

Regal Investment Fund (ASX:RF1)

JULY 2023

The Regal Investment Fund Net Asset Value (“NAV”) increased by 1.2% to \$2.93 in July. Since inception on 17 June 2019, the Fund has generated 18.8% p.a. net of fees.¹

Global equity markets experienced another positive month of performances in July, as market participants embraced further indications that the US economy remains on-track for a ‘soft landing’, while Asia-focused investors mulled the possibility of a pending Chinese government stimulus package. Key inflation data again edged lower across a number of larger developed economies in July, whilst US markets took additional comfort from noticeably upbeat commentary from the 2Q US corporate earnings season, where 80% of companies reporting in July beat actual EPS estimates. US equity indices continued their climb higher, with the S&P 500 rising 3.1% in July, recording its fifth consecutive month of positive performance and longest monthly winning streak in two years. Australian equities remained well supported, albeit again underperforming their global counterparts, with the ASX 200 rising +2.9%, while ASX Small Ordinaries increased +3.5%.

Pleasingly, seven of the eight strategies delivered a position return for the month of July. The strategies that contributed most to positive performance were Small Companies and Global Alpha, led by long positions in lithium explorer Latin Resources (+14%), connectivity business Superloop (+15%) and global multi-boutique asset management business Pacific Current Group (+38%).

The only strategy to deduct from performance this month was Market Neutral which was caused by weaker performances across the short book. Negative contributors to the short side were largely focused on positions exposed to the consumer and building construction sectors, where it is anticipated that the increasing burden of interest rate payments and rising cost of living will impact the demand profile of a number of these businesses. While forward indicators continue to suggest a pending slowdown in discretionary spending, these businesses have yet to report specific impacts to profitability. However, we continue to anticipate the challenges to environment for these companies in the near-term. The upcoming Australian reporting season is a possible catalyst for a potential de-rate, as management provide an update on real-time conditions.

PERFORMANCE DATA % (NET)¹

Performance	1 mth	3 mth	6 mth	1 yr	2 yrs pa	3 yrs pa	4 yrs pa	Inception pa
Regal Investment Fund	1.2	7.1	3.9	7.7	2.4	15.7	18.2	18.8

¹ Past performance is not a reliable indicator of future performance. Performance figures assume reinvestment of income. Net return on RF1 assets after fees, and costs. Returns greater than one year are annualised.

PERFORMANCE BY MONTH % (NET)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	3.33	-3.38	0.29	0.16	0.34	5.44	1.23						7.40
2022	-4.34	-2.63	6.57	1.93	-5.24	-13.05	2.55	7.89	-0.58	-1.27	-1.32	-4.02	-14.26
2021	6.16	4.22	-1.22	6.64	1.83	0.02	1.21	7.27	2.82	2.39	-0.79	1.57	36.72
2020	4.57	-6.38	-22.97	8.48	12.64	15.81	11.35	10.49	1.82	-0.02	4.77	4.49	46.31
2019	-	-	-	-	-	2.06	2.82	3.91	4.00	-3.22	-0.93	2.41	11.36

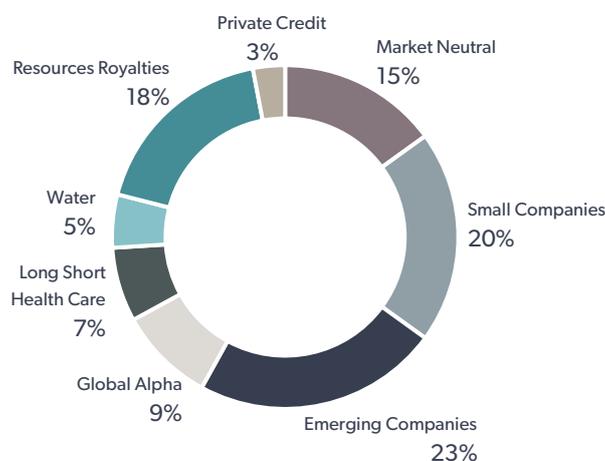
Past performance is not a reliable indicator of future performance. Performance figures are net of fees and costs and assume reinvestment of distributions.

FUND INFORMATION

Name	Regal Investment Fund
ASX Code	RF1
ASX Closing Price	\$2.71
Monthly NAV	\$2.93
Premium/(Discount)	-7.55%
Structure	Listed Investment Trust
Listing Date	17 June 2019
Management Fee	1.5% (plus GST)
Performance Fee	20% (plus GST) above RBA Cash Rate
High Water Mark	Yes
Fund Size	A\$598m
Units on Issue	203,972,509 units
Distribution Frequency	Semi-annual
Responsible Entity	Equity Trustees Limited
Investment Manager	Regal Funds Management Pty Ltd
Fund Administrator	HSBC

Past performance is not a reliable indicator of future performance. Data as at 31 July 2023.

EXPOSURE BY STRATEGY (NAV)²



² As at 31 July 2023. The Fund portfolio will be constructed using multiple Regal Investment Strategies and these Strategies are not necessarily limited to the current Investment Strategies.

RF1 PERFORMANCE

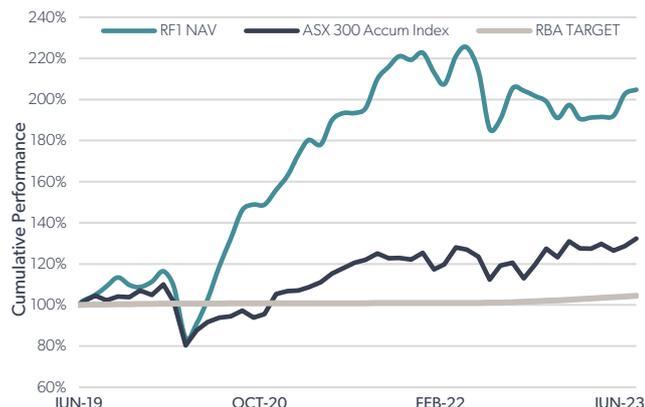


Chart represents cumulative performance of RF1 NAV since inception on 17 June 2019. Net of fees and costs. Performance figures assume reinvestment of income. Past performance is not a reliable indicator of future performance.

UNDERLYING STRATEGY PERFORMANCE (GROSS)

Strategy	1 month %	12 months %	Inception % pa
Market Neutral Strategy	-3.9	-7.6	13.9
Small Companies Strategy	4.2	53.4	25.4
Emerging Companies Strategy	0.6	-7.2	56.1
Global Alpha Strategy	4.9	24.7	63.8
Long Short Health Care Strategy	3.1	4.2	7.5
Water Strategy	0.8	-1.2	-1.2
Resources Royalties Strategy	1.4	-	15.4 ³
Private Credit Strategy	0.6	-	3.7 ⁴
Total RF1 (net)	1.2	7.7	18.8

Past performance is not a reliable indicator of future performance. Performance figures assume reinvestment of income. Underlying strategy performance expressed exclusive of fees and costs. Total RF1 performance expressed net of fees and costs.

³ Resources Royalties Strategy commenced 17 October 2022. Performance since inception not annualised.

⁴ Private Credit commenced 1 March 2023. Performance since inception not annualised.

BALANCE SHEET EXPOSURES (% OF NAV)

Sector	Long	Short	Net	Gross
Communication Services	5	-1	4	7
Consumer Discretionary	10	-13	-3	23
Consumer Staples	5	-2	3	8
Diversified	0	0	0	0
Energy	6	-2	4	8
Financials	18	-10	8	27
Health Care	19	-11	9	30
Industrials	13	-7	7	20
Information Technology	13	-7	6	20
Materials	30	-9	21	38
Real Estate	3	-4	-1	7
Utilities	0	-2	-1	2
Total (Listed Positions)	123	-67	56	190
Total (Non Listed Positions)	40	0	40	40
Total	163	-67	96	230

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Regal Investment Fund. Equity Trustees is the issuer of this newsletter and has authorised its distribution. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). Regal Funds Management Pty Ltd ABN 30 107 576 821 AFSL 277737 ("Regal") is the investment manager for the Fund. This newsletter has been prepared to provide you with general information only and is not to be construed as solicitation of an offer to buy or sell any financial product. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. Accordingly, reliance should not be placed on this document as the basis for making an investment, or financial or other decisions. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Regal, Equity Trustees nor any of their respective related parties, employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement dated 8 April 2019 which was issued by Equity Trustees before making a decision about whether to invest in the Fund. Performance figures assume reinvestment of income. Neither Equity Trustees nor Regal guarantee repayment of capital or any particular rate of return from the Fund. Statements of fact in this report have been obtained from and are based upon sources that Equity Trustees and Regal believes to be reliable. All opinions and estimates included in this report constitute Equity Trustees and Regal's judgement as at the date of this communication and are subject to change without notice.

Note: Performance figures are net of all fees unless otherwise stated. All numbers are as at 31 July 2023.

STRATEGY

The investment objective of RF1 is to provide investors with exposure to a selection of alternative investment strategies with the aim of producing attractive risk-adjusted absolute returns over a period of more than five years with limited correlation to equity markets. Regal Funds Management Pty Limited's ("Regal" or the "Manager") investment philosophy is grounded in the belief that a diversified portfolio of assets, using a range of investment strategies and backed by long-term capital, is key to achieving superior risk-adjusted returns over the long-term.

The RF1 portfolio is constructed by the Manager using multiple investment strategies managed by it. The Manager may adjust the Portfolio's strategy allocations depending on prevailing market conditions or other factors it considers relevant at the time in order to achieve RF1's investment objectives.

FUND ADVISOR PROFILE

Regal is RF1's investment manager. Regal is a multi-award winning investment management business, four times awarded alternative investment management firm of the year⁶.

Part of ASX-listed 'Regal Partners Limited' (ASX:RPL), Regal Funds sits alongside VGI Partners, Kilter Rural and Attunga Capital, managing capital across a diverse range of alternative investment strategies covering long / short equities, private markets, real and natural assets, and capital solutions.

With a large team of approximately 100, including over 45 investment professionals, located in offices across Sydney, Melbourne, Singapore and New York, RPL manages capital on behalf of institutions, family offices, charities, wealth advisory groups and private investors across Australia, Europe and the US. Combining deep industry experience, extensive networks and multi-award winning performance track records, Regal seeks to be the leading provider of alternative investment strategies in Australia and Asia.

⁶ Australian Alternative Investment Manager of the Year, awarded at the Annual AIMA 'Hedge Funds Rock' Awards in 2019, 2016, 2014, 2011.

CONTACT

Regal Funds Management Pty Ltd

+61 2 8197 4333
info@regalfm.com

Link Market Services Limited (Registry Provider)

+61 1800 221 227
regalfund@linkmarketservices.com.au

A copy of the PDS is available at www.regalfm.com/RF1