

Atlantic Absolute Return Fund

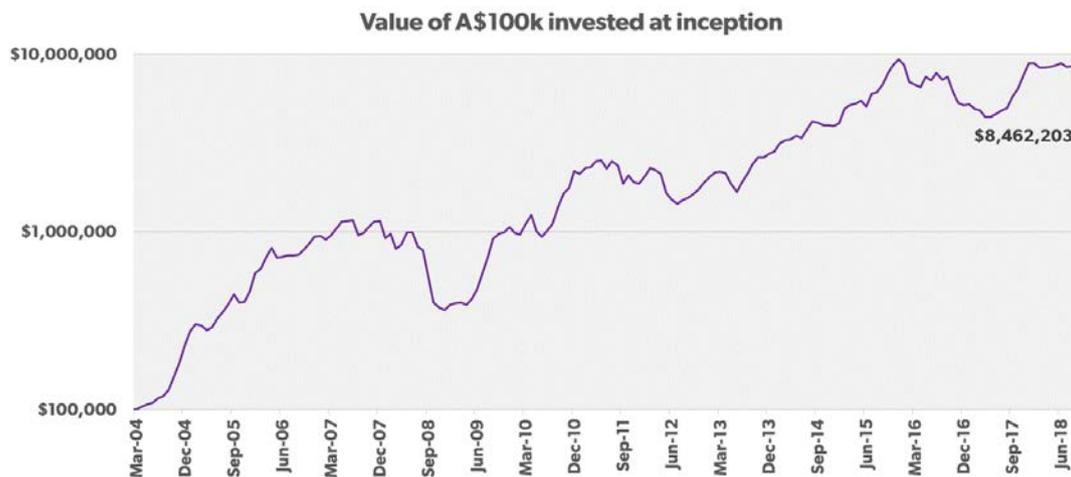
OVERVIEW

The Atlantic Absolute Return Fund invests in listed equities using a long/short approach to benefit from both the rise and fall in the value of selected companies. The Fund operates a unique strategy which aims to maximise returns regardless of equity market movements. To enhance returns the Atlantic Fund can use gearing, resulting in an elevated level of risk. Most investments are in Australia and Asia, however investments are also made in other countries on an opportunistic basis. The Fund may also have exposure to emerging markets.

INVESTMENT OBJECTIVE

The Atlantic Fund's objective is to generate high positive returns over the medium to long term. The Atlantic Fund is suitable for investors who have at least a 5 year investment horizon.

PERFORMANCE



This chart represents the performance of the Atlantic Fund (net of fees) and highlights the current value (as at September 2018) of A\$100k invested at inception (March 2004). Assumes reinvestment of distributions. Note: Past performance is not a reliable indicator of future performance.

WHY INVEST IN THE ATLANTIC FUND?

Regal Funds Management was formed in 2004. The investment team has significant investment experience and a long track record of delivering strong returns for investors.

The Atlantic Fund is a unique strategy that has a proven track record of delivering exceptional performance over the medium term.

The strategy has significant flexibility to benefit from both rising and falling markets.

Regal operates within a robust risk management framework.

FUND INFORMATION

Inception	March 2004	Minimum Investment	A\$250,000
Domicile	Australia	Subscription Frequency	Monthly
Distributions	Semi-annually	Redemption Frequency	Quarterly
Management Fee	2%	Hurdle Rate	No
Incentive Fee	20% (refer to IM for details)	High Water Mark	Yes
Eligible Investors	Sophisticated/Wholesale Investors		

CONTACT INFORMATION

Fund Manager	Regal Funds Management Pty Ltd
Phone	+61 2 8197 4333
Email	info@regalfm.com
Website	www.regalfm.com

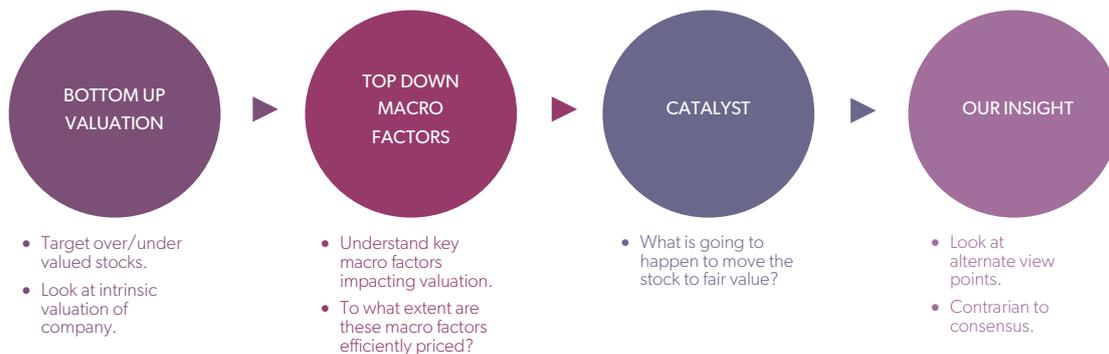
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REGAL'S APPROACH TO INVESTING

Regal was founded as a dedicated long/short equity investment manager. The investment process for the Atlantic Fund utilises a fundamental, research driven approach that has been adopted since the launch of the business in 2004. Specifically, we utilise a four-step stock selection process, which is outlined in the diagram below.

When investing in shares in companies (long positions) we search for undervalued companies with strong business models. In contrast, when selling shares in companies (short positions) we use our expertise and systems to sell shares in companies that we believe are overvalued and have weak business models. We believe that "shorting" requires a different discipline than that employed by traditional long-only managers.

REGAL'S FOUR STEP STOCK SELECTION PROCESS



RISK MANAGEMENT

The Fund can employ gearing to enhance returns.

The Fund typically has gross exposure (i.e. longs plus shorts) in the range of 300% to 400% however, gross exposure can be higher than this from time to time. The Fund typically has net exposure (i.e. longs minus shorts) of around 200% however, may reduce this in periods of equity market weakness.

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REGAL'S EXPERTISE SHORT SELLING

Experience - we have a track record of close to 15 years in delivering strong returns through shorting.

Philosophy - unlike many other short sellers, we adopt a longer-term focus and it is not uncommon for us to hold a short position in a company for months or years.

Structural - the Australian Hedge Fund industry is less mature than other parts of the world. With deep relationships across the broking community, we are in a position of strength over offshore competitors with better corporate access and deal flow.