

Regal Investment Fund (ASX: RF1)

OCTOBER 2019

The Regal Investment Fund Net Asset Value (NAV) decreased by 3.2% to \$2.74 in October, with performance of over 9% since inception.

The Market Neutral Strategy was down -8.5% for the month. Shorting in a period of low interest rates can be difficult and it was primarily the short side that hurt the portfolio in October. Some shorts bounced after an extended period of poor performance. We have reduced some of these positions and continue to focus on near term catalysts for most of the short positions in the portfolio.

The Long Short strategy was down -4.1% in October, compared to a -0.4% decrease in the ASX 300 Accumulation Index. Positive contributors included long positions in QMS Media (up 33%) following an all cash takeover offer from Quadrant private equity, as well as Worley Parsons (up 5%) following re-iteration of outlook comments at the Annual General Meeting.

The Small Companies Strategy decreased -2.6%. Negative contributors included profit taking in some positions following positive moves in the September quarter, and some short positions in expensive stocks becoming more expensive which was supported by the current low interest rate environment.

It was a strong month for the Regal Global Alpha strategy, which returned 7.3%. The strong performance came from liquidity opportunities in Australia and Hong Kong which Regal was able to benefit from.

The Regal Emerging Companies Fund III had a positive month in October with microcaps such as Immutep, Damstra, SciDev and Vortiv performing well. The IPO pipeline remains strong, with some of the Fund's pre-IPO positions including Aerometrex and Open Learning are slated to list before the end of the year.

The Regal Investment Fund roadshow took place in October. A full replay of the Sydney RF1 investor presentation is available under the [News and Insights section](#) on the Regal website.

SUMMARY DATA

PERFORMANCE	1 MTH %	3 MTH %	INCEPTION %
Regal Investment Fund	-3.22	4.59	9.76

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

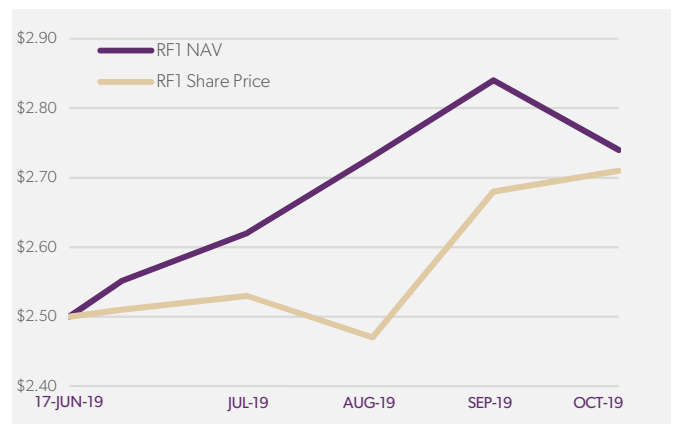
KEY FUND INFORMATION

Name	Regal Investment Fund	Monthly NAV (per unit)	A\$2.74
ASX Code	RF1	RF1 Market Capitalisation	A\$306m
Structure	Listed Investment Trust	Units on Issue	111,492,174 units
Listing Date	17 June 2019	Distribution Frequency	Semi-annual
Management Fee	1.5% (plus GST)	Responsible Entity	Equity Trustees Limited
Performance Fee	20% above RBA Cash Rate	Investment Manager	Regal Funds Management Pty Ltd
High Water Mark	Yes	Fund Administrator	HSBC

CONTACT INFORMATION

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RF1 NAV vs RF1 SHARE PRICE



UNDERLYING STRATEGY PERFORMANCE (GROSS)

FUND	1 MONTH %	SINCE INCEPTION %
Market Neutral Strategy	-8.5%	5.6%
Australian Long Short Equity Strategy	-4.1%	3.0%
Small Companies Strategy	-2.6%	18.1%
Emerging Companies Strategy	1.1%	26.4%
Global Alpha Strategy	7.3%	34.2%
Regal Investment Fund (RF1) - Net	-3.2%	9.8%

Regal Investment Fund (ASX: RF1)

STRATEGY

The investment objective of RF1 is to provide investors with attractive risk adjusted absolute returns over a period of more than five years with limited correlation to equity markets. The Manager's investment philosophy is grounded in the belief that a diversified portfolio of assets, using a range of investment strategies and backed by long-term capital, is key to achieving superior risk-adjusted returns over the long-term.

The RF1 portfolio will be constructed by the Manager using multiple investment strategies managed by Regal. The Manager may adjust the Portfolio's strategy allocations depending on prevailing market conditions or other factors it considers relevant at the time in order to achieve the RF1's Investment Objectives. The Regal investment strategies include but are not limited to five investment strategies that the Manager will use to construct the initial portfolio.

The exposure ranges for the Initial Strategies are below¹:

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

FUND ADVISOR PROFILE

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

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

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

FUND PERFORMANCE (NAV)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2019	n/a	n/a	n/a	n/a	n/a	2.06	2.82	3.91	4.00	-3.22			9.76

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

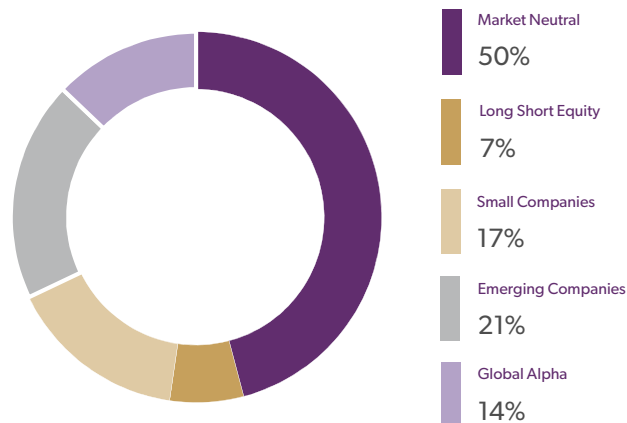
Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Regal Investment Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). Regal Funds Management Pty Ltd ABN 30 107 576 821 AFSL 277737 ("Regal") is the investment manager for the Fund.

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Performance figures assume reinvestment of income. Neither Equity Trustees nor Regal guarantee repayment of capital or any particular rate of return from the Fund. Statements of fact in this report have been obtained from and are based upon sources that Equity Trustees and Regal believes to be reliable. All opinions and estimates included in this report constitute Equity Trustees and Regal's judgement as at the date of this communication and are subject to change without notice.

¹ Ranges permitted by the Investment Guideline. The Fund portfolio will be constructed using multiple Regal Investment Strategies and these Strategies are not necessarily limited to the Initial Investment Strategies. Note: Performance figures are net of all fees unless otherwise stated. All numbers are as at 31 October 2019.

CURRENT EXPOSURE BY STRATEGY (NAV)



BALANCE SHEET EXPOSURES (% OF NAV)

SECTOR	LONG	SHORT	NET	GROSS
Communication Services	9	-5	4	14
Consumer Discretionary	13	-17	-3	30
Consumer Staples	10	-5	5	14
Diversified	21	-0	21	21
Energy	7	-6	1	13
Financials	11	-15	-4	26
Health Care	10	-24	-14	33
Industrials	23	-6	16	29
Information Technology	15	-6	9	22
Materials	29	-10	19	39
Real Estate	24	-1	23	25
Utilities	1	-1	1	2
Total	174	-95	79	269
REGION	LONG	SHORT	NET	GROSS
Asia	26	-26	-1	52
Australia/NZ	147	-64	83	211
EMEA	0	-3	-3	3
Americas	1	-2	-1	3
Total	174	-95	79	269