

## Regal Investment Fund (ASX: RF1)

### JANUARY 2020

The Regal Investment Fund Net Asset Value (NAV) increased by 4.6% to \$2.86 in January, with performance of over 16% since inception in June.

The Market Neutral Strategy was up 5.2% for the month. The ASX 200 was the best performing major market globally in January, rising 4.9% in local currency terms. However, the fall in the AUD/USD meant that in USD terms the market ended the month roughly flat, in line with the performance of the S&P 500 Index.

The Long Short strategy increased 8.4% in January. Positive contributors to performance included a long position in defence contractor Electro Optic Systems (up 42% for the month) on the back of substantial global growth opportunities in the space and defence markets. Machine learning and artificial intelligence business Appen was up 13%, assisted by broker upgrades and buoyant sector performance.

The Small Companies Strategy increased 14.8%. There was strong performance from both long and short positions for the month.

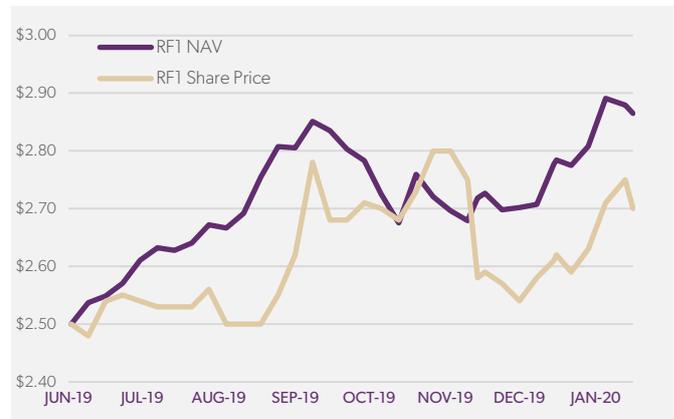
The Global Alpha strategy was down -5.6% in January. The major detractors came from China and Hong Kong in what was a challenging market for event based strategies. We remain optimistic about the opportunities in the coming months.

The Regal Emerging Companies Fund III was up 5.2%. BigTinCan (up 43%) and RPMGlobal (up 31%) both delivered strong growth in software subscriptions, as well as a substantial new contract win for BigTinCan. MedAdvisor (up 36%) announced an agreement with a second global top 10 pharmaceutical company to deliver medication education and adherence programs in the US.

Finally, during the month RF1 completed the purchase of over 370,000 units as part of the [Distribution Reinvestment Plan](#) (DRP) at an average unit price of \$2.61.

If you would like to participate in the DRP for future distributions, please contact Link Market Services via phone (1800 221 227) or via email ([regalfund@linkmarketservices.com.au](mailto:regalfund@linkmarketservices.com.au)).

### RF1 NAV vs RF1 SHARE PRICE



### UNDERLYING STRATEGY PERFORMANCE (GROSS)

STRATEGY	1 MONTH %	INCEPTION %	VOLATILITY %
Market Neutral Strategy	5.2%	11.3%	17.2%
Australian Long Short Equity Strategy	8.4%	15.2%	12.8%
Small Companies Strategy	14.8%	40.6%	18.1%
Emerging Companies Strategy	5.2%	41.5%	14.8%
Global Alpha Strategy	-5.6%	26.0%	24.0%
<b>TOTAL (NET)</b>	<b>4.6%</b>	<b>16.5%</b>	<b>9.3%</b>

### SUMMARY DATA

PERFORMANCE	1 MTH %	3 MTH %	INCEPTION %
<b>Regal Investment Fund - Net</b>	<b>4.57</b>	<b>6.09</b>	<b>16.45</b>

Past performance is not a reliable indicator of future performance. Performance figures assume reinvestment of income.

### KEY FUND INFORMATION

Name	Regal Investment Fund	Monthly NAV (per unit)	A\$2.86
ASX Code	RF1	RF1 Market Capitalisation	A\$316m
Structure	Listed Investment Trust	Units on Issue	110,462,398 units
Listing Date	17 June 2019	Distribution Frequency	Semi-annual
Management Fee	1.5% (plus GST)	Responsible Entity	Equity Trustees Limited
Performance Fee	20% above RBA Cash Rate	Investment Manager	Regal Funds Management Pty Ltd
High Water Mark	Yes	Fund Administrator	HSBC

### CONTACT INFORMATION

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## Regal Investment Fund (ASX: RF1)

### 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. The Manager's 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 will be constructed by the Manager using multiple investment strategies managed by Regal. 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 the RF1's Investment Objectives. The Regal investment strategies include but are not limited to five investment strategies that the Manager will use to construct the initial portfolio.

The exposure ranges for the Initial Strategies are below<sup>1</sup>:

MARKET NEUTRAL	LONG SHORT EQUITY	SMALL COMPANIES	EMERGING COMPANIES	GLOBAL ALPHA
40% - 60%	0% - 25%	0% - 25%	0% - 25%	0% - 25%

### FUND ADVISOR PROFILE

Regal Funds Management Pty Limited is the Fund's Investment Manager. The Manager was founded in 2004 and has specialised in alternative investment strategies with a primary focus on long/short investment strategies.

The Investment Manager has a team of over 40 people, including 25 investment management professionals across a number of investment strategies.

The Manager's Investment Team have, on average, over 10 years' experience in financial markets both in Australia and overseas. The Investment Manager has experience on the buy and sell side, fundamental investing, sales and research, long-side and hedge fund investing, as well as investment banking and capital markets.

### FUND PERFORMANCE (NAV)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2020	4.57												<b>4.57</b>
2019	n/a	n/a	n/a	n/a	n/a	2.06	2.82	3.91	4.00	-3.22	-0.93	2.41	<b>11.36</b>

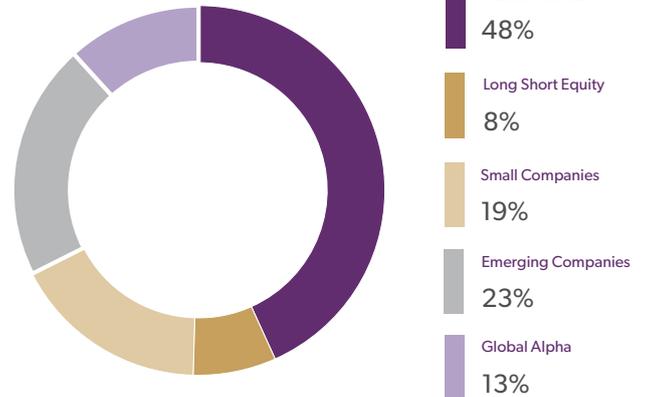
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A copy of the PDS is available at [www.regalfm.com/RF1](http://www.regalfm.com/RF1)

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<sup>1</sup> Ranges permitted by the Investment Guideline. The Fund portfolio will be constructed using multiple Regal Investment Strategies and these Strategies are not necessarily limited to the Initial Investment Strategies. Note: Performance figures are net of all fees unless otherwise stated. All numbers are as at 31 January 2020.

### CURRENT EXPOSURE BY STRATEGY (NAV)



### BALANCE SHEET EXPOSURES (% OF NAV)

SECTOR	LONG	SHORT	NET	GROSS
Communication Services	7	-4	3	10
Consumer Discretionary	19	-12	6	31
Consumer Staples	6	-8	-2	13
Diversified	23	0	23	23
Energy	5	-7	-2	12
Financials	16	-13	4	29
Health Care	16	-16	1	32
Industrials	20	-8	12	27
Information Technology	17	-5	12	22
Materials	30	-12	17	42
Real Estate	14	-5	9	19
Utilities	1	-2	-1	2
Total	173	-91	82	264
REGION	LONG	SHORT	NET	GROSS
Asia	31	-21	10	52
Australia/NZ	140	-67	73	206
EMEA	1	-1	-1	2
Americas	2	-2	0	3
Total	173	-91	82	264