

## Tasman Market Neutral Fund

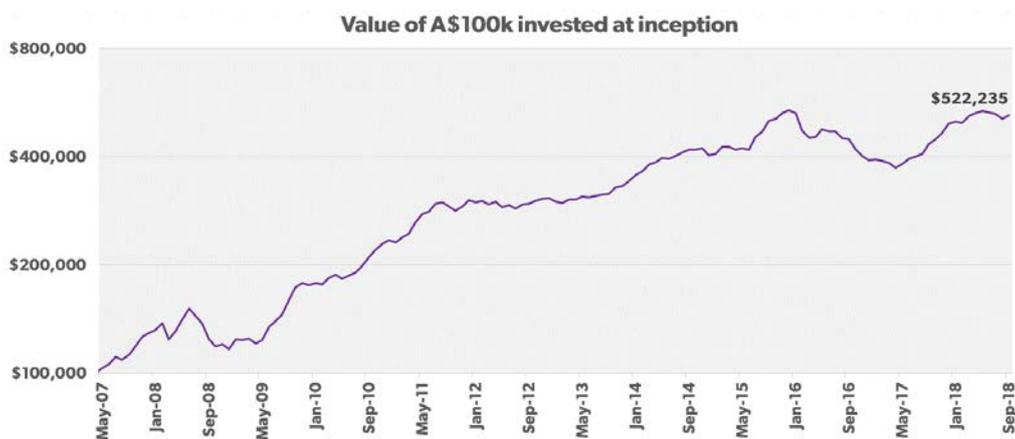
### OVERVIEW

The Tasman Market Neutral 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 aims to provide attractive returns with very low correlation to equity markets. Most investments are in Australia and Asia, however investments are also made in other countries including emerging markets on an opportunistic basis.

### INVESTMENT OBJECTIVE

The Tasman Fund's objective is to generate positive returns over the medium term (3 to 5 years) regardless of equity market movements and without excessive risk. The Tasman Fund aims to maximise returns while limiting volatility to 15% p.a.

### PERFORMANCE



This chart represents the performance of the Tasman Fund (net of fees) and highlights the current value (as at September 2018) of A\$100k invested at inception (May 2007). Assumes reinvestment of distributions. Note: Past performance is not a reliable indicator of future performance.

### WHY INVEST IN THE TASMAN 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 Tasman Fund has a proven track record of delivering superior performance with very low correlation to equity markets.

Regal brings a specialist approach to constructing a market neutral portfolio, with a strong edge in adding short-side alpha through experience, philosophy and structural advantages.

Regal operates within a robust risk management framework.

### WHAT DO WE MEAN BY MARKET NEUTRAL?

The Fund is constructed in a way where returns are not dependent on the performance of the underlying share market, i.e. the Fund's objective is to have positive returns in both rising and falling markets, measured over the medium term (3 to 5 years).



### FUND INFORMATION

Inception	May 2007	Minimum Investment	A\$250,000
Domicile	Australia	Subscription Frequency	Monthly
Distributions	Semi-annually	Redemption Frequency	Monthly
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
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Website	www.regalfm.com

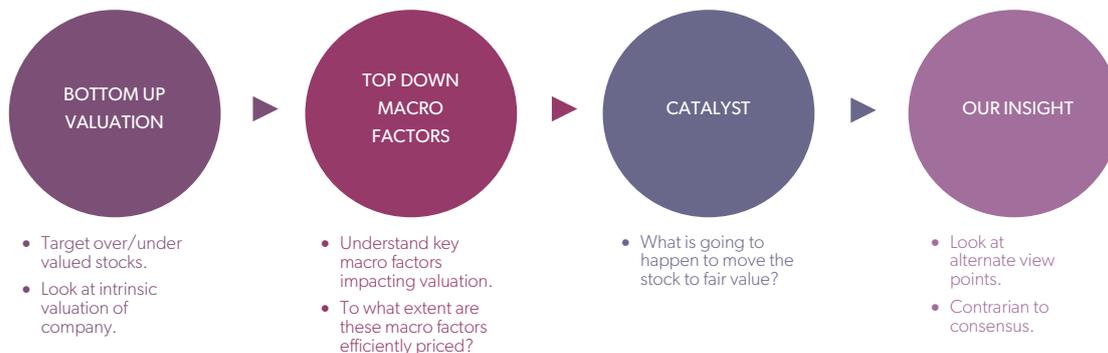
## Tasman Market Neutral Fund

### REGAL'S APPROACH TO INVESTING

Regal was founded as a dedicated long/short equity investment manager. The investment process for the Tasman 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 portfolio is risk managed according to the following guidelines:

#### Gearing

Net exposure range (dollar basis):	+/- 30%
Gross exposure range (dollar basis):	0%-300%

#### Beta

Target beta neutral	+/- 10%
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#### Holding guidelines

Single position	+/-10%
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Portfolio weightings in the Tasman Fund are determined to ensure the portfolio is beta neutral with the aim to provide returns that have very low correlation with equity markets. The intention is to provide a portfolio that relies on the manager's stock picking analysis and not the general performance of the market.

The Fund uses gearing and manages volatility within the limit of 15% p.a. The Fund typically has gross exposure (i.e. longs plus shorts) of 200% to 300% however at all times will have a net exposure (i.e. longs minus shorts) much closer to zero.

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