

# APPENDIX 4E – PRELIMINARY FINAL REPORT

Regal Investment Fund (ARSN: 632 283 384) (the Fund)

## DETAILS OF REPORTING PERIOD

Current reporting period: Year ended 30 June 2021

Previous corresponding period: Year ended 30 June 2020

The directors of Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975), the Responsible Entity of the Fund, announce the results of the Fund for the year ended 30 June 2021 as follows:

## RESULTS FOR ANNOUNCEMENT TO THE MARKET

Extracted from the Annual Report for the year ended 30 June 2021.

PERFORMANCE	YEAR ENDED 30 JUNE 2021 \$'000		YEAR ENDED 30 JUNE 2020 \$'000
Total investment income/(loss) (Revenue from ordinary activities)	262,808	Up 183% from	92,882
<b>Operating profit/(loss) for the year</b>	<b>174,866</b>	<b>Up 301% from</b>	<b>43,586</b>
<b>Total comprehensive income/(loss) for the year</b>	<b>174,866</b>	<b>Up 301% from</b>	<b>43,586</b>

## REVIEW AND RESULTS OF OPERATIONS

During the year ended 30 June 2021, the Fund continued to invest its funds in accordance with the Product Disclosure Statement dated 8 April 2019 and the provisions of the constitution of the Fund (Constitution).

The Fund's performance was 62.75% (net of fees) for the year ended 30 June 2021. The referable index of the Fund, the RBA Cash Rate returned 0.15% for the same period.

## STATEMENT OF COMPREHENSIVE INCOME

Refer to the Annual Report for the year ended 30 June 2021 attached to this Appendix 4E for further information

## STATEMENT OF FINANCIAL POSITION

Refer to the Annual Report for the year ended 30 June 2021 attached to this Appendix 4E for further information.

## STATEMENT OF CHANGES IN EQUITY

Refer to the Annual Report for the year ended 30 June 2021 attached to this Appendix 4E for further information.



## STATEMENT OF CASH FLOWS

Refer to the Annual Report for the year ended 30 June 2021 attached to this Appendix 4E for further information.

## DETAILS OF DISTRIBUTIONS

The distributions for the year ended 30 June 2021 are as follows:

DISTRIBUTIONS <sup>(1), (2)</sup>	RECORD DATE	PAYMENT DATE	AMOUNT PER UNIT (CPU)	FRANKED AMOUNT PER UNIT (CPU) <sup>(3)</sup>
December 2020 (paid)	4 January 2021	29 January 2021	5.000	-
June 2021 (payable)	1 July 2021	30 July 2021	101.113	-
<b>Total</b>			<b>106.113</b>	<b>-</b>

(1) On 17 June 2021 the Fund has announced the estimated details of its distribution for the six months ending 30 June 2021.

(2) Subsequent to the current reporting period, on 19 July 2021, the Fund has announced the actual details of its six-monthly distribution and made a payment on 30 July 2021. DRP election date was 2 July 2021.

(3) The Fund is a flow through vehicle for tax purposes and thus there is no franked amount per unit.

## DETAILS OF DISTRIBUTION REINVESTMENT PLAN

The Responsible Entity established a distribution reinvestment plan (DRP) on 17 June 2019. An eligible unit holder may elect into the DRP by completing an election notice and sending it to the registry. An eligible member may elect to partially or fully participate in the DRP and is recorded on the register once the Responsible Entity has accepted the election.

On 9 July 2020, in accordance with the rules of the DRP (section 11), the Responsible Entity provided a notice that the DRP will be amended. The effect of the change is to increase the period that the Responsible Entity has to purchase units on market for the DRP from up to 10 trading days to up to 20 trading days.

Under the DRP, the Responsible Entity has the discretion to determine whether new units will be issued, or existing units purchased on market. This is driven by the following:

- Where the market price is greater than or equal to the net asset value price, new units will be issued; or
- Where the market price is less than the net asset value price, existing units will be purchased on market.

Details on the DRP may be found at <https://www.regalfm.com/site/regal-investment-fund>

## ON-MARKET BUY-BACKS

On 6 September 2019, the Responsible Entity in consultation with the Investment Manager, has exercised its discretion to commence a buy-back to purchase units on-market with a view to addressing any unsatisfied liquidity in the units or any material discount in the price at which the units may have been trading to the NAV per unit.

The buy-backs have been in accordance with the Constitution, ASX Listing Rules and all applicable laws. A buy-back will not exceed 10% of the smallest number of units on issue in the Fund during the 12 months prior to any buy-back, unless otherwise approved by ordinary resolution of unit holders.



Units purchased by the Responsible Entity on behalf of the Fund under a buy-back will be immediately cancelled.

During the year ended 30 June 2021, the Fund has purchased on-market and cancelled 5,436,866 units at a cost of \$16,898,305.

### NET TANGIBLE ASSETS

	AS AT 30 JUNE 2021	AS AT 30 JUNE 2020
Total Net Tangible Assets attributable to unit holders (\$'000)	342,960	291,421
Units on issue ('000)	101,320	106,456
Net Tangible Assets attributable to unit holders per unit (\$)	3.38	2.74

### CONTROL GAINED OR LOST OVER ENTITIES DURING THE PERIOD

There was no control gained or lost over entities by the Fund during the year ended 30 June 2021.

### DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

The Fund did not have any interest in associates and joint venture entities during the year ended 30 June 2021.

### SIGNIFICANT INFORMATION

Refer to the attached Annual Report for a detailed discussion on the performance and financial position of the Fund for the year ended 30 June 2021.

### COMMENTARY ON RESULTS FOR THE PERIOD

Refer to the Annual Report for the year ended 30 June 2021 attached to this Appendix 4E for further information.

### INDEPENDENT AUDIT REPORT

This report is based on the Annual Report which has been audited by the Fund's auditor. All the documents comprise the information required by ASX Listing Rule 4.3A.

### COMMENTARY

Philip Gentry, Director, Equity Trustees Limited, the Responsible Entity of Regal Investment Fund, has authorised that this document be given to the ASX.

# **REGAL INVESTMENT FUND**

ARSN 632 283 384

## **ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021**

# REGAL INVESTMENT FUND

ARSN 632 283 384

## ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

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This annual report covers Regal Investment Fund as an individual entity.

The Responsible Entity of Regal Investment Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 1, 575 Bourke Street  
Melbourne, VIC 3000

## DIRECTORS' REPORT

The directors of Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975), the Responsible Entity of Regal Investment Fund (the "Fund"), present their report together with the financial statements of the Fund for the year ended 30 June 2021.

### Principal activities

The Fund was constituted on 15 March 2019, registered with the Australian Securities and Investments Commission (ASIC) on 26 March 2019, and commenced operations on 29 April 2019. The Fund was listed on the Australian Securities Exchange (ASX) on 17 June 2019 and is quoted under ticker code: RF1.

The Fund invests in alternative investment strategies managed by Regal Funds Management Pty Limited ("Regal"), in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution. The Fund also uses derivatives for economic hedges.

The Fund did not have any employees during the year.

There were no significant changes in the nature of the Fund's activities during the year.

The various service providers for the Fund are detailed below:

<b>Service</b>	<b>Provider</b>
Responsible Entity	Equity Trustees Limited
Investment Manager	Regal Funds Management Pty Limited
Custodian and Administrator	The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch
Prime Brokers	UBS AG, Australia Branch Credit Suisse Securities (Europe) Ltd Merrill Lynch International Bank Ltd Morgan Stanley
Statutory Auditor	Ernst & Young

### Directors

The following persons held office as directors of Equity Trustees Limited during or since end of the year and up to the date of this report:

Philip D Gentry	Chairman Company Secretary (appointed 30 April 2021)
Harvey H Kalman	(resigned 1 September 2020)
Ian C Westley	(resigned 3 July 2020)
Michael J O'Brien	
Russell W Beasley	(appointed 1 September 2020)
Jennifer Currie	Company Secretary (resigned 30 April 2021)

## DIRECTORS' REPORT (CONTINUED)

### Review and results of operations

During the year, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was 62.75% (net of fees) for the year ended 30 June 2021. The referable index of the Fund, the RBA Cash Rate returned 0.15% for the same period.

The performance of the Fund, as represented by the results of its operations, was as follows:

	Year ended	
	30 June 2021	30 June 2020
Profit/(loss) for the year (\$'000)	174,866	43,586
Distributions paid and payable (\$'000)	107,540	24,717
Distributions (cents per unit)	106.113	23.042

### Significant changes in the state of affairs

Ian C Westley resigned as a director of Equity Trustees Limited on 3 July 2020.

Harvey H Kalman resigned as a director of Equity Trustees Limited on 1 September 2020.

Russell W Beasley was appointed as a director of Equity Trustees Limited on 1 September 2020.

On 30 April 2021, Jennifer Currie resigned as Company Secretary of Equity Trustees Limited, the Responsible Entity of the Fund and Philip D Gentry was appointed as Company Secretary as at the same date.

PricewaterhouseCoopers was appointed as the Auditor for the Compliance Plan audit with effect from 14 May 2021 and Ernst & Young has resigned on the same date.

As announced on 14 August 2020, the Regal Investment Fund Investment Guidelines relating to the Market Neutral Strategy was amended effective 31 August 2020 to reflect a change from 40%-60% exposure to 0%- 50%.

As announced on 1 September 2020, the Regal Investment Fund Investment Committee approved the addition of the Long Short Health Care Strategy to the underlying investment mandate of the Fund.

In the opinion of the directors, there were no other significant changes in the state of affairs of the Fund that occurred during the financial year.

### Covid-19 disclosure

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The outbreak and the response of Governments in dealing with the pandemic has continued to evolve over the course of time. The prior year saw an increase in financial market volatility and corresponding fluctuations in the fair value of the Fund's investment portfolio. There is still some uncertainty around the impact of COVID, the potential for further outbreaks and the COVID vaccine and its roll out both in Australia and around the world.

The Responsible Entity and Investment Manager are monitoring the situation closely, noting that with the ongoing developments, there is still a degree of uncertainty; therefore it is not possible at this time to predict the extent and nature of the overall impact on the Fund. The Investment Manager however, actively manages the financial risks that the Fund is exposed to, and the Net Asset Values of the Fund continue to be valued in accordance with the frequency set out in the Fund's Offer Documents, applying valuation policies reflective of the prevailing market conditions.

## **DIRECTORS' REPORT (CONTINUED)**

### **Units buy-back plan**

On 5 February 2021, the Responsible Entity in consultation with the Investment Manager, exercised its discretion to purchase units on-market with a view to addressing any unsatisfied liquidity in the units and undertaking capital management that adds value to the Fund.

The buy-backs have been in accordance with the Fund's Constitution, Listing Rules and all applicable laws. A buy-back will not exceed 10% of the smallest number of units on issue in the Fund during the 12 months prior to any buy-back, unless otherwise approved by ordinary resolution of unit holders.

Units purchased by the Responsible Entity on behalf of the Fund under a buy-back will be immediately cancelled.

During the year ended 30 June 2021, the Fund has purchased on-market and cancelled 5,436,866 units (30 June 2020: 6,625,640 units) at a cost of \$16,898,305 (30 June 2020: \$16,043,494).

### **Matters subsequent to the end of the financial year**

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may have a significant effect on:

- i. the operations of the Fund in future financial years; or
- ii. the results of those operations in future financial years; or
- iii. the state of affairs of the Fund in future financial years.

### **Likely developments and expected results of operations**

The Fund will continue to be managed in accordance with the investment objectives and guidelines as set out in the Product Disclosure Statement and the provisions of the Fund's Constitution.

The results of the Fund's operations will be affected by a number of factors, including the performance of investment markets in which the Fund invests. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

### **Indemnification and insurance of officers**

No insurance premiums are paid for out of the assets of the Fund in regards to insurance cover provided to the officers of Equity Trustees Limited. So long as the officers of Equity Trustees Limited act in accordance with the Fund's Constitution and the Law, the officers remain indemnified out of the assets of the Fund against losses incurred while acting on behalf of the Fund.

## **DIRECTORS' REPORT (CONTINUED)**

### **Indemnification of auditor**

The Responsible Entity has not, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify the auditor of the Fund against a liability incurred as auditor.

### **Fees paid to and interests held in the Fund by the Responsible Entity and its associates**

Fees paid to the Responsible Entity and its associates out of Fund property during the year are disclosed in Note 22 to the financial statements.

No fees were paid out of Fund property to the directors of the Responsible Entity during the year.

The number of interests in the Fund held by the Responsible Entity or its associates as at the end of the financial year are disclosed in Note 22 to the financial statements.

### **Interests in the Fund**

The movement in units on issue in the Fund during the year is disclosed in Note 10 to the financial statements.

The value of the Fund's assets and liabilities is disclosed in the statement of financial position and derived using the basis set out in Note 2 to the financial statements.

### **Environmental regulation**

The operations of the Fund are not subject to any particular or significant environmental regulations under Commonwealth, State or Territory law.

### **Rounding of amounts to the nearest thousand dollars**

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

### **Auditor's independence declaration**

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited.



Philip D Gentry  
Chairman

Melbourne  
31 August 2021

## **CORPORATE GOVERNANCE STATEMENT**

Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975) in its capacity as a responsible entity ("Responsible Entity") of the Regal Investment Fund ("the Fund"), has established a corporate governance framework which sets out the rules, relationships, systems and processes within which the Responsible Entity operates to promote investor confidence and good corporate governance.

Refer to the URL below for the location of the Corporate Governance Statement on the Investment Manager's website:

[https://www.regalifm.com/site/PDF/1520\\_0/CorporateGovernanceStatement](https://www.regalifm.com/site/PDF/1520_0/CorporateGovernanceStatement)



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## Auditor's Independence Declaration to the Directors of Equity Trustees Limited as Responsible Entity of Regal Investment Fund

As lead auditor for the audit of the financial report of Regal Investment Fund for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

Ernst & Young

Jonathan Pye  
Partner  
31 August 2021

## STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended	
		30 June 2021 \$'000	30 June 2020 \$'000
<b>Investment income</b>			
Interest income from financial assets at amortised cost		90	573
Dividend and distribution income		67,525	22,159
Net gains/(losses) on financial instruments at fair value through profit or loss		191,405	68,687
Net foreign exchange gain/(loss)		(781)	(434)
Other income	20	4,569	1,897
<b>Total investment income/(loss)</b>		<b>262,808</b>	<b>92,882</b>
<b>Expenses</b>			
Investment Manager fees	22(g)	49,943	14,945
Dividend expense on short positioned securities		5,528	8,720
Interest expense		2,506	3,238
Transaction fees		22,830	18,050
Responsible Entity fees	22(g)	162	119
Auditors' remuneration	19	66	79
Other expenses	21	6,907	4,145
<b>Total expenses</b>		<b>87,942</b>	<b>49,296</b>
<b>Profit/(loss) for the year</b>		<b>174,866</b>	<b>43,586</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>174,866</b>	<b>43,586</b>
<b>Basic earnings per unit (cents per unit)</b>	11	<b>170.53</b>	39.41
<b>Diluted earnings per unit (cents per unit)</b>	11	<b>170.53</b>	39.41

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

## STATEMENT OF FINANCIAL POSITION

	Notes	As at	
		30 June 2021 \$'000	30 June 2020 \$'000
<b>Assets</b>			
Cash and cash equivalents	13	1,177	2,442
Due from brokers	15	198,045	239,232
Receivables	17	60,059	12,257
Financial assets at fair value through profit or loss	5(c),6	591,256	466,880
<b>Total assets</b>		<b>850,537</b>	<b>720,811</b>
<b>Liabilities</b>			
Due to brokers	16	176,862	160,416
Distributions payable	10,12	102,448	19,790
Payables	18	22,461	7,315
Financial liabilities at fair value through profit or loss	5(c),7	205,806	241,869
<b>Total liabilities</b>		<b>507,577</b>	<b>429,390</b>
<b>Net assets attributable to unit holders – equity</b>	10	<b>342,960</b>	<b>291,421</b>

*The above statement of financial position should be read in conjunction with the accompanying notes.*

## STATEMENT OF CHANGES IN EQUITY

	Notes	Year ended	
		30 June 2021 \$'000	30 June 2020 \$'000
<b>Total equity at the beginning of the financial year</b>		<b>291,421</b>	287,593
<b>Comprehensive income for the financial year</b>			
Profit/(loss) for the year		<b>174,866</b>	43,586
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>174,866</b>	43,586
<b>Transactions with unit holders</b>			
Applications	10	-	-
Units buy-back	10	<b>(16,898)</b>	(16,043)
Reinvestment of distributions	10	<b>1,111</b>	1,002
Distributions paid and payable	10,12	<b>(107,540)</b>	(24,717)
<b>Total transactions with unit holders</b>		<b>(123,327)</b>	(39,758)
<b>Total equity at the end of the financial year</b>		<b>342,960</b>	291,421

*The above statement of changes in equity should be read in conjunction with the accompanying notes.*

## STATEMENT OF CASH FLOWS

	Notes	Year ended	
		30 June 2021 \$'000	30 June 2020 \$'000
<b>Cash flows from operating activities</b>			
Proceeds from sale of financial instruments at fair value through profit or loss		10,372,846	8,329,673
Payments for purchase of financial instruments at fair value through profit or loss		(10,284,247)	(8,275,984)
Interest income received from financial assets at amortised cost		147	567
Dividends and distributions income received		19,767	12,138
Other income received		4,466	277
Investment Manager fees paid		(38,778)	(13,008)
Dividend expense paid on short position securities		(5,971)	(7,905)
Interest expense paid		(2,582)	(3,040)
Transaction fees paid		(22,877)	(17,734)
Responsible Entity fees paid		(194)	(87)
Auditors' remuneration paid		(49)	(65)
Other expenses paid		(2,032)	(2,349)
<b>Net cash inflow/(outflow) from operating activities</b>	14(a)	<b>40,496</b>	<b>22,483</b>
<b>Cash flows from financing activities</b>			
Payments for units buy-back		(17,209)	(15,732)
Distributions paid to unit holders		(23,771)	(3,925)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(40,980)</b>	<b>(19,657)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			
		<b>(484)</b>	<b>2,826</b>
Cash and cash equivalents at the beginning of the year		2,442	50
Effect of foreign currency exchange rate changes on cash and cash equivalents		(781)	(434)
<b>Cash and cash equivalents at the end of the year</b>	13	<b>1,177</b>	<b>2,442</b>
Non-cash operating and financing activities	14(b)	1,111	1,002

The above statement of cash flows should be read in conjunction with the accompanying notes.

## NOTES TO FINANCIAL STATEMENTS

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## **1. GENERAL INFORMATION**

These financial statements cover Regal Investment Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 15 March 2019, registered with the Australian Securities and Investments Commission (ASIC) on 26 March 2019 and commenced operations on 29 April 2019. The Fund will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Fund was listed on the Australian Securities Exchange (ASX) on 17 June 2019 and is quoted under ticker code: RF1.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The financial statements are presented in the Australian currency unless otherwise noted.

The Fund invests in alternative investment strategies managed by Regal Funds Management Pty Limited (the "Investment Manager") in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The outbreak and the response of Governments in dealing with the pandemic has continued to evolve over the course of time. The prior year saw an increase in financial market volatility and corresponding fluctuations in the fair value of the Fund's investment portfolio. There is still some uncertainty around the impact of COVID, the potential for further outbreaks and the COVID vaccine and its roll out both in Australia and around the world.

The Responsible Entity and Investment Manager are monitoring the situation closely, noting that with the ongoing developments, there is still a degree of uncertainty; therefore it is not possible at this time to predict the extent and nature of the overall impact on the Fund. The Investment Manager however, actively manages the financial risks that the Fund is exposed to, and the Net Asset Values of the Fund continue to be valued in accordance with the frequency set out in the Fund's Offer Documents, applying valuation policies reflective of the prevailing market conditions.

The financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the financial statements.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated in the following text.

### **a Basis of preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001* in Australia. The Fund is a for-profit entity for the purpose of preparing the financial statements.

The financial statements are prepared on the basis of fair value measurement of assets and liabilities, except where otherwise stated.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### a. Basis of preparation (continued)

The statement of financial position is presented on a liquidity basis. Assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current. All balances are expected to be recovered or settled within 12 months, except for investments in financial assets and liabilities.

The Fund manages financial assets at fair value through profit or loss based on the economic circumstances at any given point in time, as well as to meet any liquidity requirements. As such, it is expected that a portion of the portfolio will be realised within 12 months, however, an estimate of that amount cannot be determined as at reporting date.

#### i *Compliance with International Financial Reporting Standards (IFRS)*

The financial statements of the Fund also comply with IFRS as issued by the International Accounting Standards Board (IASB).

#### ii *New and amended standards adopted by the Fund*

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2020 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

#### iii *New standards and interpretations not yet adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021, and have not been early adopted in preparing these financial statements.

None of these are expected to have a material effect on the financial statements of the Fund.

### b. Financial instruments

#### i. *Classification*

- **Financial assets**

The Fund classifies its financial assets in the following measurement categories:

- those to be measured at fair value through profit or loss; and
- those to be measured at amortised cost.

The Fund classifies its financial assets based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

The Fund's portfolio of financial assets is managed and performance is evaluated on a fair value basis in accordance with the Fund's documented investment strategy. The Fund's policy is for the Investment Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

For equity securities and derivatives, the contractual cash flows of these instruments do not represent solely payments of principal and interest. Consequently, these investments are measured at fair value through profit or loss.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### b. Financial instruments (continued)

#### i. Classification (continued)

- **Financial assets (continued)**

For debt securities, the contractual cash flows are solely payments of principal and interest, however they are neither held for collecting contractual cash flows nor for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business objective. Consequently, the debt securities are measured at fair value through profit or loss.

For cash and cash equivalents, due from brokers and receivables, these assets are held in order to collect the contractual cash flows. The contractual terms of these assets give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding. Consequently, these are measured at amortised cost.

- **Financial liabilities**

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

For financial liabilities that are not classified and measured at fair value through profit or loss, these are classified as financial liabilities at amortised cost (due to brokers, distributions payable, management fees payable, applications received in advance, audit and tax fees payable, administration fees payables and custodian fees payable).

#### ii. Recognition and derecognition

The Fund recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises from this date.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or the Fund has transferred substantially all the risks and rewards of ownership. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income.

#### iii. Measurement

- Financial instruments at fair value through profit or loss

At initial recognition, the Fund measures a financial asset and a financial liability at its fair value. Transaction costs of financial assets and liabilities carried at fair value through profit or loss are expensed in the statement of comprehensive income.

Subsequent to initial recognition, all financial assets and liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of 'financial assets or liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within 'net gains/(losses) on financial instruments at fair value through profit or loss' in the period in which they arise.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### b. Financial instruments (continued)

#### iii. Measurement (continued)

For further details on how the fair value of financial instruments is determined please see Note 5 to the financial statements.

- Financial instruments at amortised cost

For financial assets and financial liabilities at amortised cost, they are initially measured at fair value including directly attributable costs and are subsequently measured using the effective interest rate method less any allowance for expected credit losses.

Cash and cash equivalents, due from brokers and receivables and margin accounts are carried at amortised cost.

#### iv. Impairment

At each reporting date, the Fund shall estimate a loss allowance on each of the financial assets carried at amortised cost (cash and cash equivalents, due from brokers and receivables) at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counter party, probability that the counter party will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that the asset is credit impaired. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the net carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 90 days past due is considered credit impaired.

The expected credit loss (ECL) approach is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

#### v. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when the Fund has a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Financial assets and liabilities that have been offset are disclosed in Note 4 to the financial statements.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **c. Net assets attributable to unit holders**

The Fund's units are classified as equity as they satisfy the following criteria under AASB 132 *Financial Instruments: Presentation*:

- the financial instrument entitles the holder to a pro-rata units of net assets in the event of the Fund's liquidation;
- the financial instrument is in the class of instruments that is subordinate to all other classes of instruments and there is an identical contractual obligation for the Fund to deliver a pro rata units of its net assets on liquidation; and
- there is no other instrument that has total cash flows based substantially on the profit or loss, change in recognised net assets or change in fair value of recognised and unrecognised net assets of the entity, and has the effect of substantially restricting or fixing the residual return to the unit holders.

The units can be traded on the ASX at any time for cash based on quoted prices. While the Fund is a listed investment trust and liquidity is generally expected to exist in the secondary market (ASX), there are no guarantees that an active trading market with sufficient liquidity will be available. Units are not able to be redeemed while the Fund is listed on ASX. However, the Responsible Entity may undertake a buy-back of units which satisfies the requirements of the Corporations Act and the Listing Rules. Any units acquired by the Responsible Entity under a buy-back will be immediately cancelled, as required by the Corporations Act.

### **d. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as cash flows from operating activities, as trading of these securities represents the Fund's main income generating activity.

### **e. Margin accounts**

Margin accounts comprise cash held as collateral for derivative transactions and short sales. The cash is held by the brokers and is only available to meet margin calls. It is not included as a component of cash and cash equivalents but instead, part of the due from brokers.

### **f. Investment income**

#### **i. Interest income**

Interest income from financial assets at amortised cost is recognised using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate and includes interest from debt securities measured at fair value through profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Fund estimates cash flows considering all contractual terms of the financial instruments (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees paid or received between the parties to the contract that are an integral part of the effective interest rate, including transaction costs and all other premiums or discounts.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### f. Investment income (continued)

#### i. Interest income (continued)

Interest income on financial assets at fair value through profit or loss is also recognised in the statement of comprehensive income. Changes in fair value of financial instruments fair value through profit or loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

#### ii. Dividend income

Dividend income is recognised on the ex-dividend date with any related foreign withholding tax recorded as an expense. The Fund currently incurs withholding tax imposed by certain countries on investment income. Such income is recorded gross of withholding tax in the statement of comprehensive income as an expense.

#### iii. Net gains/(losses) on financial instruments

Net gains/(losses) on financial instruments arising on a change in fair value are calculated as the difference between the fair value at the end of the reporting period and the fair value at the previous valuation point. Net gains/(losses) do not include interest or dividend/distribution income. Realised and unrealised gains/(losses) are shown in the notes to the financial statements.

Changes in fair value of financial instruments held at fair value through profit or loss are recorded in accordance with the policies described in Note 2(b) to the financial statements.

### g. Expenses

All expenses are recognised in the statement of comprehensive income on an accruals basis.

### h. Income tax

Under current legislation, the Fund is not subject to income tax as all assessable income, exempt income and non-assessable income will be attributed to unit holders under the Attribution Managed Investment Trust "AMIT" regime.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included in the statement of comprehensive income as an expense.

The Fund considered whether it has any uncertain tax positions. The Fund determined, based on its tax compliance, that it is probable that its tax treatments will be accepted by the taxation authorities.

### i. Distributions

The Fund has elected into the AMIT regime. Under the Fund's Constitution, the Fund does not have an obligation to make distributions to unit holders by cash and/or reinvestment in accordance with AASB 132 *Financial Instruments: Presentation* (AASB 132). The units in the Fund have been classified as equity.

Distributions to unit holders are recognised directly in equity, and presented in the statement of changes in equity. A distribution payable is recognised in the statement of financial position where the amount remains unpaid at reporting date.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **j. Foreign currency translation**

#### *i. Functional and presentation currency*

Balances included in the Fund's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"). This is the Australian dollar which reflects the currency of the economy in which the Fund competes for funds and is regulated. The Australian dollar is also the Fund's presentation currency.

#### *ii. Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined.

The Fund does not isolate that portion of unrealised gains or losses on financial instruments at fair value through profit or loss which is due to changes in foreign exchange rates. Such fluctuations are included in the net gains/(losses) on financial instruments at fair value through profit or loss.

### **k. Due from/to brokers**

Amounts due from/to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet delivered by the end of the year. The due from brokers balance is held for collection and is recognised initially at fair value and subsequently measured at amortised cost.

### **l. Receivables**

Receivables may include amounts for interest and dividends. Dividends are accrued when the right to receive payment is established. Where applicable, interest is accrued on a daily basis. Amounts are generally received within 30 days of being recorded as receivables.

### **m. Payables**

Payables include liabilities and accrued expenses owed by the Fund which are unpaid as at the end of the reporting period.

A separate distribution payable is recognised in the statement of financial position.

Distributions declared effective 30 June in relation to unit holders who have previously elected to reinvest distributions are recognised as reinvested after 1 July of the following financial year.

### **n. Applications and redemptions**

Applications received for units in the Fund are recorded net of any entry fees payable prior to the issue of units in the Fund. Units are not able to be redeemed while the Fund is listed on ASX. However, the Responsible Entity may undertake a buy-back of units which satisfies the requirements of the Corporations Act and the Listing Rules.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

### **o. Goods and services tax (GST)**

The GST incurred on the costs of various services provided to the Fund by third parties such as management, administration and custodian services where applicable, have been passed on to the Fund. The Fund qualifies for Reduced Input Tax Credits (RITC) at a rate of at least 55%. Hence, fees for these services and any other expenses have been recognised in the statement of comprehensive income net of the amount of GST recoverable from the Australian Taxation Office (ATO). Amounts payable are inclusive of GST. The net amount of GST recoverable from the ATO is included in receivables in the statement of financial position. Cash flows relating to GST are included in the statement of cash flows on a gross basis.

### **p. Use of estimates and judgements**

The Fund makes estimates, assumptions and judgements that affect the reported amounts of assets and liabilities within the current and next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

For the majority of the Fund's financial instruments, quoted market prices are readily available. However, certain financial instruments, for example over-the-counter derivatives or unquoted securities, are fair valued using valuation techniques. Where valuation techniques (for example, pricing models) are used to determine fair values, they are validated and periodically reviewed by experienced personnel of the Investment Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations, require management to make estimates and judgements. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

The Fund estimates that the resultant expected credit loss (ECL) derived from using an impairment model has not materially impacted the Fund. Please see Note 3(c) to the financial statements for more information on credit risk.

For more information on how fair value is calculated refer to Note 5 to the financial statements.

### **q. Rounding of amounts**

The Fund is an entity of a kind referred to in ASIC Corporations (*Rounding in Financial/Directors' Reports*) Instrument 2016/191 relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded to the nearest thousand dollars unless otherwise indicated.

### **r. Comparative revisions**

Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year.

### **3. FINANCIAL RISK MANAGEMENT**

The Fund's activities expose it to a variety of financial risks including market risk (which incorporates price risk, foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Fund's overall risk management programme focuses on ensuring compliance with the Fund's Product Disclosure Statement and the investment guidelines of the Fund. It also seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments in managing its financial risks.

All investments present a risk of loss of capital. The maximum loss of capital on long equities is limited to the fair value of those positions. The maximum loss of capital on futures, forwards, swaps and warrants is limited to the notional contract values of those positions. On equities sold short, the maximum loss of capital can be unlimited.

The investments of the Fund, and associated risks, are managed by a specialist Investment Manager, Regal Funds Management Pty Limited under an Investment Management Agreement (IMA) approved by the Responsible Entity, and containing the investment strategy and guidelines of the Fund, consistent with those stated in the Product Disclosure Statement.

The Fund uses different methods to measure different types of risk to which it is exposed. These methods are explained below.

#### **a. Market risk**

##### *i. Price risk*

The Fund is exposed to price risk on equity securities, unlisted unit trusts, futures, forwards, swaps and warrants. Price risk arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk.

Price risk is managed by the Investment Manager, in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The table at Note 3(b) summarises the sensitivities of the Fund's assets and liabilities to price risk. The analysis is based on the reasonably possible shift that the investment portfolio in which the Fund invests moves by +/- 10% (2020: +/-10%).

##### *ii. Foreign exchange risk*

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the Australian dollar. Foreign exchange risk arises as the value of monetary securities denominated in other currencies fluctuate due to changes in exchange rates. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk and not foreign exchange risk. However, the Investment Manager monitors the exposure of all foreign currency denominated assets and liabilities.

Foreign exchange risk is managed by the Investment Manager, in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

### 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Market risk (continued)

iii. Foreign exchange risk (continued)

The table below summarises the fair value of the Fund's monetary financial assets and liabilities, which are denominated in a currency other than the Australian dollar.

As at 30 June 2021	INR \$'000	JPY \$'000	KRW \$'000	NZD \$'000	SGD \$'000	USD \$'000	Other \$'000
<b>Assets</b>							
Due from brokers	6,657	21,628	5,506	2,122	946	23,746	4,779
Receivables	304	47	2	7	1	22	297
Financial assets at fair value through profit or loss	771	31,505	1,877	3,928	968	17,041	9,581
<b>Total assets</b>	<b>7,732</b>	<b>53,180</b>	<b>7,385</b>	<b>6,057</b>	<b>1,915</b>	<b>40,809</b>	<b>14,657</b>
<b>Liabilities</b>							
Due to brokers	-	32,553	4,082	4,524	718	31,307	14,332
Payables	7	67	-	17	3	55	75
Financial liabilities at fair value through profit or loss	-	20,638	104	2,398	1,605	7,535	1,886
<b>Total liabilities</b>	<b>7</b>	<b>53,258</b>	<b>4,186</b>	<b>6,939</b>	<b>2,326</b>	<b>38,897</b>	<b>16,293</b>
<b>Net exposure</b>	<b>7,725</b>	<b>(78)</b>	<b>3,199</b>	<b>(882)</b>	<b>(411)</b>	<b>1,912</b>	<b>(1,636)</b>

### 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Market risk (continued)

iii. Foreign exchange risk (continued)

As at 30 June 2020	INR \$'000	JPY \$'000	KRW \$'000	NZD \$'000	SGD \$'000	USD \$'000	Other \$'000
<b>Assets</b>							
Due from brokers	9,010	37,269	4,531	3,416	5,256	30,725	6,205
Receivables	2	13	5	-	2	9	161
Financial assets at fair value through profit or loss	-	28,305	2,283	13,164	4,674	10,178	8,610
<b>Total assets</b>	<b>9,012</b>	<b>65,587</b>	<b>6,819</b>	<b>16,580</b>	<b>9,932</b>	<b>40,912</b>	<b>14,976</b>
<b>Liabilities</b>							
Due to brokers	-	40,250	1,094	11,468	5,434	30,094	8,155
Payables	76	46	1	7	14	118	121
Financial liabilities at fair value through profit or loss	-	21,717	53	4,844	2,658	10,034	2,329
<b>Total liabilities</b>	<b>76</b>	<b>62,013</b>	<b>1,148</b>	<b>16,319</b>	<b>8,106</b>	<b>40,246</b>	<b>10,605</b>
<b>Net exposure</b>	<b>8,936</b>	<b>3,574</b>	<b>5,671</b>	<b>261</b>	<b>1,826</b>	<b>666</b>	<b>4,371</b>

The table at Note 3(b) summarises the sensitivities of the Fund's monetary assets and liabilities to foreign exchange risk. The analysis is based on the reasonably possible shift that the Australian dollar weakened and strengthened by 10% (2020: +/-10%) against the material foreign currencies to which the Fund is exposed.

### 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### a. Market risk (continued)

##### iv. Interest rate risk

The Fund is exposed to cash flow interest rate risk on financial instruments with variable interest rates. Financial instruments with fixed rates expose the Fund to fair value interest rate risk.

The Fund's interest bearing financial instruments expose it to risks associated with the effects of fluctuations in the prevailing levels of market interest rate risk on its financial position and cash flows. The risk is measured using sensitivity analysis.

The Fund's main interest rate risk arises from cash balances with its bank and brokers.

Interest rate risk management is undertaken by maintaining as close to a fully invested position as possible thus limiting the exposure of the Fund to interest rate risk due to fluctuations in the prevailing levels of market interest rates, in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution. As such, the majority of the Fund's financial assets and liabilities are non-interest bearing. Interest bearing financial assets and liabilities include cash and cash equivalents which matures in the short-term, no longer than 3 months and margin accounts.

The table below summarises the Fund's exposure to interest rate risk at the end of the reporting period.

As at 30 June 2021	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>				
Cash and cash equivalents	1,177	-	-	1,177
Due from brokers	122,425	-	75,620	198,045
Receivables	-	-	60,059	60,059
Financial assets at fair value through profit or loss	-	-	591,256	591,256
<b>Total financial assets</b>	<b>123,602</b>	<b>-</b>	<b>726,935</b>	<b>850,537</b>
<b>Financial liabilities</b>				
Due to brokers	112,386	-	64,476	176,862
Distributions payable	-	-	102,448	102,448
Payables	-	-	22,461	22,461
Financial liabilities at fair value through profit or loss	-	-	205,806	205,806
<b>Total financial liabilities</b>	<b>112,386</b>	<b>-</b>	<b>395,191</b>	<b>507,577</b>
	<b>11,216</b>	<b>-</b>	<b>331,744</b>	<b>342,960</b>
Net increase/(decrease) in exposure from futures contracts and swaps (notional principal)	-	-	(82,206)	(82,206)
<b>Net exposure</b>	<b>11,216</b>	<b>-</b>	<b>249,538</b>	<b>260,754</b>

### 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

a. Market risk (continued)

iv. Interest rate risk (continued)

As at 30 June 2020	Floating interest rate \$'000	Fixed interest rate \$'000	Non-interest bearing \$'000	Total \$'000
<b>Financial assets</b>				
Cash and cash equivalents	2,442	-	-	2,442
Due from brokers	136,899	-	102,343	239,232
Receivables	-	-	12,257	12,257
Financial assets at fair value through profit or loss	-	-	466,880	466,880
<b>Total financial assets</b>	<b>139,341</b>	<b>-</b>	<b>581,470</b>	<b>720,811</b>
<b>Financial liabilities</b>				
Due to brokers	97,974	-	62,442	160,416
Distributions payable	-	-	19,790	19,790
Payables	-	-	7,315	7,315
Financial liabilities at fair value through profit or loss	-	-	241,869	241,869
<b>Total financial liabilities</b>	<b>97,974</b>	<b>-</b>	<b>331,416</b>	<b>429,390</b>
	<b>41,367</b>	<b>-</b>	<b>250,054</b>	<b>291,421</b>
Net increase/(decrease) in exposure from futures contracts and swaps (notional principal)	-	-	(15,236)	(15,236)
<b>Net exposure</b>	<b>41,367</b>	<b>-</b>	<b>234,818</b>	<b>276,185</b>

The table at Note 3(b) summarises the impact of an increase/decrease in interest rates on the Fund's operating profit and net assets attributable to unit holders through changes in fair value or changes in future cash flows.

### 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### b. Summarised sensitivity analysis

The following table summarises the sensitivity of the Fund's operating profit and net assets attributable to unit holders to market risks. The reasonably possible movements in the risk variables have been determined based on management's best estimate, having regard to a number of factors, including historical levels of changes in foreign exchange rates, interest rates and the historical correlation of the Fund's investments with the relevant benchmark and market volatility. However, actual movements in the risk variables may be greater or less than anticipated due to a number of factors, including unusually large market movements resulting from changes in the performance of and/or correlation between the performances of the economies, markets and securities in which the Fund invests. As a result, historic variations in risk variables should not be used to predict future variances in the risk variables.

	Impact on operating profit/net assets attributable to unit holders					
	Price risk		Foreign exchange risk		Interest rate risk	
	+10% \$'000	-10% \$'000	+10% \$'000	-10% \$'000	+100bps \$'000	-100bps \$'000
<b>As at 30 June 2021</b>	<b>38,545</b>	<b>(38,545)</b>	<b>983</b>	<b>(983)</b>	<b>112</b>	<b>(112)</b>
As at 30 June 2020	22,501	(22,501)	2,531	(2,531)	414	(414)

#### c. Credit risk

The Fund is exposed to credit risk, which is the risk that a counterparty will be unable to pay its obligations in full when they fall due, causing a financial loss to the Fund.

The Fund does not have a significant concentration of credit risk that arises from an exposure to a single counterparty or group of counterparties having similar characteristics. None of these assets are impaired nor past their due date. The maximum exposure to credit risk is the carrying of these balances as at the reporting date.

The main concentration of credit risk, to which the Fund is exposed, arises from counterparty credit risk on derivative financial instruments, cash and cash equivalents, amounts due to from brokers and other receivables.

The Fund determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. Management consider the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be insignificant to the Fund.

### 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### c. Credit risk (continued)

An analysis of debt by rating as at 30 June 2021 and 30 June 2020 is set out in the table below.

Counterparties	Credit rating 30 June 2021	Source of credit rating	Credit rating 30 June 2020	Source of credit rating
The Hongkong and Shanghai Banking Corporation Ltd	<b>Aa3</b>	<b>Moody's</b>	Aa3	Moody's
UBS AG, Australia Branch	<b>Aa3</b>	<b>Moody's</b>	Aa3	Moody's
Macquarie Bank Ltd	<b>Aa3</b>	<b>Moody's</b>	Aa3	Moody's
Credit Suisse Securities (Europe) Ltd	<b>A1</b>	<b>Moody's</b>	A1	Moody's
Merrill Lynch International Bank Ltd	<b>A2</b>	<b>Moody's</b>	A2	Moody's
Morgan Stanley	<b>A3</b>	<b>Moody's</b>	A3	Moody's
Goldman Sachs International	<b>A2</b>	<b>Moody's</b>	-	-

#### i. Derivative financial instruments

For derivative financial instruments, the Investment Manager has the ultimate responsibility of managing the derivatives. The Fund's derivative positions will include positions selected by the investment strategies chosen by the Investment Manager from time to time.

The Fund also restricts its exposure to credit losses on the trading of derivative instruments it holds by entering into master netting arrangements with counterparties (approved brokers) with whom it undertakes a significant volume of transactions. Credit risk associated with favourable contracts is reduced by master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are closed and settled on a net basis. The Fund's overall exposure to credit risk on derivative instruments subject to a master netting arrangement can change substantially within a short period, as it is affected by each transaction subject to the arrangements. Refer to Note 4 to the financial statements for further analysis of the Fund's master netting arrangements.

#### ii. Other

The Fund is not materially exposed to credit risk on other financial assets.

#### iii. Maximum exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at the end of each reporting period is the carrying amount of the financial assets. None of these assets are impaired nor past due but not impaired.

#### d. Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Exposure to liquidity risk for the Fund may arise from the requirement to meet daily unit holder redemption requests, margin calls on derivative transactions or to fund foreign exchange related cash flow requirements.

The Investment Manager mitigates liquidity risk by investing in financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund maintains sufficient cash and cash equivalents to meet normal operating requirements.

### 3. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### d. Liquidity risk (continued)

##### i. Maturities of non-derivative financial liabilities

The table below summarises the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	Over 12 months \$'000	Total \$'000
<b>As at 30 June 2021</b>					
Due to brokers	176,862	-	-	-	176,862
Distributions payable	-	102,448	-	-	102,448
Payables	22,217	244	-	-	22,461
Financial liabilities at fair value through profit or loss	202,217	-	-	-	202,217
<b>Contractual cash flows (excluding derivatives)</b>	<b>401,296</b>	<b>102,692</b>	-	-	<b>503,988</b>
<b>As at 30 June 2020</b>					
Due to brokers	160,416	-	-	-	160,416
Distributions payable	-	19,790	-	-	19,790
Payables	6,624	691	-	-	7,315
Financial liabilities at fair value through profit or loss	238,423	-	-	-	238,423
<b>Contractual cash flows (excluding derivatives)</b>	<b>405,463</b>	<b>20,481</b>	-	-	<b>425,944</b>

##### ii. Maturities of net settled derivative financial instruments

The table below analyses the Fund's net settled derivative financial instruments based on their contractual maturity. The Fund may, at its discretion, settle financial instruments prior to their original contractual settlement date, in accordance with its investment strategy, where permitted by the terms and conditions of the relevant instruments.

	Less than 1 month \$'000	1 to 6 months \$'000	6 to 12 months \$'000	Over 12 months \$'000	Total \$'000
<b>As at 30 June 2021</b>					
Financial liabilities at fair value through profit or loss	3,589	-	-	-	3,589
<b>Total net settled derivatives</b>	<b>3,589</b>	-	-	-	<b>3,589</b>
<b>As at 30 June 2020</b>					
Financial liabilities at fair value through profit or loss	3,446	-	-	-	3,446
<b>Total net settled derivatives</b>	<b>3,446</b>	-	-	-	<b>3,446</b>

#### 4. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. In the normal course of business, the Fund enters into various master netting agreements or other similar arrangements that do not meet the criteria for offsetting in the statement of financial position but still allow for the related amounts to be setoff in certain circumstances, such as bankruptcy or the termination of the contracts. The gross and net positions of financial assets and liabilities that have been offset in the statement of financial position are disclosed in the first three columns of the tables below.

	Effects of offsetting on the statement of financial position			Related amounts not offset		
	Gross amounts of financial instruments	Gross amounts set off in the statement of financial position	Net amount of financial instruments presented in the statement of financial position	Amounts subject to master netting arrangement	Collateral received /pledged	Net amount
As at 30 June 2021	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>						
Credit Suisse Securities (Europe) Ltd	74,275	-	74,275	(31,486)	-	42,789
Merrill Lynch International Bank Ltd	21,336	-	21,336	(20,669)	-	667
Morgan Stanley	45,650	-	45,650	(2,776)	4,254	47,128
UBS	54,896	-	54,896	(52,877)	-	2,019
Macquarie Bank Ltd	3,346	-	3,346	(9)	-	3,337
Goldman Sachs	474	-	474	(5)	-	469
<b>Total</b>	<b>199,977</b>	<b>-</b>	<b>199,977</b>	<b>(107,822)</b>	<b>4,254</b>	<b>96,409</b>
<b>Financial liabilities</b>						
Credit Suisse Securities (Europe) Ltd	(31,486)	-	(31,486)	31,486	-	-
Merrill Lynch International Bank Ltd	(28,244)	-	(28,244)	20,669	-	(7,575)
Morgan Stanley	(3,572)	-	(3,572)	2,776	-	(796)
UBS	(117,135)	-	(117,135)	52,877	-	(64,258)
Macquarie Bank Ltd	(9)	-	(9)	9	-	-
Goldman Sachs	(5)	-	(5)	5	-	-
<b>Total</b>	<b>(180,451)</b>	<b>-</b>	<b>(180,451)</b>	<b>107,822</b>	<b>-</b>	<b>(72,629)</b>

#### 4. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

	Effects of offsetting on the statement of financial position			Related amounts not offset		
	Gross amounts of financial instruments	Gross amounts set off in the statement of financial position	Net amount of financial instruments presented in the statement of financial position	Amounts subject to master netting arrangement	Collateral received /pledged	Net amount
As at 30 June 2020	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>						
Credit Suisse						
Securities (Europe) Ltd	84,941	-	84,941	(21,919)	-	63,022
Merrill Lynch						
International Bank Ltd	68,270	-	68,270	(63,150)	-	5,120
Morgan Stanley	46,804	-	46,804	(34,293)	10,068	22,579
UBS	39,156	-	39,156	(32,565)	-	6,591
Macquarie Bank Ltd	3,620	-	3,620	(65)	-	3,555
<b>Total</b>	<b>242,791</b>	<b>-</b>	<b>242,791</b>	<b>(151,992)</b>	<b>10,068</b>	<b>100,867</b>
<b>Financial liabilities</b>						
Credit Suisse						
Securities (Europe) Ltd	(21,919)	-	(21,919)	21,919	-	-
Merrill Lynch						
International Bank Ltd	(63,150)	-	(63,150)	63,150	-	-
Morgan Stanley	(34,301)	-	(34,301)	34,293	-	(8)
UBS	(44,427)	-	(44,427)	32,565	-	(11,862)
Macquarie Bank Ltd	(65)	-	(65)	65	-	-
<b>Total</b>	<b>(163,862)</b>	<b>-</b>	<b>(163,862)</b>	<b>151,992</b>	<b>-</b>	<b>(11,870)</b>

The gross financial instruments in the tables comprise due from brokers, due to brokers and derivatives balances.

##### Master netting arrangement – not currently enforceable

Agreements with derivative counterparties are based on the International Swaps and Derivatives Association (ISDA) Master Agreement. Under the terms of these arrangements, only when certain credit events occur (such as default), the net position owing/receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Fund does not presently have a legally enforceable right of set-off, these amounts have not been offset in the statement of financial position but have been presented separately in the above table.

## **5. FAIR VALUE MEASUREMENT**

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets/liabilities at fair value through profit or loss (see Note 6 and Note 7)
- Derivative financial instruments (see Note 8)

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The Fund continues to determine net asset values with the frequency as set out in the Product Disclosure Statement, consistently applying valuation policies and reflective of prevailing market conditions.

The Fund and its unlisted unit trust invests into pre-IPO positions and private off take agreements. In determining fair value, there are a number of unobservable inputs including assessments of the current liquidity of capital markets, an assessment of the time until the investments will be ready to IPO, including viability of the business model in the COVID-19 environment, and forward looking economic factors commodity prices. The valuation inputs are estimates based on the circumstances prevailing at balance date and may materially change depending on future economic conditions and other factors specific to the individual investments and consequently the fair value could change significantly over time.

### **a. Fair value in an active market (level 1)**

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the last traded price; the quoted market price for financial liabilities is the last traded price.

## **5. FAIR VALUE MEASUREMENT (CONTINUED)**

### **a. Fair value in an active market (level 1) (continued)**

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

### **b. Fair value in an inactive or unquoted market (level 2 and level 3)**

The fair value of financial assets and financial liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The Fund uses widely recognised valuation models for determining fair values of over-the-counter equity swaps and forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including both credit and debit valuation adjustments for counterparty and own credit risk, foreign exchange spot and forward rates. For these financial instruments, significant inputs into models are market observable and are included within level 2.

The Fund held investments that have been categorised within level 3 of the fair value hierarchy as at 30 June 2021 and 30 June 2020. Fair values for investment securities that do not have quoted prices in active markets are derived using a valuation policy that mandates the use of the price of recent investment techniques where the date of the investment is considered sufficiently proximate to the reporting date for the price on investment to remain indicative of the fair value at the reporting date.

Unlisted unit trusts are recorded at the Net Asset Value per units as reported by the underlying administrator.

At 30 June 2021 and 30 June 2020, investments classified within level 3 have significant unobservable inputs as they are infrequently traded. Level 3 investments consist mainly of unlisted, delisted, pre-IPO equity securities and suspended securities and unlisted unit trust. As observable prices are not available for these securities, the Investment Manager has used valuation techniques to derive fair value.

## 5. FAIR VALUE MEASUREMENT (CONTINUED)

### c. Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 30 June 2021 and 30 June 2020.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>As at 30 June 2021</b>				
<b>Financial assets</b>				
Equities	475,653	-	2,272	477,925
Unlisted unit trusts	-	-	108,336	108,336
Warrants	-	345	-	345
Swaps	-	4,508	-	4,508
Futures contracts	105	-	-	105
Forward currency contracts	-	37	-	37
<b>Total financial assets</b>	<b>475,758</b>	<b>4,890</b>	<b>110,608</b>	<b>591,256</b>
<b>Financial liabilities</b>				
Equities	202,207	10	-	202,217
Swaps	-	3,083	101	3,184
Futures contracts	302	-	-	302
Forward currency contracts	-	103	-	103
<b>Total financial liabilities</b>	<b>202,509</b>	<b>3,196</b>	<b>101</b>	<b>205,806</b>
<b>As at 30 June 2020</b>				
<b>Financial assets</b>				
Equities	374,990	-	2,264	377,254
Unlisted unit trusts	-	-	86,067	86,067
Swaps	-	3,444	-	3,444
Futures contracts	115	-	-	115
<b>Total financial assets</b>	<b>375,105</b>	<b>3,444</b>	<b>88,331</b>	<b>466,880</b>
<b>Financial liabilities</b>				
Equities	236,218	-	2,205	238,423
Swaps	-	3,241	-	3,241
Futures contracts	152	-	-	152
Forward currency contracts	-	53	-	53
<b>Total financial liabilities</b>	<b>236,370</b>	<b>3,294</b>	<b>2,205</b>	<b>241,869</b>

## 5. FAIR VALUE MEASUREMENT (CONTINUED)

### d. Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
<b>As at 30 June 2021</b>			
Transfer between levels 1 and 3	(859)	-	859
Transfer between levels 2 and 3	-	(12)	12
<b>As at 30 June 2020</b>			
Transfer between levels 1 and 3	(171)	-	171

### e. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the year ended 30 June 2021 and 30 June 2020 by class of financial instrument.

Financial assets	Equities \$'000	Unlisted unit trusts \$'000	Swaps \$'000	Total \$'000
Opening balance – 30 June 2019	2	-	-	2
Transfer into/(out) from level 3	-	-	-	-
Purchases	2,424	55,000	-	57,424
Sales	(212)	-	-	(212)
Unrealised gains/(losses) recognised in the statement of comprehensive income	(10)	31,067	-	31,057
Realised gains/(losses) recognised in the statement of comprehensive income	60	-	-	60
Closing balance – 30 June 2020*	2,264	86,067	-	88,331
Transfer into/(out) from level 3	859	-	-	859
Purchases	5,874	3,636	-	9,510
Sales	(9,914)	-	-	(9,914)
Unrealised gains/(losses) recognised in the statement of comprehensive income	2,125	18,633	-	20,758
Realised gains/(losses) recognised in the statement of comprehensive income	1,064	-	-	1,064
<b>Closing balance – 30 June 2021*</b>	<b>2,272</b>	<b>108,336</b>	<b>-</b>	<b>110,608</b>

## 5. FAIR VALUE MEASUREMENT (CONTINUED)

### e. Fair value measurements using significant unobservable inputs (level 3) (continued)

Financial liabilities	Equities \$'000	Unlisted unit trusts \$'000	Swaps \$'000	Total \$'000
Opening balance – 30 June 2019	-	-	-	-
Transfer into/(out) from level 3	171	-	-	171
Purchases	9,868	-	-	9,868
Sales	(14,226)	-	-	(14,226)
Unrealised gains/(losses) recognised in the statement of comprehensive income	1,025	-	-	1,025
Realised gains/(losses) recognised in the statement of comprehensive income	957	-	-	957
Closing balance – 30 June 2020*	(2,205)	-	-	(2,205)
Transfer into/(out) from level 3	-	-	12	12
Purchases	420	-	65	485
Sales	-	-	(3,586)	(3,586)
Unrealised gains/(losses) recognised in the statement of comprehensive income	(448)	-	(113)	(561)
Realised gains/(losses) recognised in the statement of comprehensive income	2,233	-	3,521	5,754
<b>Closing balance – 30 June 2021*</b>	<b>-</b>	<b>-</b>	<b>(101)</b>	<b>(101)</b>

\*Includes unrealised gains or (losses) recognised in profit or loss attributable to balances held at the end of the reporting period

## 5. FAIR VALUE MEASUREMENT (CONTINUED)

### e. Fair value measurements using significant unobservable inputs (level 3) (continued)

#### i. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements for the year ended 30 June 2021 and 30 June 2020. See Note 5(b) above for the valuation techniques adopted

Description	Fair value \$'000	Valuation technique	Unobservable inputs	Range of inputs (probability- weighted average) \$	Relationship of unobservable inputs to fair value \$'000
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#### As at 30 June 2021

##### Financial assets

Equities	2,272	Recent transaction price	Unquoted share price	<b>0.0500</b> to <b>15.6014</b>	10% increase in the unit price would result in an increase in fair value by 227 and 10% decrease in the unit price would result in a decrease in fair value by 227.
Unlisted unit trusts	108,336	Net asset value (NAV)	NAV per unit	<b>1.1000</b> to <b>2.0382</b>	10% increase in the NAV per unit would result in an increase in fair value by 10,834 and 10% decrease in the NAV per unit would result in a decrease in fair value by 10,834.
	<u>110,608</u>				

Description	Fair value \$'000	Valuation technique	Unobservable inputs	Range of inputs (probability- weighted average) \$	Relationship of unobservable inputs to fair value \$'000
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#### As at 30 June 2021

##### Financial liabilities

Equities	-	Recent transaction price	Unquoted share price	<b>0.0500</b> to <b>0.0500</b>	10% increase in the unit price would result in an increase in fair value by nil and 10% decrease in the unit price would result in a decrease in fair value by nil.
Swaps	101	Recent transaction price	Unquoted share price	<b>0.0199</b> to <b>3,689.6437</b>	10% increase in the unit price would result in an increase in fair value by 10 and 10% decrease in the unit price would result in a decrease in fair value by 10.
	<u>101</u>				

## 5. FAIR VALUE MEASUREMENT (CONTINUED)

### e. Fair value measurements using significant unobservable inputs (level 3) (continued)

#### i. Valuation inputs and relationships to fair value (continued)

Description	Fair value \$'000	Valuation technique	Unobservable inputs	Range of inputs (probability- weighted average) \$	Relationship of unobservable inputs to fair value \$'000
As at 30 June 2020					
Financial assets					
Equities	2,264	Recent transaction price	Unquoted share price	1.0700	10% increase in the unit price would result in an increase in fair value by 226 and 10% decrease in the unit price would result in a decrease in fair value by 226.
Unlisted unit trusts	86,067	Net asset value (NAV)	NAV per unit	1.6878	10% increase in the NAV per unit would result in an increase in fair value by 8,607 and 10% decrease in the NAV per unit would result in a decrease in fair value by 8,607.
	88,331				

Description	Fair value \$'000	Valuation technique	Unobservable inputs	Range of inputs (probability- weighted average) \$	Relationship of unobservable inputs to fair value \$'000
As at 30 June 2020					
Financial liabilities					
Equities	2,205	Recent transaction price	Unquoted share price	3.0100	10% increase in the unit price would result in an increase in fair value by 221 and 10% decrease in the unit price would result in a decrease in fair value by 221.
	2,205				

## 5. FAIR VALUE MEASUREMENT (CONTINUED)

### e. Fair value measurements using significant unobservable inputs (level 3) (continued)

#### ii. Valuation processes

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period and are disclosed in Note 2(e) above.

### f. Other financial assets and liabilities

For all other financial assets and liabilities, the carrying value is an approximation of fair value, including: cash and cash equivalents; due from/to brokers; receivables; distributions payable; and other payables.

## 6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	30 June 2021 \$'000	30 June 2020 \$'000
Equities	477,925	377,254
Unlisted unit trusts	108,336	86,067
Warrants	345	-
Swaps	4,508	3,444
Futures contracts	105	115
Forward currency contracts	37	-
<b>Total financial assets at fair value through profit or loss</b>	<b>591,256</b>	<b>466,880</b>

An overview of the risk exposures and fair value measurements relating to financial assets at fair value through profit or loss is included in Note 3 and Note 5 to the financial statements.

## 7. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	30 June 2021 \$'000	30 June 2020 \$'000
Equities	202,217	238,423
Swaps	3,184	3,241
Futures contracts	302	152
Forward currency contracts	103	53
<b>Total financial liabilities at fair value through profit or loss</b>	<b>205,806</b>	<b>241,869</b>

An overview of the risk exposures and fair value measurements relating to financial liabilities at fair value through profit or loss is included in Note 3 and Note 5 to the financial statements.

## **8. DERIVATIVE FINANCIAL INSTRUMENTS**

In the normal course of business, the Fund enters into transactions in various derivative financial instruments which have certain risks. A derivative is a financial instrument or other contract which is settled at a future date and whose value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable.

Derivative financial instruments require no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.

Derivative transactions include many different instruments such as forwards, futures and options. Derivatives are considered to be part of the investment process and the use of derivatives is an essential part of the Fund's portfolio management. Derivatives are not managed in isolation. Consequently, the use of derivatives is multifaceted and includes:

- hedging to protect an asset or liability of the Fund against a fluctuation in market values, foreign exchange risk or to reduce volatility;
- a substitution for trading of physical securities; and
- adjusting asset exposures within the parameters set in the investment strategy, and adjusting the duration of fixed interest portfolios or the weighted average maturity of cash portfolios.

While derivatives are used for trading purposes, they are not used to gear (leverage) a portfolio. Gearing a portfolio would occur if the level of exposure to the markets exceeds the underlying value of the Fund.

Certain transactions may give rise to a form of leverage. Such transactions may include, among others, reverse repurchase agreements, loans of portfolio securities, and the use of when-issued, delayed-delivery or forward commitment transactions. Leverage may be incurred when it is believed that is advantageous to increase the investment capacity of a Fund or to facilitate the clearance of transactions. Leverage creates opportunity for greater total returns for a Fund, but it also may magnify losses. The use of derivatives may also create leverage risk.

The Fund holds the following derivatives:

### **a. Futures**

Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities. Changes in futures contracts' values are usually settled net daily with the exchange.

### **b. Forward currency contracts**

Forward currency contracts are primarily used by the Fund to economically hedge against foreign currency exchange rate risks on its non-Australian dollar denominated trading securities. The Fund agrees to receive or deliver a fixed quantity of foreign currency for an agreed upon price on an agreed future date. Forward currency contracts are valued at forward rate at the end of each reporting period. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

### **c. Swaps**

Swaps are derivative instruments in which two counterparties agree to exchange one stream of cash flow against another stream, which may involve an equity-based cash flow (such as from a stock asset) that is traded for a fixed-income cash flow (such as a benchmark rate).

## 8. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

### d. Warrants

Warrants are an option to purchase additional securities from the issuer at a specified price during a specified period. Warrants are valued at the prevailing market price at the end of each reporting period. The Fund recognises a gain or loss equal to the change in fair value at the end of each reporting period.

The Fund's derivative financial instruments measured at fair value at year end are detailed below:

	Contractual/ notional \$'000	Assets \$'000	Liabilities \$'000
<b>As at 30 June 2021</b>			
Warrants	345	345	-
Swaps	19,737	4,508	3,184
Futures contracts	(101,943)	105	302
Forward currency contracts	-	37	103
<b>Total derivatives</b>	<b>(81,861)</b>	<b>4,995</b>	<b>3,589</b>
<b>As at 30 June 2020</b>			
Swaps	13,504	3,444	3,241
Futures contracts	(28,740)	115	152
Forward currency contracts	-	-	53
<b>Total derivatives</b>	<b>(15,236)</b>	<b>3,559</b>	<b>3,446</b>

Information about the Fund's exposure to credit risk, foreign exchange risk, interest rate risk and about the methods and assumptions used in determining fair values is provided in Note 3 and Note 5 to the financial statements. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of derivative financial instruments disclosed above.

## 9. INVESTMENT IN MANAGED INVESTMENT SCHEMES

The Fund invests in Managed Investment Schemes (the "Schemes") for the purpose of capital appreciation and or earning investment income.

The exposure to investments in related party Schemes at fair value, and any related party amounts recognised in the statement of comprehensive income, is disclosed at Note 22 to the financial statements.

The fair value of the Schemes is included as unlisted unit trusts in financial assets at fair value through profit or loss in the statement of financial position.

The Fund's maximum exposure to loss from its interest in the Schemes is equal to the fair value of its investments in the Schemes as there are no off-balance sheet exposures relating to any of the Schemes. Once the Fund has disposed of its units in a Scheme it ceases to be exposed to any risk from that Scheme.

During the year ended 30 June 2021, total gains/(losses) incurred on investments in the Schemes were \$18,633,052 (2020: \$31,067,256). The Fund also earned distribution income of \$57,296,906 during the year (2020: \$9,806,642) as a result of its interests in the Schemes.

## 10. NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS – EQUITY

The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions set out in Note 2(c) to the financial statements.

Movements in the number of units and net assets attributable to unit holders during the year were as follows:

	Year ended		Year ended	
	30 June 2021 Units '000	30 June 2021 \$'000	30 June 2020 Units '000	30 June 2020 \$'000
Opening balance	106,456	291,421	112,711	287,593
Applications	-	-	-	-
Units buy-back	(5,437)	(16,898)	(6,626)	(16,043)
Reinvestment of distributions	301	1,111	371	1,002
Distributions paid and payable	-	(107,540)	-	(24,717)
Profit/(loss) for the year	-	174,866	-	43,586
<b>Closing balance</b>	<b>101,320</b>	<b>342,960</b>	106,456	291,421

As stipulated within the Fund's Constitution, each unit represents a right to an individual unit in the Fund and does not extend to a right in the underlying assets of the Fund.

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

### Units buy-back plan

On 5 February 2021, the Responsible Entity in consultation with the Investment Manager, exercised its discretion to purchase units on-market with a view to addressing any unsatisfied liquidity in the units and undertaking capital management that adds value to the Fund.

The buy-backs have been in accordance with the Fund's Constitution, Listing Rules and all applicable laws. A buy-back will not exceed 10% of the smallest number of units on issue in the Fund during the 12 months prior to any buy-back, unless otherwise approved by ordinary resolution of unit holders.

Units purchased by the Responsible Entity on behalf of the Fund under a buy-back will be immediately cancelled.

During the year ended 30 June 2021, the Fund has purchased on-market and cancelled 5,436,866 units (30 June 2020: 6,625,640 units) at a cost of \$16,898,305 (30 June 2020: \$16,043,494).

## 11. BASIC AND DILUTED EARNINGS PER UNIT

	As at	
	30 June 2021	30 June 2020
Profit/(loss) attributable to unit holders (\$'000)	174,866	43,586
Weighted average number of units on issue ('000)	102,543	110,609
Basic earnings per unit (cents per unit)	170.53	39.41

	As at	
	30 June 2021	30 June 2020
Profit/(loss) attributable to unit holders (\$'000)	174,866	43,586
Weighted average number of units on issue ('000)	102,543	110,609
Diluted earnings per unit (cents per unit)	170.53	39.41

## 12. DISTRIBUTIONS TO UNIT HOLDERS

The distributions declared during the year were as follows:

	Year ended		Year ended	
	30 June 2021 \$'000	30 June 2021 CPU	30 June 2020 \$'000	30 June 2020 CPU
<b>Distributions</b>				
December (paid)	5,092	5.000	4,927	4.452
June (payable)	102,448	101.113	19,790	18.590
	107,540		24,717	

## 13. CASH AND CASH EQUIVALENTS

	As at	
	30 June 2021 \$'000	30 June 2020 \$'000
Cash at bank	1,177	2,442
<b>Total cash and cash equivalents</b>	<b>1,177</b>	<b>2,442</b>

## 14. RECONCILIATION OF PROFIT/(LOSS) TO NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

a. Reconciliation of profit/(loss) to net cash inflow/(outflow) from operating activities

	Year ended	
	30 June 2021 \$'000	30 June 2020 \$'000
Profit/(loss) for the year	174,866	43,586
Proceeds from sale of financial instruments at fair value through profit or loss	10,372,846	8,329,673
Payments for purchase of financial instruments at fair value through profit or loss	(10,284,247)	(8,275,984)
Net (gains)/losses on financial instruments at fair value through profit or loss	(191,405)	(68,687)
Net foreign exchange (gain)/loss	781	434
Net change in receivables	(47,804)	(11,648)
Net change in payables	15,459	5,109
<b>Net cash inflow/(outflow) from operating activities</b>	<b>40,496</b>	<b>22,483</b>

b. Non-cash operating and financing activities

The following distribution payments to unit holders were satisfied by the issue of units under the distribution reinvestment plan

	1,111	1,002
<b>Total non-cash operating and financing activities</b>	<b>1,111</b>	<b>1,002</b>

## 15. DUE FROM BROKERS

	As at	
	30 June 2021 \$'000	30 June 2020 \$'000
Due from brokers – margin accounts	125,488	139,515
Receivable for securities sold	72,557	99,717
<b>Total due from brokers</b>	<b>198,045</b>	<b>239,232</b>

## 16. DUE TO BROKERS

	As at	
	30 June 2021 \$'000	30 June 2020 \$'000
Due to brokers – margin accounts	112,386	98,023
Payable for securities purchased	64,476	62,393
<b>Total due to brokers</b>	<b>176,862</b>	<b>160,416</b>

## 17. RECEIVABLES

	As at	
	30 June 2021 \$'000	30 June 2020 \$'000
Interest receivable	-	57
Dividends receivable from long positions	58,191	10,433
RITC refund receivable	1,546	1,737
Other receivables	322	30
<b>Total receivables</b>	<b>60,059</b>	<b>12,257</b>

## 18. PAYABLES

	Notes	As at	
		30 June 2021 \$'000	30 June 2020 \$'000
Management fees payable	22(g)	1,895	457
Performance fees payable	22(g)	19,429	4,709
Responsible Entity fees payable		34	49
Dividends payable from short positions		423	865
Auditors' remuneration payable		76	73
Transaction fees payable		298	345
Interest payable		135	211
Withholding tax payable		139	217
Capital gains tax payable		-	76
Units buy-back payable		-	311
Accounting fees payable		9	-
Other payables		23	2
<b>Total payables</b>		<b>22,461</b>	<b>7,315</b>

## 19. REMUNERATION OF AUDITORS

During the year the following fees were paid or payable for services provided by the auditors of the Fund:

	Year ended	
	30 June	30 June
	2021	2020
	\$	\$
<b>Fees to Ernst &amp; Young</b>		
Fees for auditing the statutory financial report <i>Fees for assurance services that are required by legislation to be provided by the auditor</i>	40,560	40,000
Fees for reviewing the half-yearly statutory financial report <i>Fee for other services</i>	12,180	12,000
Tax compliance	21,294	21,000
Audit of compliance plan	-	4,002
<b>Total remuneration of Ernst &amp; Young</b>	<b>74,034</b>	<b>77,002</b>
<b>Fees to PricewaterhouseCoopers</b>		
<i>Audit and other assurance services</i>		
Audit of compliance plan	2,342	-
<b>Total remuneration of PricewaterhouseCoopers</b>	<b>2,342</b>	<b>-</b>

The auditors' remuneration is borne by the Fund. Fees are stated exclusive of GST.

## 20. OTHER INCOME

	Year ended	
	30 June	30 June
	2021	2020
	\$'000	\$'000
RITC income	4,232	1,604
Rebate Income	35	-
Underwriting fee income	245	293
Capital gains tax income	55	-
Other income	2	-
<b>Total other income</b>	<b>4,569</b>	<b>1,897</b>

## 21. OTHER EXPENSES

	Year ended	
	30 June 2021 \$'000	30 June 2020 \$'000
GST expenses	5,030	1,522
Dividend withholding tax expense	1,719	2,478
Capital gains tax expense	-	88
Accounting fees expense	26	-
Withholding tax expense	33	13
Other fees	99	44
<b>Total other expenses</b>	<b>6,907</b>	<b>4,145</b>

## 22. RELATED PARTY TRANSACTIONS

The Responsible Entity of Regal Investment Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to the Responsible Entity are disclosed below.

The Responsible Entity has contracted services to Regal Funds Management Pty Limited to act as Investment Manager for the Fund and The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch to act as Custodian and Administrator for the Fund. The contracts are on normal commercial terms and conditions.

### a. Key management personnel

#### i. Directors

Key management personnel include Equity Trustees Limited and persons who are directors of Equity Trustees Limited at any time during or since the end of the year and up to the date of the Directors' report.

Philip D Gentry	Chairman Company Secretary (appointed 30 April 2021) (resigned 1 September 2020)
Harvey H Kalman	(resigned 1 September 2020)
Ian C Westley	(resigned 3 July 2020)
Michael J O'Brien	
Russell W Beasley	(appointed 1 September 2020)
Jennifer Currie	Company Secretary (resigned 30 April 2021)

#### ii. Responsible Entity

Other than the fees paid to the Responsible Entity, there were no other transactions.

#### iii. Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the financial year.

## 22. RELATED PARTY TRANSACTIONS (CONTINUED)

### b. Transactions with key management personnel

The following transactions occurred with key management personnel during the reporting period:

	Year ended	
	30 June 2021 \$	30 June 2020 \$
Purchase of units	198,400	9,985
<b>Total</b>	<b>198,400</b>	<b>9,985</b>

### c. Key management personnel unit holdings

Key management personnel held units in the Fund, as follows:

	Number of units held opening	Number of units held closing	Interest held %	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund \$
<b>Unit holder</b>						
<b>As at 30 June 2021</b>						
Platinum Cat Pty Ltd ATF for Platinum Cat Superfund	8,000	8,000	0.0080	-	-	8,489
Harvey H Kalman	7,690	-	-	-	7,690	-
Michael J O'Brien	80,000	160,000	0.1580	80,000	-	169,780
Russell W Beasley	1	1	-	-	-	1
<b>Unit holder</b>						
<b>As at 30 June 2020</b>						
Platinum Cat Pty Ltd ATF for Platinum Cat Superfund	8,000	8,000	0.0075	-	-	1,844
Harvey H Kalman	3,990	7,690	0.0072	3,700	-	1,608
Michael J O'Brien	80,000	80,000	0.0751	-	-	18,436

\*Philip D Gentry is a member of the Platinum Cat Superfund.

### d. Key management personnel compensation

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Fund to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel and are not related to services that directors render to individual funds.

### e. Key management personnel loans

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to key management personnel or their personally related entities at any time during the reporting period.

## 22. RELATED PARTY TRANSACTIONS (CONTINUED)

### f. Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the financial year and there were no material contracts involving management personnel's interests existing at year end.

### g. Responsible Entity fees, Investment Manager's fees and other transactions

Under the terms of the Fund's Constitution and Product Disclosure Statement for the Fund, the Responsible Entity and the Investment Manager are entitled to receive management fees and performance fees.

The transactions during the year and amounts payable as at year end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	Year ended	
	30 June 2021	30 June 2020
	\$	\$
Management fees for the year	<b>6,087,739</b>	4,479,969
Performance fees for the year	<b>43,854,691</b>	10,464,647
Responsible Entity fees for the year	<b>162,345</b>	119,470
Management fees payable at year end	<b>1,895,333</b>	457,153
Performance fees payable at year end	<b>19,428,793</b>	4,708,320
Responsible Entity fees payable at year end	<b>34,140</b>	49,202

The performance fee will be calculated and accrued at least monthly and is payable at the end of each performance period in arrears. Performance periods are typically six months in duration and end on 30 June or 31 December. The performance fee of 20% (plus GST) of the amount by which the portfolio's outperformance against the RBA cash rate subject to a high water mark is calculated and accrued at least monthly.

The Investment Manager is entitled to receive a management fee totalling 1.50% per annum (or 1.54% inclusive of GST less RITC) of the Fund's net assets attributable to unit holders (before the management fees and accrued but unpaid performance fees). The management fee is calculated and accrued at least monthly and are payable monthly in arrears by the Fund.

## 22. RELATED PARTY TRANSACTIONS (CONTINUED)

### h. Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) hold units in the Fund, as follows:

	Number of units held opening	Number of units held closing	Interest held %	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund \$
<b>Unit holder</b>						
<b>As at</b>						
<b>30 June 2021</b>						
Equity Trustees Superannuation Limited <AMG Super> Regal Funds Management Pty Limited	192,570	310,356	0.3060	191,663	73,877	324,388
	-	196,746	0.1940	196,746	-	198,935
<b>Unit holder</b>						
<b>As at</b>						
<b>30 June 2020</b>						
Equity Trustees Superannuation Limited <AMG Super>	479,950	192,570	0.1809	34,455	321,835	47,763

### i. Investments

The Fund held investments in EQT Holdings Limited as the parent of Equity Trustees Limited and other schemes managed by the Investment Manager during the year as follows.

	Number of units held opening	Number of units held closing	Interest held %	Distribution earned \$	Distribution receivable \$	Number of units acquired	Number of units disposed
<b>As at</b>							
<b>30 June 2021</b>							
EQT Holdings Limited	56,249	-	-	14,246	-	-	56,249
Regal Emerging Companies Fund III	50,994,042	50,994,042	54.21	57,296,906	57,296,906	-	-
<b>As at</b>							
<b>30 June 2020</b>							
EQT Holdings Limited	56,290	56,249	0.2707	66,866	-	65,876	65,917
Regal Emerging Companies Fund III	-	50,994,042	51.76	9,806,642	9,806,642	50,994,042	-

## **23. OPERATING SEGMENTS**

The Fund is organised into one main operating segment with only one key function, being the investment of funds internationally. It operates predominantly in Australia and in the securities industry. It earns revenue from dividend income, interest income and other returns from the investment portfolio. The Company invests in different types of securities, as detailed at Note 5 Fair Value Measurement.

## **24. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

No significant events have occurred since the end of the period which would impact on the financial position of the Fund as disclosed in the statement of financial position as at 30 June 2021 or on the results and cash flows of the Fund for the period ended on that date.

## **25. CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS**

There were no outstanding contingent assets, liabilities or commitments as at 30 June 2021 and 30 June 2020.

## DIRECTORS' DECLARATION

In the opinion of the directors of the Responsible Entity:

- a. The financial statements and notes set out on pages 8 to 50 are in accordance with the *Corporations Act 2001*, including:
  - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - ii. giving a true and fair view of the Fund's financial position as at 30 June 2021 and of its performance for the year ended on that date.
- b. There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable; and
- c. Note 2(a) confirms that the financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry  
Chairman

Melbourne  
31 August 2021



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# Independent Auditor's Report to the Unit Holders of Regal Investment Fund

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Regal Investment Fund (the Fund), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of Regal Investment Fund is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Fund's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.



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## 1. Investment existence and valuation

Why significant	How our audit addressed the key audit matter
<p>The Fund has a significant investment portfolio consisting primarily of listed equities and unlisted unit trusts. As at 30 June 2021, the values of the listed equities and unlisted unit trusts financial assets were \$475,652,589 and \$108,336,056, which represented 56% and 13% of the total assets of the Fund, respectively. As at 30 June 2021, the values of the listed equities financial liabilities were \$202,207,252, which represented 40% of total liabilities of the Fund.</p> <p>As detailed in the Fund's accounting policy described in Note 2(b) of the financial report, these financial instruments are recognised at fair value through profit or loss in accordance with Australian Accounting Standards.</p> <p>Pricing, exchange rates and other market drivers can have a significant impact on the value of these financial Instruments and the financial report. Accordingly, existence and valuation of the investment portfolio was considered a key audit matter.</p>	<p>We assessed the effectiveness of the controls relating to the existence and valuation of investments.</p> <p>We obtained and considered the assurance report on the controls of the Fund's administrator, in relation to the fund administration services for the year ended 30 June 2021 and considered the auditor's credentials, their objectivity and the results of their procedures.</p> <p>We have confirmed the balances of investment holdings, including cash accounts, to third party confirmations at 30 June 2021.</p> <p>We assessed the fair value of a representative sample of investments in the portfolio held at 30 June 2021. For listed securities, the values were verified against independently sourced market prices.</p> <p>For unlisted unit trusts, we have obtained and agreed the unit prices to the net asset value statements provided by the external fund administrator of the unit trusts. We obtained the audited financial statements of the unlisted unit trusts and considered the appropriateness of the valuations adopted. For a sample of underlying investments, we assessed the appropriateness of the underlying valuation method and key assumptions applied by the external investment manager, engaged our valuation specialists where appropriate and reviewed the fair values.</p> <p>We assessed the adequacy of the disclosures in Note 5 of the financial report in accordance with the requirements of Australian Accounting Standards.</p>



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## 2. Management and Performance Fees

Why significant	How our audit addressed the key audit matter
<p>Management and performance fees, paid to the Investment Manager, Regal Funds Management Pty Limited, are the most significant operating expense for the Fund.</p> <p>The Fund's accounting policy for the management and performance fees is described in Note 22(g) of the financial report. Performance fees are recognised in the financial report if the performance hurdles for the Fund have been met at the end of the relevant measurement period, which is the date that the performance criteria are met and the obligation has crystallised. All expenses are recognised on an accruals basis.</p> <p>For the year ended 30 June 2021, the management and performance fees were \$6,087,739 and \$43,854,691 which represented 7% and 50% of the total expenses, respectively.</p> <p>The assessment of recognition of expenses relating to performance fee arrangements can be complex.</p> <p>Accordingly, the recognition of management and performance fees was considered a key audit matter.</p>	<p>We assessed the effectiveness of the controls in relation to the calculation of management and performance fees of the Fund's administrator, who has responsibility for the calculations.</p> <p>We recalculated management and performance fees, in accordance with the relevant service arrangements, including agreeing the fee rates to the calculations.</p> <p>We assessed the performance fee calculation, including testing the inputs into the calculation model and assessed whether the calculation was consistent with the relevant Product Disclosure Statement and management agreement.</p> <p>We also assessed whether the criteria for accrual of a performance fee liability were met at 30 June 2021.</p> <p>We assessed the adequacy of the disclosures in Note 22(g) of the financial report in accordance with the requirements of Australian Accounting Standards.</p>

## Information Other than the Financial Report and Auditor's Report Thereon

The Directors of the Responsible Entity are responsible for the other information. The other information comprises the information included in Fund's 2021 Annual Report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



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## Responsibilities of the Directors of the Responsible Entity for the Financial Report

The Directors of the Responsible Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors of the Responsible Entity determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors of the Responsible Entity are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors of the Responsible Entity either intend to liquidate the Fund or cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors of the Responsible Entity.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.



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We communicate with the Directors of the Responsible Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors of the Responsible Entity with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Directors of the Responsible Entity, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Ernst & Young

Jonathan Pye  
Partner  
Sydney  
31 August 2021

Jaddus Manga  
Partner  
Sydney  
31 August 2021

# ASX ADDITIONAL INFORMATION

Regal Investment Fund (ARSN 632 283 384) (the Fund)

Additional information required by the Australian Stock Exchange Limited ("ASX") Listing Rules and not disclosed elsewhere in this report is as follows. The information is current as at 12 August 2021 unless otherwise indicated.

## A. CORPORATE GOVERNANCE STATEMENT

Refer to the Annual Report, page 6.

## B. SUBSTANTIAL UNITHOLDERS

The following unit holders have substantial holdings, as disclosed in the substantial holding notices received:

NO.	UNITHOLDER NAME	NO. OF UNITS	PERCENTAGE
1	THE REGAL FOUNDATION*	25,534,830	22.07

\* includes similar or related interests of Andrew King, Philip King, David Gore, New Highland Pty Ltd (ACN 121 604 500), Kavoca Pty Ltd (ACN 129 824 460) and Regal Funds Management Pty Ltd (ACN 107 576 821)

## C. CLASSES OF UNITS

Refer to the Annual Report, Note 10, page 42.

## D. VOTING RIGHTS

Voting at a general meeting is by a show of hands unless a poll is validly demanded. On a show of hands each Unitholder (and each proxy, attorney or representative) has one vote, and on a poll, each Unitholder (and each proxy, attorney or representative) has one vote for each dollar value of units held. For voting purposes, the value of a unit in the Fund is the last sale price on the ASX on the trading day immediately before the day on which the poll is taken.



## E. DISTRIBUTION OF UNITS

Analysis of numbers of unitholders by size of holding as at 12 August 2021:

SIZE OF HOLDING	NO. OF HOLDERS	TOTAL UNITS	PERCENTAGE
1 – 1,000	570	281,367	0.24
1,001 – 5,000	1,313	3,709,705	3.20
5,001 – 10,000	1,040	7,818,847	6.76
10,001 – 100,000	1,743	43,097,749	37.25
100,001 and over	85	60,804,193	52.55
	4,751	115,711,861	100.00

There are 63 unitholders each with an unmarketable parcel of shares being a holding of 117 or less, for a combined total of 2,529 units. This is based on the closing ASX price of \$4.28 per share as at 12 August 2021.

## F. LARGEST UNITHOLDERS

The names of the twenty largest holders of quoted units as at 12 August 2021 are listed below.

NO.	UNITHOLDER NAME	NO. OF UNITS	PERCENTAGE
1	MR ANDREW KING + MR PHILIP KING + MR DAVID GORE	15,680,782	13.55
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	6,006,679	5.19
3	BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM	4,930,600	4.26
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,105,405	2.68
5	NAVIGATOR AUSTRALIA LTD	2,846,433	2.46
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,612,790	2.26
7	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD	2,207,432	1.91
8	KAVOCA PTY LTD	1,979,877	1.71
9	NEW HIGHLAND PTY LIMITED	1,825,278	1.58
10	NETWEALTH INVESTMENTS LIMITED	1,686,188	1.46
11	BNP PARIBAS NOMINEES PTY LTD	1,049,670	0.91
12	MRS PAMELA DIANE KING	890,398	0.77



NO.	UNITHOLDER NAME	NO. OF UNITS	PERCENTAGE
13	LUJETA PTY LTD	800,000	0.69
14	QM FINANCIAL SERVICES PTY LTD	800,000	0.69
15	MIGHTYBOY PTY LTD	769,101	0.66
16	WRITEMAN PTY LIMITED	608,837	0.53
17	CUSTODIAL SERVICES LIMITED	604,753	0.52
18	BT PORTFOLIO SERVICES LIMITED	600,000	0.52
19	JEUNE PTY LTD	531,515	0.46
20	ROMEOMIKE ENTERPRISES PTY LTD	366,461	0.32
		<b>49,902,199</b>	<b>2.46</b>

## G. UNQUOTED EQUITY SECURITIES

There were no unquoted equity securities on issue for the year ended 30 June 2021.

## H. REVIEW OF OPERATIONS AND ACTIVITIES FOR THE REPORTING PERIOD

Refer to the Directors' report at page 2 of the Annual Report.

## I. ON-MARKET BUY-BACKS

Refer to the Directors' report at page 2 of the Annual Report for on-market buy-backs for the year ended 30 June 2021 and note 24 for on-market buy-backs from reporting date to date of signing.

## J. CASH AND ASSETS USED

During the year ended 30 June 2021, the Fund invested in accordance with the investment objective and guidelines as set out in the latest Product Disclosure Statement of the Fund dated 8 April 2019 and in accordance with the Fund's Constitution.

## K. LIST OF ALL INVESTMENTS HELD BY THE FUND AT THE BALANCE DATE

### INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021

3P Learning Ltd	APA Group Unit	Bega Cheese Ltd
Aarti Industries (NSI)	Arafura Resources Ltd	Bendigo and Adelaide Bank Ltd (ASX)
Abbott Laboratories	ARB Corp Ltd	Betmakers Technology Group Ltd
Access Innovation Holdings Ltd	Ardent Leisure Group Ltd	BHP Group Ltd

**INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021**

Adairs Ltd	Argenx SE ADR	Bigtincan Holdings Ltd
AdVeritas Ltd	Aristocrat Leisure Ltd	BlueScope Steel Ltd (ASX)
Aeon Co Ltd	Asahi Intecc Co Ltd	Bravura Solutions Ltd
Aeon Mall Co Ltd	Astellas Pharma Inc	Brickworks Ltd
AFT Pharmaceuticals Ltd (ASX)	Atomos Ltd	BWX Ltd
Afterpay Ltd	Aurizon Holdings Ltd	CALBEE Inc
Air Water Inc	Aurora Cannabis Inc	Calix Ltd
Airports Of Thailand Pcl NVDR	Aussie Broadband Pty Ltd	CapitaLand Integrated Commercial Trust REIT
Airtasker Ltd	Australia & New Zealand Banking Group Ltd	Capitol Health Ltd
Aisin Corp	Australian Clinical Labs Ltd	Carbon Revolution Ltd
Alfresa Holdings Corp	Australian Vintage Ltd	Carsales.com Ltd
Alliance Aviation Services Ltd	Avita Therapeutics Inc (AVH)	Catapult Group International Ltd
Alpha HPA Ltd	Azbil Corp	Cedar Woods Properties Ltd
ALS Ltd	Bank Central Asia Tbk (DMT)	Central Japan Railway Co
Amada Co Ltd	Base Resources Ltd	Centuria Capital Group Unit
Ampol Ltd	BCC Co Ltd	Cettire Ltd
Anteo Diagnostics Ltd	Beacon Lighting Group Ltd	Chalice Mining Ltd
Challenger Ltd/Australia	CSR Ltd	Eisai Co Ltd
Champion Iron Ltd	Dacian Gold Ltd	Eizo Corp
Charlottes Web Holdings Inc	Dai Nippon Printing Co Ltd	Elders Ltd
Charter Hall Group REIT	Dai-ichi Life Holdings Inc	Electro Optic Systems Hldgs Ltd
China Agri-Industries Holdings Ltd	Daiichi Sankyo Co Ltd	Energy World Corp Ltd

**INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021**

Chiyoda Corp	Daikin Industries Ltd	Enero Group Ltd
Chugai Pharmaceutical Co Ltd	Daiwa House Industry Co Ltd	Estia Health Ltd
City Chic Collective Ltd	Daiwa Office Investment Corp	Evolve Education Group Ltd (ASX)
Clean TeQ Water Ltd	Daqo New Energy Corp ADR	Family Zone Cyber Safety Ltd
Coca-Cola Bottlers Japan Inc	DBS Group Holdings Ltd	FFRI Inc
Coda Minerals Ltd	DDH1 Ltd	Fineos Corp Holdings Plc CDI
Colan Totte Co Ltd	De Grey Mining Ltd	Firefinch Ltd
Coles Group Ltd	Deterra Royalties Ltd	Fisher & Paykel Healthcare Corp
Collins Foods Ltd	DGL Group Ltd/Au	Fission Uranium Corp
Com7 Pcl NVDR	Discovery Metals Corp	Fletcher Building Ltd
Commonwealth Bank Of Australia	Domain Holdings Australia Ltd	Fletcher Building Ltd (New Zealand)
Contact Energy Ltd	Doosan Fuel Cell Co Ltd	FOOD & LIFE COMPANIES LTD
Coronado Global Resources Inc CDI	Downer EDI Ltd	Fortescue Metals Group Ltd
Corporate Travel Management Ltd	Dr Reddy's Laboratories Ltd ADR	Frasers Property Ltd
Countplus Ltd	Dubber Corp Ltd	Fukuoka Financial Group Inc
Coway Co Ltd	Dusk Group Ltd	Genetic Signatures Ltd
Cromwell European Real Estate Investment Trust REIT	East Japan Railway Co	Genworth Mortgage Insurance Australia Ltd
CSL Ltd	Eclix Group Ltd	Global Data Centre Group Unit
GLP J-REIT	Insurance Australia Group Ltd	Karora Resources Inc
Goodman Group REIT	Integral Diagnostics Ltd	Kasikornbank Pcl (FR)
GrainCorp Ltd	Intellia Therapeutics Inc	Kasikornbank Pcl NVDR
Gresham Resources Royalties Fund	Intouch Holdings Pcl (FR)	Kb Autosys Co Ltd

**INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021**

GWA Group Ltd	ioneer Ltd	Keihan Holdings Co Ltd
Harmoney Corp Ltd	iQIYI Inc ADR	Keikyu Corp
Harvest Health & Recreation Inc	Iress Ltd	Keio Corp
Healius Ltd	Irongate Group Unit	Keypath Education International Inc
Hitachi Ltd	iSignthis Ltd	Kintetsu Group Holdings Co Ltd
Hoya Corp	Itochu Corp	Kogan.com Ltd
HT&E Ltd	Itoki Crebio Corp	Komatsu Ltd
Hulic Co Ltd	Japan Airport Terminal Co Ltd	Kubota Corp
Humm Group Ltd	Japan Real Estate Investment Corp REIT	Kuraray Co Ltd
HUYA Inc ADR	Jardine Cycle & Carriage Ltd	Kyocera Corp
Idemitsu Kosan Co Ltd	Jardine Matheson Holdings Ltd (SGX)	Kyowa Kirin Co Ltd
IDT Australia Ltd	JFE Holdings Inc	Kyushu Electric Power Co Inc
IGO Ltd	Jimoto Holdings Inc	Kyushu Railway Co
Imdex Ltd	Juki Corp	Latitude Financial Services Group Ltd
Immutep Ltd	Jumbo Interactive Ltd	Laybuy Group Holdings Ltd
Imricor Medical Systems Inc CDI	Juno Minerals Ltd	Liberty Financial Group Unit
Incitec Pivot Ltd	Jupiter Mines Ltd	Life360 Inc CDI
Infomedia Ltd	Kao Corp	Limeade Inc
Infratil Ltd	Karoon Energy Ltd	Link Administration Holdings Ltd (ASX)
Li-S Energy Ltd	Mitsubishi Estate Co Ltd	Nippon Telegraph & Telephone Corp
Lithium Power International Ltd	Mitsui & Co Ltd	Nitro Software Ltd
Lonza Group Reg Shrs	Mitsui Fudosan Co Ltd	Nitto Denko Corp

**INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021**

Lovisa Holdings Ltd	Miura Co Ltd	Northern Star Resources Ltd
Lynch Group Holdings Ltd	MMA Offshore Ltd	Novo Resources Corp
Macquarie Group Ltd	Money3 Corp Ltd	Novonix Ltd
Mainfreight Ltd	Murray River Organics Group Ltd	Objective Corp Ltd
Mandarin Oriental International Ltd (Singapore)	Myer Holdings Ltd	Oil Search Ltd
Manulife US REIT	Myovant Sciences Ltd	Oji Holdings Corp
Marubeni Corp	Mystate Ltd	Olympus Corp
Marui Group Co Ltd	Nagoya Railroad Co Ltd	Omni-Plus System Ltd GDR
Mayfair Gold Corp	Nano One Materials Corp	oOh Media Ltd
Mcperson's Ltd	National Australia Bank Ltd	Opthea Ltd
MedAdvisor Ltd	National Storage REIT	Opthea Ltd ADR
Medical Developments International Ltd	Nayuki Holdings Ltd	ORIX Corp
Megaport Ltd	New Hope Corp Ltd	Osisko Development Corp
Meridian Energy Ltd (NZE)	Newcrest Mining Ltd	Osisko Mining Inc
Mesoblast Ltd	NGK Spark Plug Co Ltd	Over the Wire Holdings Ltd
Micro-X Ltd	Nick Scali Ltd	Oversea-Chinese Banking Corp Ltd
Midac Co Ltd	Nickel Mines Ltd (ASX)	Pacific Smiles Group Ltd
Midway Ltd	Nihon Unisys Ltd	Paladin Energy Ltd
Mind Medicine MindMed Inc	Nine Entertainment Co Holdings Ltd	Panoramic Resources Ltd
Mitsubishi Corp	Nippon Paint Holdings Co Ltd	Paradigm Biopharmaceuticals Ltd
Peet Ltd	Regal Emerging Companies Fund III Fee-Free Class	Sembcorp Marine Ltd
People Infrastructure Ltd	Regis Healthcare Ltd (ASX)	Senex Energy Ltd

**INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021**

Pepper Money Ltd/Au	Renesas Electronics Corp	Serko Ltd
Perpetual Ltd	Resimac Group Ltd	Service Stream Ltd
Peter Warren Automotive Holdings Ltd	ResMed Inc (NYSE)	Seven & I Holdings Co Ltd
Phoslock Environmental Technologies Ltd	ResMed Inc CDI	Seven Group Holdings Ltd
Piedmont Lithium Inc CDI	Retail Food Group Ltd	Seven West Media Ltd
Pinnacle Investment Management Group Ltd	Rio Tinto Ltd	SG Fleet Group Ltd (ASX)
PointsBet Holdings Ltd	Rumble Resources Ltd	Shimamura Co Ltd
Ppk Group Ltd	Ryohin Keikaku Co Ltd	Shin-Etsu Chemical Co Ltd
Prime US REIT	Salt Lake Potash Ltd	Shinsei Bank Ltd
Primero Mining Corp CDI	San-A Co Ltd	Sims Ltd
PSC Insurance Group Ltd	Sandfire Resources Ltd	Skellerup Holdings Ltd
PWR Holdings Ltd	Santos Ltd	Smartpay Holdings Ltd (ASX)
Qantas Airways Ltd	SBI Holdings Inc	Softbank Group Corp
QBE Insurance Group Ltd	Scentre Group REIT	Sojitz Corp
Qube Holdings Ltd (ASX)	Sealink Travel Group Ltd	Sompo Holdings Inc
Qutoutiao Inc ADR	Secom Co Ltd	Sonic Healthcare Ltd
Ramelius Resources Ltd	Seek Ltd	Sony Group Corp
Recruit Holdings Co Ltd	Sega Sammy Holdings Inc	South32 Ltd
Red 5 Ltd	Seibu Holdings Inc	Southern Cross Media Group Ltd
Redhill Education Ltd	Select Harvests Ltd	Spark New Zealand Ltd
Spartan Delta Corp	Telix Pharmaceuticals Ltd	Venture Corp Ltd

**INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021**

Spirit Technology Solutions Ltd	Telstra Corp Ltd	Verano Holdings Corp
Square Enix Co Ltd	Temple & Webster Pty Ltd	Virgin Money UK Plc
SSR Mining Inc (ASX)	Tesserent Ltd	Virtus Health Ltd (ASX)
Star Petroleum Refining Pcl NVDR	The Bank of Kyoto Ltd	Viva Energy Group Ltd
Stockland REIT	The Chugoku Electric Power Co Inc	Viva Leisure Ltd
Strandline Resources Ltd	The Okinawa Electric Power Co Inc	Warrego Energy Ltd
Strike Energy Ltd	The Star Entertainment Group Ltd	Wesfarmers Ltd
Sumitomo Corp	The Very Good Food Co Inc	West Japan Railway Co
Suncorp Group Ltd	The Warehouse Group Ltd	Western Areas Ltd (AUD)
Sunrise Energy Metals Ltd	Thermo Fisher Scientific Inc	Westgold Resources Ltd
Suntec REIT	Tokio Marine Holdings Inc	Westpac Banking Corp
Super Retail Group Ltd	Tokyo Century Corp	Whispir Ltd
Superloop Ltd	Tokyu Fudosan Holdings Corp	Whitehaven Coal Ltd
Suzuken Co Ltd/Aichi Japan	Toyo Suisan Kaisha Ltd	WiseTech Global Ltd
Sydney Airport Unit	Toyoda Gosei Co Ltd	Wisr Ltd
Syrah Resources Ltd	Trajan Group Holdings Ltd	Woodside Petroleum Ltd
T&D Holdings Inc	Treasury Wine Estates Ltd	Yamada Holdings Co Ltd
Tabcorp Holdings Ltd	Tsukuba Bank Ltd	Yamazaki Baking Co Ltd
Taiheiyō Cement Corp	Tuas Ltd	Yandal Resources Ltd
Tamboran Resources Ltd	UnitedHealth Group Inc	Yellow Cake Plc
Technology One Ltd	Uniti Group Ltd	Z Energy Ltd (ASX)
Teijin Ltd	Universal Store Holdings Ltd	Zai Lab Ltd ADR



## INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021

Zip Co Ltd	Asset World Corp Pcl NVDR Equity Swap	Beijing SL Pharmaceutical Co L A Shrs (SZHK) Equity Swap
Zoono Group Ltd	Asustek Computer Inc Equity Swap	Beijing Thunisoft Corp Ltd A Shrs (SZHK) Equity Swap
Accelink Technologies Co Ltd A Shrs (SZHK) Equity Swap	Avic Aviation High-Technology Co Ltd A Shrs (SSC) Equity Swap	Beijing Seeyon Internet Software Corp A Shrs Equity Swap
ADAMA Ltd A Shrs (SZHK) Equity Swap	Avic Heavy Machinery Co Ltd A Shrs (SSC) Equity Swap	Beijing Shougang Co Ltd A Shrs (SZHK) Equity Swap
Advanced Info Service Pcl NVDR Equity Swap	Bangkok Dusit Medical Services Pcl NVDR Equity Swap	Beijing SL Pharmaceutical Co L A Shrs (SZHK) Equity Swap
Alchip Technologies Ltd Equity Swap	Bank Of Communications Co Ltd H Shrs Equity Swap	Beijing Thunisoft Corp Ltd A Shrs (SZHK) Equity Swap
Alibaba Health Information Technology Ltd Equity Swap	Bank of Ningbo Co Ltd A Shrs (SZHK) Equity Swap	Beijing Ultrapower Software Co A Shrs (SZHK) Equity Swap
Alibaba Pictures Group Ltd Equity Swap	BBMG Corp H Shrs Equity Swap	Beijing Watertek Information T A Shrs (SZHK) Equity Swap
Angang Steel Co Ltd A Shrs (SZHK) Equity Swap	Beijing Bei Mo Gao Ke Friction Material Co Ltd A Shrs (SZHK) Equity Swap	Beijing Yanjing Brewery Co Ltd A Shrs (SZHK) Equity Swap
Anhui Anke Biotechnology Group A Shrs (SZHK) Equity Swap	Beijing Capital Co Ltd A Shrs (SSC) Equity Swap	Beijing Zhong Ke San Huan High A Shrs (SZHK) Equity Swap
Anhui Kouzi Distillery Co Ltd A Shrs Equity Swap	Beijing Capital Development Co Ltd A Shrs (SSC) Equity Swap	Blackcow Food Co Ltd A Shrs (SZHK) Equity Swap
Anhui Leimingkehua Co Ltd A Shrs (SSC) Equity Swap	Beijing E-Hualu Information Technology Co Ltd A Shrs (SZHK) Equity Swap	Bohai Financial Investment Holding Co Ltd A Shrs (SZHK) Equity Swap
Anhui Xinhua Media Co Ltd A Shrs (SSC) Equity Swap	Beijing Enterprises Water Group Ltd Equity Swap	Boryung Pharmaceutical Co Ltd Equity Swap
Anhui Yingjia Distillery Co Ltd A Shrs (SSC) Equity Swap	Beijing Jetsen Technology Co Ltd A Shrs Equity Swap	Boryung Pharmaceutical Co Ltd Rts Equity Swap
Anhui Zhongding Sealing Parts Co Ltd A Shrs (SZHK) Equity Swap	Beijing Orient National Communication Science & Technology Co Ltd A Shrs (SZHK) Equity Swap	BYD Co Ltd H Shrs Equity Swap
Anta Sports Products Ltd Equity Swap	Beijing Oriental Yuhong Waterproof Technology Co Ltd A Shrs (SZHK) Equity Swap	By-health Co Ltd A Shrs (SZHK) Equity Swap
Apeloa Pharmaceutical Co Ltd A Shrs (SZHK) Equity Swap	China Fortune Land Development Co Ltd A Shrs Equity Swap	C&S Paper Co Ltd A Shrs (SZHK) Equity Swap



**INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021**

Archosaur Games Inc Equity Swap	China International Marine Containers Group Co Ltd A Shrs (SZHK) Equity Swap	Carlsberg Brewery Malaysia Equity Swap
Cathay Financial Holding Co Ltd Equity Swap	China Mengniu Dairy Co Ltd Equity Swap	Chongqing Department Store Co Ltd A Shrs (SSC) Equity Swap
Cathay Media And Education Group Inc Equity Swap	China Merchants Port Group Co Ltd A Shrs (SZHK) Equity Swap	Chongqing Gas Group Corp Ltd A Shrs (SSC) Equity Swap
CECEP Wind-Power Corp A Shrs (SSC) Equity Swap	China Merchants Securities Co Ltd A Shrs (SSC) Equity Swap	Chongqing Iron & Steel Co Ltd A Shrs (SSC) Equity Swap
Central Retail Corp Pcl NVDR Equity Swap	China Merchants Shekou Industrial Zone Holdings Co Ltd A Shrs (SZHK) Equity Swap	Chunghwa Telecom Co Ltd Equity Swap
Chailease Holding Co Ltd Equity Swap	China Pacific Insurance Group Co Ltd A Shrs (SSC) Equity Swap	CITIC Ltd Equity Swap
Changjiang Securities Co Ltd A Shrs (SZHK) Equity Swap	China Resources Double Crane Pharmaceutical Co Ltd A Shrs (SSC) Equity Swap	CK Asset Holdings Ltd Equity Swap
Changsha Jingjia Microelectronics Co Ltd A Shrs (SZHK) Equity Swap	China Resources Sanjiu Medical & Pharmaceutical Co Ltd A Shrs (SZHK) Equity Swap	CK Infrastructure Holdings Ltd Equity Swap
Changzhou Xingyu Automotive Lighting Systems Co Ltd A Shrs (SSC) Equity Swap	China Sanjiang Fine Chemicals Co Ltd Equity Swap	CLP Holdings Ltd Equity Swap
Chengdu Xingrong Environment C A Shrs (SZHK) Equity Swap	China Shipbuilding Industry Co Ltd A Shrs (SSC) Equity Swap	CMST Development Co Ltd A Shrs (SSC) Equity Swap
Chengzhi Co Ltd A Shrs (SZHK) Equity Swap	China Shipping Container Lines Co Ltd A Shrs (SSC) Equity Swap	CNOOC Energy Technology & Services Ltd A Shrs (SSC) Equity Swap
Chicony Electronics Co Ltd Equity Swap	China Steel Corp Equity Swap	COFCO Capital Holdings Co Ltd A Shrs (SZHK) Equity Swap
Chief Telecom Inc Equity Swap	China Tower Corp Ltd Equity Swap	COFCO Tunhe Sugar Co Ltd A Shrs (SSC) Equity Swap
China Aerospace Times Electronics Co Ltd A Shrs (SSC) Equity Swap	China Vanke Co Ltd A Shrs (SZHK) Equity Swap	Cosco Shipping Ports Ltd Equity Swap
China Aluminum International Engineering Corp Ltd A Shrs (SSC) Equity Swap	China-Singapore Suzhou Industrial Park Development Group Co Ltd A Shrs (SSC) Equity Swap	Cosmopolitan International Holdings Ltd Equity Swap
China Baoan Group Co Ltd A Shrs (SZHK) Equity Swap	Chongqing Brewery Co Ltd A Shrs (SSC) Equity Swap	Country Garden Services Holdings Co Ltd Equity Swap



## INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021

China CAMC Engineering Co Ltd A Shrs (SZHK) Equity Swap	Chinese Universe Publishing and Media Group Co Ltd A Shrs (SSC) Equity Swap	GCI Science & Technology Co Lt A Shrs (SZHK) Equity Swap
China Feihe Ltd Equity Swap	Chong Hong Construction Co Ltd Equity Swap	Geely Automobile Holdings Ltd Equity Swap
Cowintech Co Ltd Equity Swap	Emperador Inc Equity Swap	GEM Co Ltd A Shrs (SZHK) Equity Swap
CSG Holding Co Ltd A Shrs (SZHK) Equity Swap	ENN Energy Holdings Ltd Equity Swap	Genscript Biotech Corp Equity Swap
CSPC Pharmaceutical Group Ltd Equity Swap	Eternal Asia Supply Chain Management Ltd A Shrs (SZHK) Equity Swap	GF Securities Co Ltd A Shrs (SZHK) Equity Swap
CTBC Financial Holding Co Ltd Equity Swap	Ever Sunshine Lifestyle Services Group Ltd Equity Swap	Greatown Holdings Ltd A Shrs (SSC) Equity Swap
Da An Gene Co Ltd of Sun Yat-S A Shrs (SZHK) Equity Swap	Evergrande Property Services Group Ltd Equity Swap	Gree Electric Appliances Inc of Zhuhai A Shrs (SZHK) Equity Swap
Dalian Port PDA Co Ltd A Shrs (SSC) Equity Swap	Fangda Carbon New Material Co Ltd A Shrs (SSC) Equity Swap	GRG Banking Equipment Co Ltd A Shrs (SZHK) Equity Swap
Dawnrays Pharmaceutical Holdings Ltd Equity Swap	Feng Tay Enterprise Co Ltd Equity Swap	GS Holdings Corp Equity Swap
DB Insurance Co Ltd Equity Swap	Financial Street Holdings Co Ltd A Shrs (SZHK) Equity Swap	GS Retail Co Ltd Equity Swap
Delta Electronics (Thailand) Pcl NVDR Equity Swap	First Financial Holding Co Ltd Equity Swap	Guangdong Ellington Electronics Technology Co Ltd A Shrs (SSC) Equity Swap
Delta Electronics Inc Equity Swap	Flat Glass Group Co Ltd A Shrs Equity Swap	Guanghui Energy Co Ltd A Shrs (SSC) Equity Swap
DMCI Holdings Inc Equity Swap	Formosa Chemicals & Fibre Corp Equity Swap	Guangshen Railway Co Ltd A Shrs (SSC) Equity Swap
Double Medical Technology Inc A Shrs (SZHK) Equity Swap	Formosa Plastics Corp Equity Swap	Guangzhou Haige Communications Group Inc Co A Shrs (SZHK) Equity Swap
Dyaco International Inc Equity Swap	Fubon Financial Holding Co Ltd Equity Swap	Guangzhou Kingmed Diagnostics Group Co Ltd A Shrs (SSC) Equity Swap
E.Sun Financial Holding Co Ltd Equity Swap	Fujian Forecam Optics Co Ltd A Shrs Equity Swap	Guangzhou Tinci Materials Tech A Shrs (SZHK) Equity Swap
East Group Co Ltd A Shrs (SZHK) Equity Swap	Fujian Longking Co Ltd A Shrs (SSC) Equity Swap	Guizhou Xinbang Pharmaceutical A Shrs (SZHK) Equity Swap
Eastern Communications Co Ltd A Shrs (SSC) Equity Swap	Fujian Star-net Communication Co Ltd A Shrs (SZHK) Equity Swap	Guomai Technologies Inc A Shrs (SZHK) Equity Swap



**INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021**

Eclat Textile Co Ltd Equity Swap	Gamuda Equity Swap	Hundsun Technologies Inc A Shrs (SSC) Equity Swap
Ecovacs Robotics Co Ltd A Shrs Equity Swap	G-bits Network Technology Xiamen Co Ltd A Shrs (SSC) Equity Swap	Huolinhe Opencut Coal Industry A Shrs (SZHK) Equity Swap
Guosen Securities Co Ltd A Shrs (SZHK) Equity Swap	Holitech Technology Co Ltd A Shrs (SZHK) Equity Swap	Huons Global Co Ltd Equity Swap
Guosheng Financial Holding Inc A Shrs (SZHK) Equity Swap	Hon Hai Precision Industry Co Ltd Equity Swap	Hyundai Marine & Fire Insurance Co Ltd Equity Swap
Guoxuan High-Tech Co Ltd A Shrs (SZHK) Equity Swap	Hong Kong & China Gas Co Ltd Equity Swap	Hyundai Mobis Co Ltd Equity Swap
Haidilao International Holding Ltd Equity Swap	Hongda Xingye Co Ltd A Shrs (SZHK) Equity Swap	Hyundai Motor Co Equity Swap
Haier Smart Home Co Ltd H Shrs Equity Swap	Hongfa Technology Co Ltd A Shrs (SSC) Equity Swap	Hyundai Motor Co Ltd Pfd Equity Swap
Hainan Airlines Holding Co Ltd Shrs (SSC) Equity Swap	Hoshine Silicon Industry Co Ltd A Shrs (SSC) Equity Swap	IHH Healthcare Equity Swap
Hainan Poly Pharm Co Ltd A Shrs (SZHK) Equity Swap	Hotai Motor Co Ltd Equity Swap	IJM Corp Equity Swap
Haisco Pharmaceutical Group Co A Shrs (SZHK) Equity Swap	Hua Nan Financial Holdings Co Ltd Equity Swap	Ingenic Semiconductor Co Ltd A Shrs (SZHK) Equity Swap
Haitong Securities Co Ltd A Shrs (SSC) Equity Swap	Huafa Industrial Co Ltd Zhuhai A Shrs (SSC) Equity Swap	Inner Mongolia MengDian HuaNeng Thermal Power Co Ltd A Shrs (SSC) Equity Swap
Hana Financial Group Inc Equity Swap	Huagong Tech Co Ltd A Shrs (SZHK) Equity Swap	Innovent Biologics Inc Equity Swap
Hang Seng Bank Ltd Equity Swap	Huaku Development Co Ltd Equity Swap	Intco Medical Technology Co Ltd A Shrs (SZHK) Equity Swap
Hang Seng Index Fut Jul 21 07/29	Huapont Life Sciences Co Ltd A Shrs (SZHK) Equity Swap	Jafron Biomedical Co Ltd A Shrs (SZHK) Equity Swap
Hangzhou First Applied Material Co Ltd A Shrs Equity Swap	Hubei Energy Group Co Ltd A Shrs (SZHK) Equity Swap	Jaks Resources Berhad Wts Equity Swap 11/18
Hangzhou Silan Microelectronics Co Ltd A Shrs (SSC) Equity Swap	Hubei Kaile Science & Technology Co Ltd A Shrs (SSC) Equity Swap	JBM Healthcare Ltd Equity Swap
Hefei Meiya Optoelectronic Technology Inc A Shrs (SZHK) Equity Swap	Hubei Xingfa Chemicals Group Co Ltd A Shrs (SSC) Equity Swap	Jiangsu Hengli Hydraulic Co Ltd A Shrs (SSC) Equity Swap



## INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021

Hengan International Group Co Ltd Equity Swap	Hugel Inc Equity Swap	Jiangsu Hengrui Medicine Co Ltd A Shrs (SSC) Equity Swap
HengTen Networks Group Ltd Equity Swap	Hunan Valin Steel Co Ltd A Shrs (SZHK) Equity Swap	Wuhu Token Science Co Ltd A Shrs (SZHK) Equity Swap
Hesteel Co Ltd A Shrs (SZHK) Equity Swap	Transfar Zhilian Co Ltd A Shrs (SZHK) Equity Swap	Medy-Tox Inc Equity Swap
Highwealth Construction Corp Equity Swap	Leyard Optoelectronic Co Ltd A Shrs (SZHK) Equity Swap	Meinian Onehealth Healthcare Holdings Co Ltd A Shrs (SZHK) Equity Swap
Jiangsu Shagang Co Ltd A Shrs (SZHK) Equity Swap	LG Chem Ltd Equity Swap	Microport Scientific Corp Equity Swap
Jiangsu Wujiang China Eastern A Shrs (SZHK) Equity Swap	LG Electronics Inc Equity Swap	MLS Co Ltd A Shrs (SZHK) Equity Swap
Jiangsu Yuyue Medical Equipment & Supply Co Ltd A Shrs (SZHK) Equity Swap	LG Household & Health Care Ltd Equity Swap	MTR Corp Ltd Equity Swap
Jinduicheng Molybdenum Co Ltd A Shrs (SSC) Equity Swap	LG Innotek Co Ltd Equity Swap	Nan Ya Plastics Corp Equity Swap
Jiumaojiu International Holdings Ltd Equity Swap	Li Ning Co Ltd Equity Swap	Nanjing Iron & Steel Co Ltd A Shrs (SSC) Equity Swap
Jizhong Energy Resources Co Lt A Shrs (SZHK) Equity Swap	Lianhe Chemical Technology Co Ltd A Shrs (SZHK) Equity Swap	Nanyang Topsec Technologies Group Inc A Shrs Equity Swap
Joincare Pharmaceutical Group Industry Co Ltd A Shrs (SSC) Equity Swap	Lien Hwa Industrial Corp Equity Swap	Nasmedia Co Ltd Equity Swap
Jointo Energy Investment Co Ltd Hebei A Shrs Equity Swap	Liuzhou Iron & Steel Co Ltd A Shrs (SSC) Equity Swap	Naver Corp Equity Swap
Jonjee High-Tech Industrial And Commercial Holding Co Ltd A Shrs (SSC) Equity Swap	Livzon Pharmaceutical Group Inc A Shrs (SZHK) Equity Swap	Newland Digital Technology Co Ltd A Shrs (SZHK) Equity Swap
Juneyao Airlines Co Ltd A Shrs (603885 C1) Equity Swap	Loncin Motor Co Ltd A Shrs (SSC) Equity Swap	Ningbo Huaxiang Electronic Co A Shrs (SZHK) Equity Swap
Kasikornbank Pcl NVDR Equity Swap	Longyan Zhuoyue New Energy Co Ltd A Shrs Equity Swap	Nongfu Spring Co Ltd H Shrs Equity Swap
KB Financial Group Inc Equity Swap	Lotte Corp Equity Swap	North Industries Group Red Arrow Co Ltd A Shrs (SZHK) Equity Swap
KIA Motors Corp Equity Swap	Luxi Chemical Group Co Ltd A Shrs (SZHK) Equity Swap	OptoElectronics Solutions Co Ltd Equity Swap



**INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021**

Kingboard Laminates Holding Ltd Equity Swap	Maanshan Iron & Steel Co Ltd A Shrs (SSC) Equity Swap	ORG Technology Co Ltd A Shrs (SZHK) Equity Swap
KingClean Electric Co Ltd A Shrs (SSC) Equity Swap	Maccura Biotechnology Co Ltd A Shrs (SZHK) Equity Swap	Origin Property Pcl NVDR Equity Swap
Kingdee International Software Group Co Ltd Equity Swap	Makalot Industrial Co Ltd Equity Swap	Ottogi Corp Equity Swap
Korea Gas Corp Equity Swap	Manila Electric Co Equity Swap	Ovctek China Inc A Shrs (SZHK) Equity Swap
Kuaishou Technology Equity Swap	MediaTek Inc Equity Swap	Shanghai Belling Co Ltd A Shrs (SSC) Equity Swap
Kunwu Jiuding Investment Holdings Co Ltd A Shrs (SSC) Equity Swap	Regina Miracle International Holdings Ltd Equity Swap	Shanghai Commercial & Savings Bank Ltd/The Equity Swap
Pacific Securities Co Ltd (The) A Shrs (SSC) Equity Swap	Samsung Biologics Co Ltd Equity Swap	Shanghai Electric Power Co Ltd A Shrs (SSC) Equity Swap
Pangang Group Vanadium Titanium & Resources Co Ltd A Shrs (SZHK) Equity Swap	Samsung Card Co Ltd Equity Swap	Shanghai Environment Group Co Ltd A Shrs (SSC) Equity Swap
PCI-Suntek Technology Co Ltd A Shrs Equity Swap	Samsung Electronics Co Ltd Equity Swap	Shanghai Industrial Development Co Ltd A Shrs (SSC) Equity Swap
Pegavision Corp Equity Swap	Samsung Electronics Co Ltd Pfd Equity Swap	Shanghai International Airport Co Ltd A Shrs (SSC) Equity Swap
PetroChina Co Ltd H Shrs Equity Swap	Sansiri Pcl NVDR Equity Swap	Shanghai Jinqiao Export Processing Zone Development Co Ltd A Shrs (SSC) Equity Swap
Ping An Healthcare and Technology Co Ltd Equity Swap	Sansteel Minguang Co Ltd Fujian A Shrs (SEC) Equity Swap	Shanghai Junshi Biosciences Co Ltd A Shrs (SSC) Equity Swap
Ping An Insurance (Group) Co of China Ltd H Shrs (HKSE) Equity Swap	Sany Heavy Industry Co Ltd A Shrs (SSC) Equity Swap	Shanghai Tunnel Engineering Co Ltd A Shrs (SSC) Equity Swap
POSCO Chemical Co Ltd Equity Swap	Sensortek Technology Corp Equity Swap	Shanghai Waigaoqiao Free Trade Zone Group Co Ltd A Shrs (SSC) Equity Swap
Power Assets Holdings Ltd Equity Swap	SG Micro Corp A Shrs Equity Swap	Shanghai Zhangjiang High-Tech Park Development Co Ltd A Shrs (SSC) Equity Swap
Power Construction Corp of China Ltd A Shrs (SSC) Equity Swap	SGIS Songshan Co Ltd A Shrs (SZHK) Equity Swap	Shanxi Lu'an Environmental Energy Development Co Ltd A Shrs (SSC) Equity Swap



## INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021

Powerlong Commercial Management Holdings Ltd Equity Swap	Shandong Buchang Pharmaceuticals Co Ltd A Shrs (SSC) Equity Swap	Shanxi Taigang Stainless Steel A Shrs (SZHK) Equity Swap
Powertech Technology Inc Equity Swap	Shandong Hi-speed Co Ltd A Shrs (SSC) Equity Swap	Shanxi Xishan Coal & Electric A Shrs (SZHK) Equity Swap
Press Metal Aluminium Holdings Equity Swap	Shandong Weigao Group Medical Polymer Co Ltd Equity Swap	Shanying International Holding Co Ltd A Shrs (SSC) Equity Swap
Proya Cosmetics Co Ltd A Shrs Equity Swap	Shanghai 2345 Network Holding Group Co Ltd A Shrs (SZHK) Equity Swap	Shenergy Co Ltd A Shrs (SSC) Equity Swap
Realtek Semiconductor Corp Equity Swap	Shanghai AJ Corp A Shrs (SSC) Equity Swap	Shenzhen Aisidi Co Ltd A Shrs (SZHK) Equity Swap
Red Avenue New Materials Group Co Ltd A Shrs (SSC) Equity Swap	Shanghai Bailian Group Co Ltd A Shrs (SSC) Equity Swap	Taiwan Mobile Co Ltd Equity Swap
Red Star Macalline Group Corp Ltd A Shrs (SSC) Equity Swap	Sinoma Science & Technology Co A Shrs (SZHK) Equity Swap	Taiwan Semiconductor Manufacturing Co Ltd Equity Swap
Shenzhen Energy Group Co Ltd A Shrs (SZHK) Equity Swap	Sinosoft Co Ltd A Shrs (SSC) Equity Swap	TangShan Port Group Co Ltd A Shrs (SSC) Equity Swap
Shenzhen Everwin Precision Tec A Shrs (SZHK) Equity Swap	Sinotrans Ltd A Shrs (SSC) Equity Swap	Telekomunikasi Indonesia Persero Tbk Equity Swap
Shenzhen Expressway Co Ltd H Shrs Equity Swap	SK C&C Co Ltd Equity Swap	Thanachart Capital Pcl NVDR Equity Swap
Shenzhen Gas Corp Ltd A Shrs (SSC) Equity Swap	SK Hynix Inc Equity Swap	Thunder Software Technology Co Ltd A Shrs (SZHK) Equity Swap
Shenzhen Huaqiang Industry Co A Shrs (SZHK) Equity Swap	SK Innovation Co Ltd Equity Swap	Tian Di Science & Technology Co Ltd A Shrs (SSC) Equity Swap
Shenzhen Mindray Bio-Medical Electronics Co Ltd A Shrs (SZHK) Equity Swap	Skshu Paint Co Ltd A Shrs (SSC) Equity Swap	Tianjin Chase Sun Pharmaceutic A Shrs (SZHK) Equity Swap
Shenzhen Neptunus Bioengineeri A Shrs (SZHK) Equity Swap	SooChow Securities Co Ltd A Shrs (SSC) Equity Swap	Tianjin Jiuri New Materials Co Ltd A Shrs Equity Swap
Shenzhen Sunlord Electronics C A Shrs (SZHK) Equity Swap	Star Petroleum Refining Pcl NVDR Equity Swap	Tianjin ZhongXin Pharmaceutical Group Corp Ltd A Shrs (SSC) Equity Swap
Shenzhen Suntak Circuit Technology Co Ltd A Shrs (SZHK) Equity Swap	Sun Hung Kai Properties Ltd Equity Swap	Tianshui Huatian Technology Co A Shrs (SZHK) Equity Swap
Shenzhen Tat Fook Technology C A Shrs (SZHK) Equity Swap	Sunac Services Holdings Ltd Equity Swap	Tibet Summit Resources Co Ltd A Shrs (SSC) Equity Swap

**INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021**

Shijiazhuang Changshan Textile A Shrs (SZHK) Equity Swap	Suning Universal Co Ltd A Shrs (SZHK) Equity Swap	Times Neighborhood Holdings Ltd Equity Swap
Shijiazhuang Yiling Pharmaceut A Shrs (SZHK) Equity Swap	Sunwoda Electronic Co Ltd A Shrs (SZHK) Equity Swap	Tisco Financial Group Pcl NVDR Equity Swap
Shimao Services Holdings Ltd Equity Swap	Suzhou TZTEK Technology Co Ltd A Shrs Equity Swap	Tongcheng-Elong Holdings Ltd Equity Swap
Sichuan Hebang Biotechnology Co Ltd A Shrs (SSC) Equity Swap	Taishin Financial Holding Co Ltd Equity Swap	Tongling Nonferrous Metals Group Co Ltd A Shrs (SZHK) Equity Swap
Sichuan Road & Bridge Co Ltd A Shrs (SSC) Equity Swap	Taiwan Business Bank Equity Swap	Topix Index Fut
Sichuan Swellfun Co Ltd A Shrs (SSC) Equity Swap	Taiwan Cement Corp Equity Swap	Topsports International Holdings Ltd Equity Swap
Sieyuan Electric Co Ltd A Shrs (SZHK) Equity Swap	Taiwan Cooperative Financial Holding Co Ltd Equity Swap	Wuhan Department Store Group Co Ltd A Shrs (SZHK) Equity Swap
Sinoma International Engineering Co A Shrs (SSC) Equity Swap	Wuhu Sanqi Interactive Entertainment Network Technology Group Co Ltd A Shrs (SZHK) Equity Swap	Yantai Changyu Pioneer Wine Co A Shrs (SZHK) Equity Swap
Towngas China Co Ltd Equity Swap	WuXi AppTec Co Ltd Equity Swap	Yantai Eddie Precision Machinery Co Ltd A Shrs (SSC) Equity Swap
UMW Holdings Equity Swap	Wuxi Biologics Cayman Inc (HKSE) Equity Swap	Yanzhou Coal Mining Co Ltd A Shrs (SSC) Equity Swap
Uni-President Enterprises Corp Equity Swap	Wuxi Taiji Industry Co Ltd A Shrs (SSC) Equity Swap	Yanzhou Coal Mining Co Ltd H Shrs Equity Swap
VGI Pcl NVDR Equity Swap	XD Inc Equity Swap	Yintai Gold Co Ltd A Shrs (SZHK) Equity Swap
Wangsu Science & Technology Co Ltd A Shrs (SZHK) Equity Swap	Xiamen C & D Inc A Shrs (SSC) Equity Swap	Youzu Interactive Co Ltd A Shrs (SZHK) Equity Swap
Want Want China Holdings Ltd Equity Swap	Xiamen Faratronic Co Ltd A Shrs (SSC) Equity Swap	Yuanta Financial Holding Co Ltd Equity Swap
Wanxiang Qianchao Co Ltd A Shrs (SZHK) Equity Swap	Xiamen ITG Group Corp Ltd A Shrs (SSC) Equity Swap	Yuanta/P-shares Taiwan Top 50 ETF Equity Swap
Westone Information Industry Inc A Shrs (SZHK) Equity Swap	Xinhuanet Co Ltd A Shrs (SSC) Equity Swap	Yue Yuen Industrial (Holdings) Ltd Equity Swap
Westports Holdings Equity Swap	Xinyi Solar Holdings Ltd Equity Swap	Yunda Holding Co Ltd A Shrs (SZHK) Equity Swap



## INVESTMENT PORTFOLIO LONG POSITIONS AS AT 30 JUNE 2021

WH Group Ltd Equity Swap	Xinjiang Communications Construction Group Co Ltd A Shrs (SZHK) Equity Swap	Yunnan Aluminium Co Ltd A Shrs (SZHK) Equity Swap
Win Semiconductors Corp Equity Swap	Xinjiang Zhongtai Chemical Co Ltd A Shrs (SZHK) Equity Swap	Yunnan Tin Co Ltd A Shrs (SZHK) Equity Swap
Winning Health Technology Grou A Shrs (SZHK) Equity Swap	Xinxing Ductile Iron Pipes Co Ltd A Shrs (SZHK) Equity Swap	Yuzhou Properties Co Ltd Equity Swap
Wistron Corp Equity Swap	Xinyu Iron & Steel Co Ltd A Shrs (SSC) Equity Swap	Zai Lab Ltd Equity Swap
Wolong Electric Group Co Ltd A Shrs (SSC) Equity Swap	Yang Quan Coal Industry Group Co Ltd A Shrs (SSC) Equity Swap	Zhefu Holding Group Co Ltd A Shrs (SZHK) Equity Swap
Woongjin Coway Co Ltd Equity Swap	Yangtze Optical Fibre and Cable Joint Stock Ltd Co A Shrs (SSC) Equity Swap	Zhejiang China Commodities City Group Co Ltd A Shrs (SSC) Equity Swap
Woori Financial Group Inc Equity Swap	Yantai Xinchao Industry Co A Shrs (SSC) Equity Swap	Zhongshan Broad Ocean Motor Co A Shrs (SZHK) Equity Swap
Wuchan Zhongda Group Co Ltd A Shrs (SSC) Equity Swap	Zhejiang Sanmei Chemical Industry Co Ltd A Shrs (SSC) Equity Swap	Zhongshan Public Utilities Gro A Shrs (SZHK) Equity Swap
Zhejiang Crystal-Optech Co Ltd A Shrs (SZHK) Equity Swap	Zhejiang Satellite Petrochemical Co Ltd A Shrs (SZHK) Equity Swap	Zibo Qixiang Tengda Chemical C A Shrs (SZHK) Equity Swap
Zhejiang Hailiang Co Ltd A Shrs (SZHK) Equity Swap	Zhejiang Semir Garment Co Ltd A Shrs (SZHK) Equity Swap	ZTE Corp A Shrs (SZHK) Equity Swap
Zhejiang Jingsheng Mechanical A Shrs (SZHK) Equity Swap	Zhejiang Wanliyang Co Ltd A Shrs (SZHK) Equity Swap	Zhejiang Orient Holdings Co A Shrs (SSC) Equity Swap
Zhejiang Medicine Co Ltd A Shrs (SSC) Equity Swap	Zhejiang Weiming Environment Protection Co Ltd A Shrs (SSC) Equity Swap	ZTE Corp A Shrs (SZHK) Equity Swap
Zhejiang Orient Holdings Co A Shrs (SSC) Equity Swap		



<b>TOTAL INVESTMENT PORTFOLIO AS AT 30 JUNE 2021</b>		<b>\$</b>
Total long portfolio - equities		586,605,518
Total short portfolio - equities		(202,217,000)
Total long value - futures, options and swaps		4,613,261
Total short value - futures, options and swaps		(3,486,000)
<b>Total</b>		<b>385,515,779</b>

## **L. INVESTMENT TRANSACTIONS**

The total number of transactions during the year ended 30 June 2021 was 183,396 comprising 85,012 purchases and 98,384 sales. The total brokerage expense was \$18.7m during the year ended 30 June 2021, with \$5,989 payable at the end of the year.

## **M. TOTAL MANAGEMENT FEES PAID OR ACCRUED DURING THE REPORTING PERIOD**

Refer to the Financial Statements, Note 22 (g), page 48.

## **N. SECURITIES APPROVED**

There have been no issues of securities approved which have not yet been completed.

## **O. STOCK EXCHANGE LISTING**

The Fund's units are listed on the ASX and are traded under the code "RF1".

## **P. UNQUOTED UNITS**

There are no unquoted units on issue.

## **Q. VOLUNTARY ESCROW**

There are no restricted units in the Fund or units subject to voluntary escrow.

## **R. REGISTERED OFFICE OF RESPONSIBLE ENTITY**

Equity Trustees Limited  
Level 1, 575 Bourke Street  
Melbourne, VIC 3000  
Telephone: 03 8623 5000

## **S. UNIT REGISTRY**

Link Market Services  
Level 12, 680 George Street  
Sydney NSW 2000  
Telephone: 02 8280 7100



## **T. COMPANY SECRETARY OF THE RESPONSIBLE ENTITY**

Ms Jennifer Currie resigned as a Company Secretary of Equity Trustees Limited, the Responsible Entity of Regal Investment Fund, effective 30 April 2021.

Mr Philip Gentry was appointed as Company Secretary at the same date.