

Regal Investment Fund (ASX: RF1)

AUGUST 2019

The Regal Investment Fund Net Asset Value (NAV) increased by 3.9% to \$2.73 in August, with performance of over 9% for the Fund since listing on 17 June 2019.

The Market Neutral Strategy had a strong month and increased 6.5%. The highlight for the month were the short positions, which fell on average more than the market.

The Long Short strategy was down -0.9% in August, compared to a -2.3% decline in the ASX 300 Accumulation Index. Positive contributors included long positions in single names as well as short positions in the financial services and consumer products sectors.

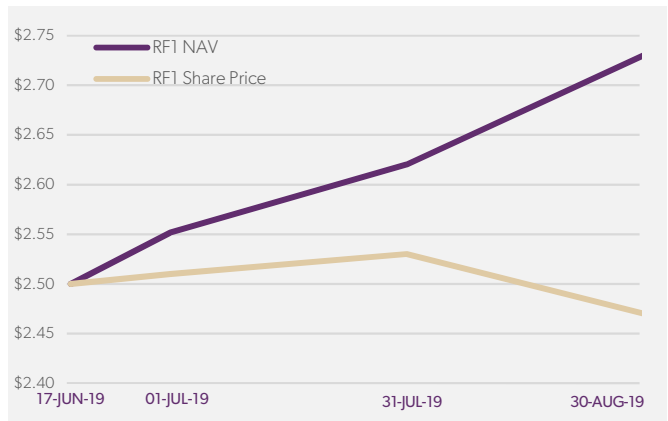
The Small Companies Strategy increased 6.2%. The strong performance included a long position in Opthea. Opthea's share price more than doubled after the release of positive trial success for age related macular oedema, the most common cause of blindness.

The Global Alpha Strategy increased again in August, returning 5.1% for the month. We remain tactical in how we deploy the capital with a primary focus on risk management.

The Regal Emerging Companies Fund III started extremely well with a return of 8.0% for August. The Fund has successfully begun deploying capital in microcap and unlisted companies, with Dronesield, Opticomm, Imricor and RPM Global being the main contributors during the month.

The Regal Investment Fund roadshow is being held in most major capital cities in late October. [Please register your interest here](#) if you would like to receive further information.

RF1 NAV vs RF1 SHARE PRICE



UNDERLYING STRATEGY PERFORMANCE (GROSS)

| FUND | 1 MONTH % | SINCE INCEPTION % |
|------------------------------------------|-------------|-------------------|
| Market Neutral Strategy | 6.5% | 15.7% |
| Australian Long Short Equity Strategy | -0.9% | 5.2% |
| Small Companies Strategy | 6.2% | 12.5% |
| Emerging Companies Strategy | 8.0% | 8.0% |
| Global Alpha Strategy | 5.1% | 7.5% |
| Regal Investment Fund (RF1) - Net | 3.9% | 9.0% |

SUMMARY DATA

| PERFORMANCE | 1 MTH % | 3 MTH % | INCEPTION % |
|------------------------------|-------------|-------------|-------------|
| Regal Investment Fund | 3.91 | 9.04 | 9.04 |

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\$2.73 |
| ASX Code | RF1 | RF1 Market Capitalisation | A\$278m |
| Structure | Listed Investment Trust | Units on Issue | 112,711,026 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

| | |
|---------------|--------------------------------------------------------------|
| Unit Registry | Link Market Services Limited |
| Address | Level 12, 680 George Street Sydney, NSW 2000 Australia |
| Phone | +61 1800 221 227 |
| Fax | +612 9287 0303 |
| Email | RF1@linkmarketservices.com.au |
| Website | www.linkmarketservices.com.au |

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 | | | | | 9.04 |

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

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

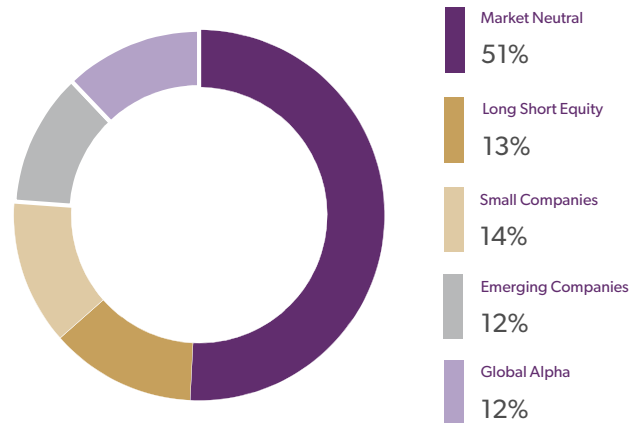
Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Regal Investment Fund. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). Regal Funds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

This newsletter has been prepared to provide you with general information only and is not to be construed as solicitation of an offer to buy or sell any financial product. In preparing this information, we did not take into account the investment objectives, financial situation or particular needs of any particular person. Accordingly, reliance should not be placed on this document as the basis for making an investment, or financial or other decisions. It is not intended to take the place of professional advice and you should not take action on specific issues in reliance on this information. Neither Regal, Equity Trustees nor any of their respective related parties, employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Past performance should not be taken as an indicator of future performance. You should obtain a copy of the Product Disclosure Statement dated 8 April 2019 which was issued by Equity Trustees before making a decision about whether to invest in the Fund.

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

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 August 2019.

CURRENT EXPOSURE BY STRATEGY (NAV)



BALANCE SHEET EXPOSURES (% OF NAV)

| SECTOR | LONG | SHORT | NET | GROSS |
|------------------------|------------|------------|-----------|------------|
| Communication Services | 10 | -5 | 5 | 15 |
| Consumer Discretionary | 9 | -21 | -12 | 30 |
| Consumer Staples | 12 | -5 | 7 | 17 |
| Diversified | 12 | 0 | 12 | 13 |
| Energy | 9 | -5 | 4 | 14 |
| Financials | 14 | -12 | 3 | 26 |
| Health Care | 9 | -26 | -17 | 36 |
| Industrials | 19 | -2 | 17 | 21 |
| Information Technology | 12 | -8 | 4 | 21 |
| Materials | 28 | -10 | 18 | 38 |
| Real Estate | 10 | -3 | 7 | 13 |
| Utilities | 1 | -1 | 0 | 2 |
| Total | 147 | -99 | 48 | 245 |
| REGION | LONG | SHORT | NET | GROSS |
| Asia | 24 | -32 | -8 | 55 |
| Australia/NZ | 122 | -65 | 57 | 186 |
| EMEA | 0 | -0 | 0 | 0 |
| Americas | 1 | -2 | -1 | 3 |
| Total | 147 | -99 | 48 | 245 |