

# Regal Investment Fund

ASX:RF1

## SEPTEMBER 2023

The Regal Investment Fund Net Asset Value (“NAV”) increased by 1.4% to \$2.98 in September. Since inception on 17 June 2019, the Fund has generated 18.5% p.a. net of fees.<sup>1</sup>

Global equity markets experienced their weakest month of performance for the year in September, adding additional weight to September’s growing reputation as being a month for capital markets. Soaring bond yields, rising oil prices and a further slowing in global economic growth all combined to deliver a widespread sell-off in equity markets globally, with US equity benchmark indices proving the significant underperformer across both developed and emerging markets. The S&P 500 declined -4.9%, the Dow Jones contracted -3.5%, while the tech-heavy NASDAQ fell -5.8%, as investors sought to digest the impact of rapidly rising long bond rates on longer duration assets. Australian equities outperformed their US counterparts, the ASX 200 falling -3.5%, while the ASX Small Ordinaries declined -4.0%.

The Fund’s highest performing underlying strategy this month was the Market Neutral strategy, followed by the Resources Royalties and Global Alpha strategies. The Market Neutral strategy benefitted from index-related shorts held across North American equity markets and single stock short positions held across the information technology, packaging and travel sectors. Positive contributors from the long side of the Market Neutral strategy also included a position in Australian-based bulk commodity producer Stanmore Resources (+28%) and Bowen Coking Coal (+50%), following a 21.8% rise in the Australian met coal price over the month.

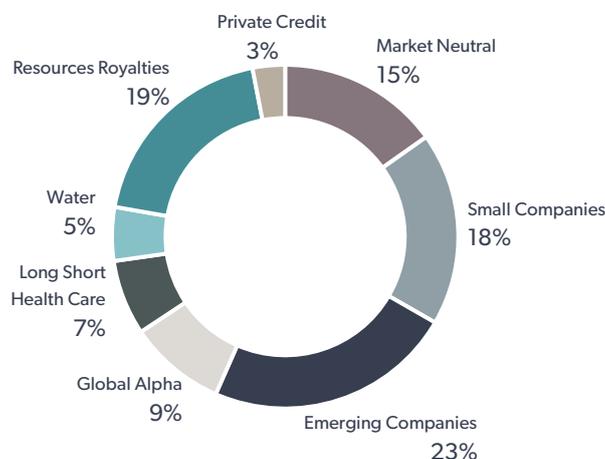
Main detractors this month stemmed from the Small Companies and Emerging Companies strategies driven by long position in high-purity alumina producer AlphaHPA (-30%), lithium explorer Latin Resources (-27%), and eye-disease focused biotechnology company Opthea (-23%) following its recent capital raising.

## FUND INFORMATION

Name	Regal Investment Fund
ASX Code	RF1
ASX Closing Price	\$2.83
Monthly NAV	\$2.98
Premium/(Discount)	-4.97%
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\$604m
Units on Issue	202,682,992 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 30 September 2023.

## EXPOSURE BY STRATEGY (NAV)<sup>2</sup>



<sup>2</sup> As at 30 September 2023. The Fund portfolio will be constructed using multiple Regal Investment Strategies and these Strategies are not necessarily limited to the current Investment Strategies.

## PERFORMANCE DATA % (NET)<sup>1</sup>

Performance	1 mth	3 mth	6 mth	1 yr	2 yrs pa	3 yrs pa	4 yrs pa	Inception pa
Regal Investment Fund	1.4	2.8	9.0	2.0	-1.8	11.9	16.4	18.5

<sup>1</sup> 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	0.15	1.44				9.11
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.

## RF1 PERFORMANCE

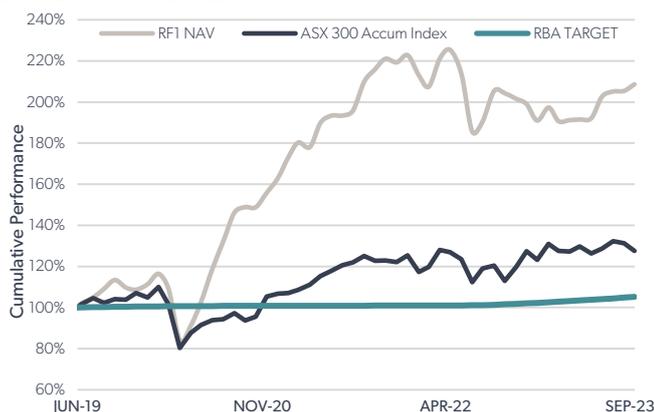


Chart represents cumulative performance of RF1 NAV since inception on 17 June 2019. Net of fees and costs. Performance figures assume reinvestment of income. Past performance is not a reliable indicator of future performance.

## UNDERLYING STRATEGY PERFORMANCE (GROSS)

Strategy	1 month %	12 months %	Inception % pa
Market Neutral Strategy	10.7	-15.8	15.8
Small Companies Strategy	-1.7	41.6	23.7
Emerging Companies Strategy	-0.9	-9.4	53.2
Global Alpha Strategy	4.5	15.2	62.8
Long Short Health Care Strategy	-0.8	8.7	7.4
Water Strategy	0.1	-0.9	-1.0
Resources Royalties Strategy	2.6	-	19.8 <sup>3</sup>
Private Credit Strategy	0.8	-	5.6 <sup>4</sup>
<b>Total RF1 (net)</b>	<b>1.4</b>	<b>2.0</b>	<b>18.5</b>

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.

<sup>3</sup> Resources Royalties Strategy commenced 17 October 2022. Performance since inception not annualised.

<sup>4</sup> Private Credit commenced 1 March 2023. Performance since inception not annualised.

## BALANCE SHEET EXPOSURES (% OF NAV)

Sector	Long	Short	Net	Gross
Communication Services	5	-3	2	8
Consumer Discretionary	12	-12	0	24
Consumer Staples	5	-4	1	9
Diversified	0	-1	0	1
Energy	12	-3	8	15
Financials	19	-11	7	30
Health Care	15	-12	3	27
Industrials	16	-8	8	24
Information Technology	14	-12	2	26
Materials	26	-12	14	38
Real Estate	4	-3	1	6
Utilities	1	-1	0	3
<b>Total (Listed Positions)</b>	<b>129</b>	<b>-82</b>	<b>47</b>	<b>210</b>
<b>Total (Non Listed Positions)</b>	<b>41</b>	<b>0</b>	<b>41</b>	<b>41</b>
<b>Total</b>	<b>169</b>	<b>-82</b>	<b>88</b>	<b>251</b>

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Note: Performance figures are net of all fees unless otherwise stated. All numbers are as at 30 September 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 year<sup>6</sup>.

A subsidiary of ASX-listed Regal Partners Limited (ASX:RPL), Regal sits alongside investment managers VGI Partners, Kilter Rural and Attunga Capital, which manage 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 110, including over 50 investment professionals, located in offices across Sydney, Melbourne, Singapore, Hong Kong 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.

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

## CONTACT

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A copy of the PDS is available at [www.regalfm.com/RF1](http://www.regalfm.com/RF1)