

## Regal Investment Fund (ASX: RF1)

### JUNE 2020

The Regal Investment Fund Net Asset Value (NAV) increased by 15.8% to \$2.92 in June. Please be advised that this NAV includes the estimated distribution of \$0.21cents per unit. In addition, if you were not an investor in RF1 as at 30 June 2020 (Record Date) you will not be entitled to the estimated distribution. Global equity markets concluded the 2019-2020 financial year with another positive month, as market participants continued to embrace the dual foundations of aggressive monetary policy intervention and constructive global fiscal stimulus measures. The gradual re-opening of major developed economies from previous COVID-19 restrictions has resulted in a dramatic turnaround in economic activity measures, with some early indicators of improved business confidence being seen.

The Market Neutral Strategy increased 12.7% for the month. Long positions in Buy Now, Pay Later provider Zip Co (+40%) and machine learning and AI developer Appen (+10%) all provided positive contributions, while short positions across the tourism sector, consumer discretionary names and shopping centre REITs also delivered positive alpha.

Our Global Alpha Strategy returned 8.8% in June, and pleasingly the returns were diversified across various countries and regions. The United States, Korea, China, Hong Kong, Singapore, and Australia were all significant contributors.

The Small Companies strategy increased 7.4% in June. Positive contributors to Fund performance in June included a long position in WA-based gold explorer and development company De Grey Mining (+124%), following the release of high-quality exploration results from its Hemi Discovery located 60km from Port Headland. Antimicrobial product manufacturer Zoono Group (+28%) also contributed to positive returns this month, following a recent update confirming strong global sales growth for its hand sanitiser products.

The Regal Emerging Companies Fund III had an extremely strong end to the fiscal year, finishing up 37.6% in June. The largest contributor was QuadPay which has been marked based on the terms of its proposed acquisition by Zip, delivering a >300% return on investment. Other strong contributors in June included battery technology developer Novonix which appreciated 200% versus the placement price, and junior gold players Fosterville South Exploration and DGO Gold which appreciated 137% and 57% respectively.

The buyback continues to be accretive for continuing RF1 unitholders. Since commencement of the buy-back, 6.3m units have been bought back at an average price of \$2.40, adding almost 3 cents or 1% to RF1's NAV/unit.

### SUMMARY DATA (NET)

PERFORMANCE	1 MTH %	3 MTH %	YTD %	INCEPTION %
Regal Investment Fund	15.81	41.51	6.71	18.84

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

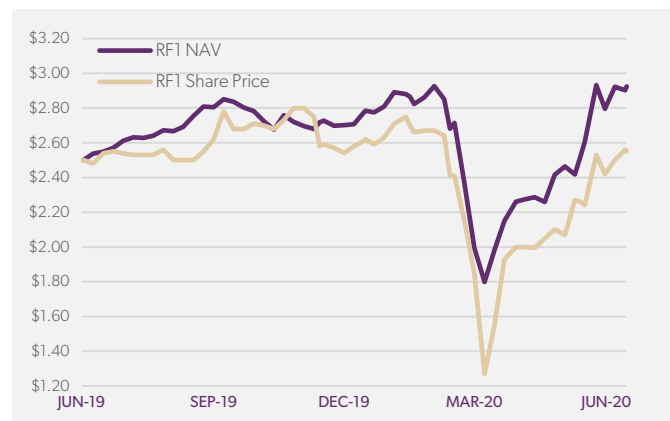
### KEY FUND INFORMATION

Name	Regal Investment Fund	Monthly NAV (per unit)	A\$2.92 (Cum Price)
ASX Code	RF1	RF1 Market Capitalisation	A\$311m
Structure	Listed Investment Trust	Units on Issue	106,456,083 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	regalfund@linkmarketservices.com.au
Website	www.linkmarketservices.com.au

### RF1 NAV vs RF1 SHARE PRICE



Past performance is not a reliable indicator of future performance.

### UNDERLYING STRATEGY PERFORMANCE (GROSS)

STRATEGY	1 MONTH %	INCEPTION %
Market Neutral Strategy	12.7%	-7.8%
Australian Long Short Equity Strategy	9.6%	4.6%
Small Companies Strategy	7.4%	1.1%
Emerging Companies Strategy	37.6%	88.0%
Global Alpha Strategy	8.8%	86.2%
<b>TOTAL (NET)</b>	<b>15.8%</b>	<b>18.8%</b>

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## 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 below<sup>1</sup>:

MARKET NEUTRAL	LONG SHORT EQUITY	SMALL COMPANIES	EMERGING COMPANIES <sup>2</sup>	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 38 people, including 22 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	-22.97	8.48	12.64	15.81							<b>6.71</b>
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	<b>11.36</b>

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A copy of the PDS is available at [www.regalfm.com/RF1](http://www.regalfm.com/RF1)

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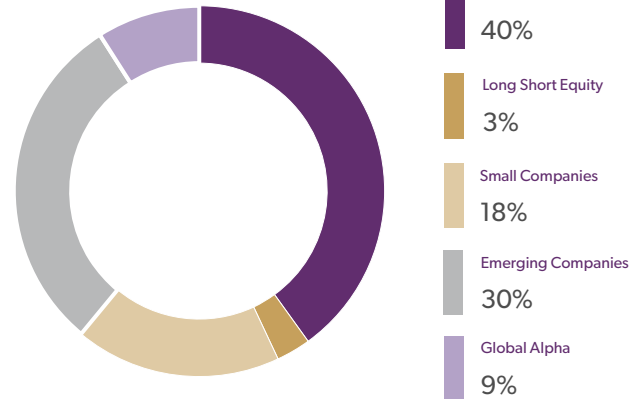
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<sup>1</sup> Ranges permitted by the Investment Guideline. The Fund portfolio will be constructed using multiple Regal Investment Strategies and these Strategies are not necessarily limited to the Initial Investment Strategies.

<sup>2</sup> Applicable at the time of investment

Note: Performance figures are net of all fees unless otherwise stated. All numbers are as at 30 June 2020.

## CURRENT EXPOSURE BY STRATEGY (NAV)



## BALANCE SHEET EXPOSURES (% OF NAV)

SECTOR	LONG	SHORT	NET	GROSS
Communication Services	13	-3	10	16
Consumer Discretionary	14	-17	-3	31
Consumer Staples	9	-4	5	13
Diversified	0	0	0	0
Energy	4	-3	0	7
Financials	23	-10	13	34
Health Care	23	-11	12	35
Industrials	14	-11	3	25
Information Technology	25	-10	16	35
Materials	37	-12	25	49
Real Estate	3	-7	-4	10
Utilities	0	0	0	0
<b>Total</b>	<b>165</b>	<b>-89</b>	<b>76</b>	<b>255</b>
REGION	LONG	SHORT	NET	GROSS
Asia	23	-19	4	42
Australia/NZ	134	-68	66	201
EMEA	3	0	3	3
Americas	6	-3	3	8
<b>Total</b>	<b>165</b>	<b>-89</b>	<b>76</b>	<b>255</b>