

Regal Investment Fund (ASX: RF1)

FEBRUARY 2020

The Regal Investment Fund Net Asset Value (NAV) decreased by 6.4% to \$2.67 in February, taking performance since inception in June 2019 to over 9%.

The Market Neutral Strategy was down 6.2% for the month. February 2020 delivered equity market investors with the veritable tale of two halves, the S&P/ASX 200 experiencing the jubilation of a record high in the middle of the month, followed by a rapid 10% retracement in the final week to subsequently erase all index gains for the year to date.

The Long Short strategy decreased 12.9% in February. Following a strong start to the year, fears of a global spread in COVID-19 saw equity markets sell off heavily in the last week of February. Global equity markets experienced the swiftest ever 10% correction from all-time highs, with every industry sector in Australia declining over the month.

The Small Companies Strategy decreased 18.4%. Unsurprisingly, the majority of long positions negatively impacted returns this month, however we were pleased to avoid all of the top seven under-performers within the Small Ordinaries index this month (all of which experienced share price retracements of over 30% following poorly received result releases).

The Global Alpha strategy was up 0.5% in February. The major contributors came from Japan, Australia and Thailand.

The Regal Emerging Companies Fund III was down 3.4% in February, a pleasing performance relative to the performance of many emerging companies as market dislocation saw relatively material declines across microcaps broadly. Fortunately, losses from positions such as DroneShield and AlphaHPA were significantly offset by strong gains in De Grey Mining and DGO Gold. De Grey appreciated 285% after announcing outstanding drilling results including two substantial thick, shallow and high-grade gold mineralisation intersections at its Hemi Prospect near Port Hedland WA.

SUMMARY DATA

PERFORMANCE	1 MTH %	3 MTH %	INCEPTION %
Regal Investment Fund - Net	-6.38	0.26	9.01

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

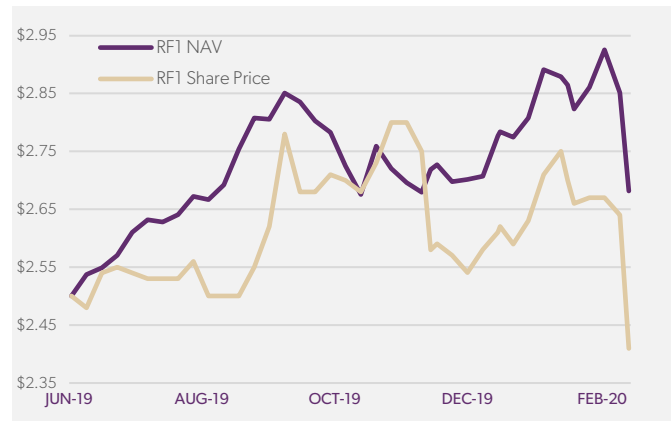
KEY FUND INFORMATION

Name	Regal Investment Fund	Monthly NAV (per unit)	A\$2.67
ASX Code	RF1	RF1 Market Capitalisation	A\$294m
Structure	Listed Investment Trust	Units on Issue	109,912,923 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



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UNDERLYING STRATEGY PERFORMANCE (GROSS)

STRATEGY	1 MONTH %	INCEPTION %
Market Neutral Strategy	-6.2%	4.5%
Australian Long Short Equity Strategy	-12.9%	0.4%
Small Companies Strategy	-18.4%	14.8%
Emerging Companies Strategy	-3.4%	36.7%
Global Alpha Strategy	0.5%	26.6%
TOTAL (NET)	-6.4%	9.0%

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Regal Investment Fund (ASX: RF1)

STRATEGY

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

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

The exposure ranges for the Initial Strategies are 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
2020	4.57	-6.38											-2.11
2019	n/a	n/a	n/a	n/a	n/a	2.06	2.82	3.91	4.00	-3.22	-0.93	2.41	11.36

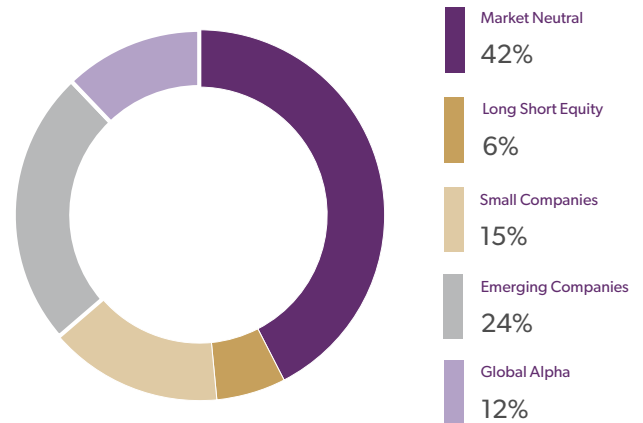
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A copy of the PDS is available at www.regalfm.com/RF1

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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 29 February 2020.

CURRENT EXPOSURE BY STRATEGY (NAV)



BALANCE SHEET EXPOSURES (% OF NAV)

SECTOR	LONG	SHORT	NET	GROSS
Communication Services	6	-4	2	10
Consumer Discretionary	20	-17	3	37
Consumer Staples	7	-7	0	14
Diversified	24	-1	23	24
Energy	8	-4	4	11
Financials	15	-14	1	29
Health Care	15	-18	-3	32
Industrials	16	-13	3	30
Information Technology	31	-7	23	38
Materials	32	-6	25	38
Real Estate	14	-7	7	21
Utilities	0	-1	-1	2
Total	186	-98	88	285
REGION	LONG	SHORT	NET	GROSS
Asia	39	-28	11	67
Australia/NZ	146	-66	80	212
EMEA	0	0	0	0
Americas	1	-4	-4	5
Total	186	-98	88	285