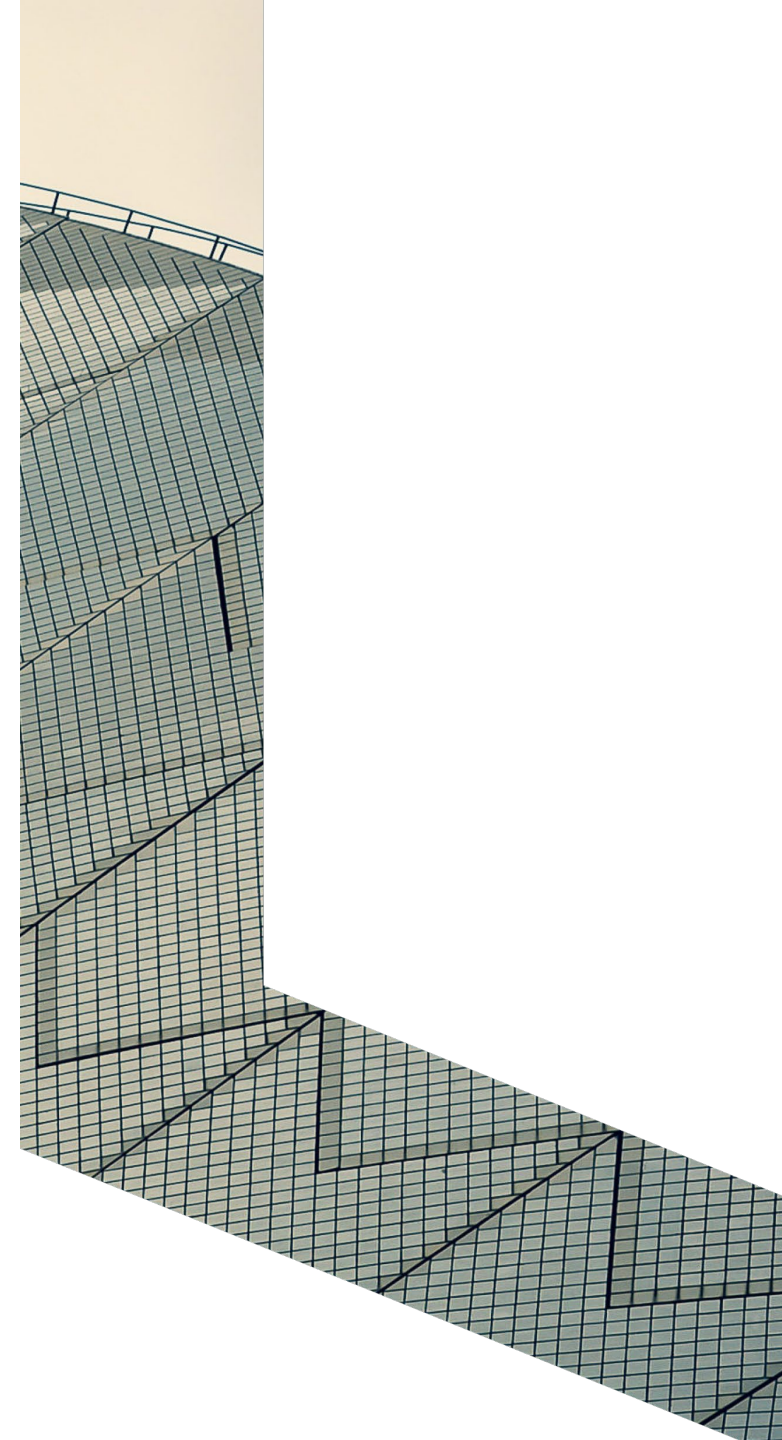
1. Investment performance in the chart represents the total change in RPL's seed capital due to performance. 2. Includes shortfall placement. 3. Including cash and cash equivalents.



## 4. Strategy and Outlook

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Brendan O'Connor (CEO)



# Well positioned for growth through the cycle

With multiple opportunities for expansion

REGAL  
PARTNERS

## Diversified, scalable and growing platform

- Limited concentration risk with no single external investor representing >10% of FUM
- Significant relationships across HNW and family office investors throughout Australia, representing >50% of FUM
- Multiple and growing number of asset classes building on heritage in long / short equities to deliver multi-asset capability
- 38% of FUM 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 ~\$15bn of FUM<sup>1</sup>

## Multiple opportunities for growth

- **Maintain current fundraising momentum**
- **Seed new strategies / partnerships**
- **Continue investment in distribution**
- **Inorganic growth opportunities**
- **Attract & retain the best talent**

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

# Inorganic growth opportunities & considerations

1.

**Further consolidation of asset management industry remains highly likely, both domestically and offshore**

- Traditional asset managers are seeking new avenues for growth;
- Maturation of “first generation” boutiques; and
- Smaller and independent asset managers are seeking scale and a platform to grow.

2.

**RPL well-placed to participate in these consolidation opportunities**

- Institutional grade asset manager in the high-value alternatives segment;
- Significant and valuable relationships across HNW and family office investors throughout Australia;
- Strong balance sheet, \$214m in cash and investments on balance sheet, no debt; and
- Significant investment already undertaken in operational, risk and distribution platform to enable a meaningful increase in scale.

3.

**Inorganic opportunities won't impact existing runway within the group**

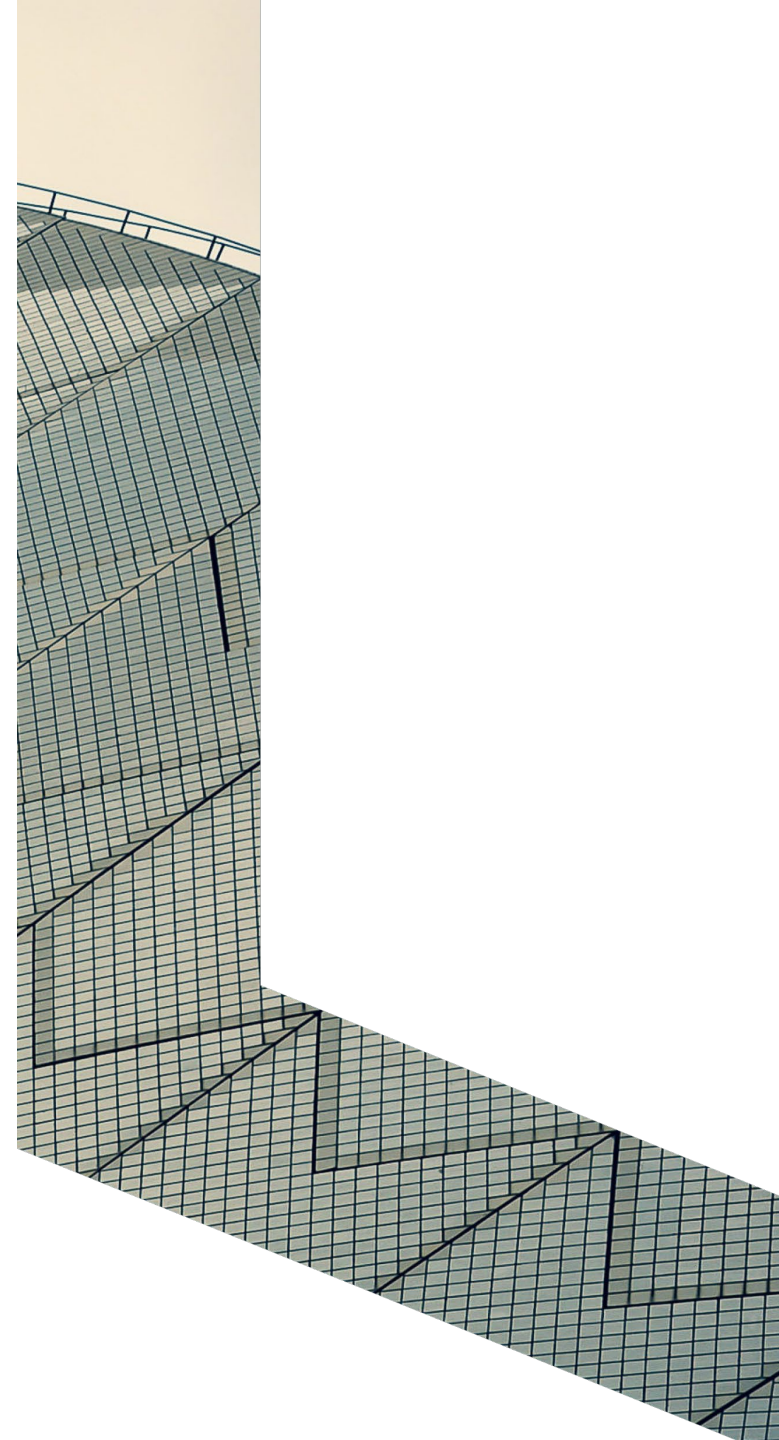
- Existing growth footprint has long runway to grow, with significant remaining capacity across the group;
- Any inorganic growth must be complementary to our existing runway, leveraging existing platform and diversifying revenue; and
- In RPL shareholders' best interests.

## 5. Q&A

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Brendan O'Connor (CEO)

Ian Cameron (CFO)







# Appendix

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# Reconciliation of statutory to pro forma normalised NPAT

	Year to Dec 2022	Year to Dec 2021
\$m		
Statutory NPAT attributable to RPL shareholders	11.6	59.9
Amortisation of assets	11.1	1.8
Merger and other transaction costs	4.4	0.0
Tax effect on the above (at 30%)	(1.5)	(0.5)
Normalised VGI Partners NPAT	(0.9)	48.0
Normalised Kilter Rural and Attunga Capital NPAT	0.0	2.3
<b>Pro forma normalised NPAT attributable to RPL shareholders<sup>1</sup></b>	<b>24.8</b>	<b>111.5</b>

- The statutory results for the year ended 31 December 2022 have been presented to reflect Regal Funds Management for the period from 1 January 2022 to 3 June 2022, and the combined Regal Partners Limited consolidated group results of Regal Funds Management including VGI Partners for the period 4 June 2022 to 31 December 2022.
- The comparative results for the year ended 31 December 2021 reflect Regal Funds Management only for that period.
- Pro forma normalised NPAT has been 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 long-term variable remuneration).
- The adjustment in the table for Normalised VGI Partners NPAT reflects VGI Partners' NPAT for 1 January to 3 June 2022 in 2022 and 1 January to 31 December 2021 in 2021.<sup>2</sup>

1. Based on unaudited accounts for Regal Funds Management Pty Limited. 2. Excluding VGI's costs pre merger completion.

# Pro forma group FUM

Movements over calendar 2022 and 2H22

REGAL  
PARTNERS

## YEAR TO 31 DECEMBER 2022

	31 Dec 2021 <sup>1</sup>	Net flows	Investment performance <sup>2</sup>	Other <sup>3</sup>	31 Dec 2022 <sup>1</sup>
\$bn					
<b>Asset strategy</b>					
Long/short equities	4.3	0.2	(0.9)	(0.1)	3.5
Private markets	0.8	0.0	(0.2)	(0.1)	0.6
Real and natural assets	0.3	0.1	0.0	0.0	0.4
Capital solutions	0.1	0.1	0.0	0.0	0.1
Regal Investment Fund (RF1)	0.7	0.1	(0.1)	(0.1)	0.6
<b>Total</b>	<b>6.2</b>	<b>0.5</b>	<b>(1.3)</b>	<b>(0.3)</b>	<b>5.2</b>

## 6 MONTHS TO 31 DECEMBER 2022

	30 Jun 2022 <sup>1</sup>	Net flows	Investment performance <sup>2</sup>	Other <sup>3</sup>	31 Dec 2022 <sup>1</sup>
	3.1	0.5	(0.0)	(0.1)	3.5
	0.7	(0.0)	(0.1)	(0.0)	0.6
	0.4	0.1	0.0	(0.0)	0.4
	0.1	0.1	(0.0)	(0.0)	0.1
	0.5	0.1	0.0	(0.0)	0.6
	4.7	0.7	(0.1)	(0.1)	5.2

- In 2H22, the FUM increase includes an institutional mandate of approximately \$0.5bn in the Regal Australian Long Short Equity Strategy and RF1 raising of over \$90m.
- The Regal Private Credit Opportunities Fund was launched in October.
- Also in October, Regal Funds Management was appointed sole 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. Private Credit to be added in future.

**\$5.4bn**  
as at 31 Jan 2023<sup>4</sup>

1. FUM adjusted for balance date subscriptions, redemptions and distributions net of reinvestments. 2. 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. 3. Other includes buy-backs within listed investment vehicles, investor dividends and distributions (net of reinvestment), foreign exchange, income and tax. 4. Unaudited Management estimate as at 31 January 2023. Funds under management for Regal Funds Management (including 100% of Kilter Rural and Attunga Capital) includes non-fee earning funds.

# Spotlight on: Private Credit

## WHAT IS PRIVATE CREDIT

- Private Credit typically refers to directly originated, illiquid debt instruments that are not traded on an exchange and therefore are typically held-to-maturity. Investments are made both bilaterally or as part of small syndicates to borrowers who can't, or chose not to obtain capital from traditional sources (e.g. from a bank or in the form of common equity).
- Investments are generally secured by corporate, real or financial assets but can include cashflow lending.
- Private Credit is an alternative asset class with defensive characteristics such as contractual income, downside protection, low volatility and an inflation hedge, but can also provide potential upside participation in companies.
- Private Credit creates diversification away from traditional long-only equity and real estate asset classes for the portfolios of wholesale investors.

## THE OPPORTUNITY

- Many traditional borrowers (e.g. the major banks) are withdrawing from parts of the market because of regulatory capital changes, concentration risks or ESG concerns. This has created an opportunity for Private Credit investors to directly originate investments.
- Private Credit is a growing asset class from a low base. Many borrowers choose to avoid an expensive and dilutive equity raise or a restrictive debt package from a traditional finance provider creating a natural demand for Private Credit investments.

## REGAL'S CAPABILITY

- Regal has established a leading position as one of Australia's largest providers of capital to Australian private companies via the Emerging Companies investment strategy over the past six years. Regal's extensive relationships with these companies, brokers and other fund managers provide a comprehensive pipeline of unique private market deal opportunities.
- Regal is uniquely placed to analyse the deal opportunities that certain other capital market participants see as too complex and has the capacity to leverage Regal's large fundamental and sector-specific investment team and independent risk management capability.
- Regal seeded the Regal Private Credit Opportunities Fund in October 2022.

## REGAL PRIVATE CREDIT OPPORTUNITIES FUND

**>10% p.a.**  
Current portfolio  
expected total return <sup>1</sup>

**\$62.5m**  
Current Fund NAV <sup>2</sup>

**\$200m+**  
Binding commitment received  
from external family office

**\$1bn+**  
Capacity to deploy

## PRIVATE CREDIT INVESTMENT PORTFOLIO

LOANS TO  
SPONSOR  
BACKED CO'S

DIRECTLY  
ORIGINATED  
BILATERAL  
LENDING

OPPORTUNISTIC  
LENDING

1. Total current expected return of the assets in the portfolio as at 31 January 2023, on an annualised basis. Past performance is not a reliable indicator of future performance and should not be relied upon. 2. As at 31 January 2023.

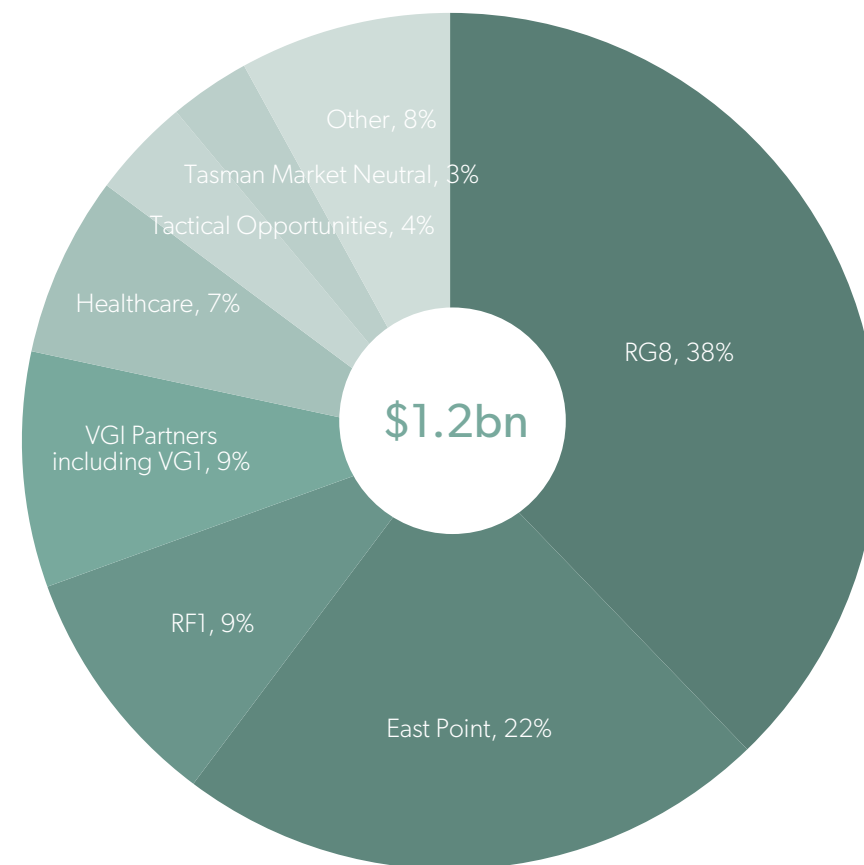
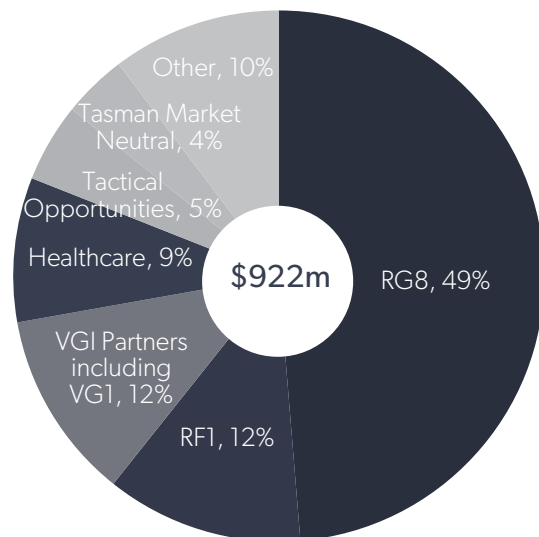


# Spotlight on: Asian experience & portfolio exposures

RFM & VGI<sup>1</sup>

EAST POINT<sup>2</sup>

REGAL PARTNERS<sup>1,2</sup>



## RFM & VGI

### ASIA FOCUSED INVESTMENT TEAM:

8 in Sydney and Singapore

**PRIMARY ASIAN MARKETS:** Hong Kong, Japan, South Korea, Taiwan, India

**INVESTMENT VEHICLES:** Cayman, Australian MIS (wholesale & retail) & LIC

## EAST POINT ASSET MANAGEMENT

### ASIA FOCUSED INVESTMENT TEAM:

5 in Hong Kong

**PRIMARY ASIAN MARKETS:** China, Hong Kong, Japan, South Korea, Taiwan, India

**INVESTMENT VEHICLES:** Cayman

1. As at 31 January 2023. Funds under management for Regal Funds Management and VGI Partners, includes non-fee earning funds. Based on gross assets (long investments and short positions). 2. Based on gross assets (long investments and short positions). RPL announced on 10 February 2023 a binding agreement to acquire East Point Asset Management. Completion of the acquisition is subject to customary regulatory approvals in Hong Kong.

# Strong long term performance track record<sup>1</sup>

**REGAL**  
PARTNERS

Fund (as at 31 January 2023)	Launch year	Since inception p.a. <sup>1</sup>	Manager
<b>Hedge Funds – Global Equities</b>			
Regal Atlantic Absolute Return Fund	2004	23.2%	Regal
Regal Tasman Market Neutral Fund	2007	13.7%	Regal
Regal Tactical Opportunities Fund	2020	59.1%	Regal
VGI Partners Master Fund	2009	9.8%	VGI
<b>Hedge Funds – Australian Equities</b>			
Regal Australian Long Short Equity Fund	2007	14.0%	Regal
Regal Australian Small Companies Fund	2015	22.6%	Regal
<b>Hedge Funds – Specialist Equities</b>			
Regal Resources Long Short Fund	2021	52.5%	Regal
Regal Healthcare Long Short Fund (Class A)	2022	0.8%	Regal
<b>ASX Listed Investment Vehicles</b>			
RF1 (Regal Investment Fund)	2019	20.4%	Regal
VGI (VGI Global Investments)	2017	1.6%	VGI
RG8 (Regal Asian Investments)	2019	1.7%	Regal

Fund (as at 31 January 2023)	Launch year	Since inception p.a. <sup>1</sup>	Manager
<b>Private Markets</b>			
Regal Emerging Companies Fund <sup>2</sup>	2016	19.1% IRR <sup>3</sup>	Regal
Regal Emerging Companies Fund II <sup>2</sup>	2018	10.9% IRR	Regal
Regal Emerging Companies Fund III <sup>2</sup>	2019	40.8% IRR	Regal
Regal Emerging Cos Opportunities Fund	2020	16.2%	Regal
<b>Real and Natural Assets<sup>4</sup></b>			
Kilter Balanced Water Fund	2015	13.1%	Kilter
Kilter Water Fund	2014	14.4%	Kilter
Kilter Farmlands Fund	2018	1.2%	Kilter
Attunga Power and Enviro Fund	2006	13.1%	Attunga
Attunga Carbon and Enviro Fund	2022	-4.0%	Attunga
<b>Capital Solutions</b>			
Regal Resources Royalties Fund	2019	26.0%	Regal
Regal Private Credit Opportunities Fund	2022	2.6% since inception <sup>5</sup>	Regal
<b>Cayman Vehicles (USD)</b>			
Amazon Market Neutral Fund	2005	12.4%	Regal
Regal Asian Healthcare Long Short Fund	2022	2.9% since inception <sup>6</sup>	Regal

1. Past performance is not a reliable indicator of future performance and should not be relied upon. Performance is net of fees and costs and assumes reinvestment of distributions since inceptions.
2. 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.
3. As at February 2022. Fund fully realised.
4. Regal is the majority owner of Kilter Rural and Attunga Capital.
5. Inception October 2022.
6. Inception May 2022.

