



Regal Investment Fund (ASX:RF1) Investor Update and Q&A

September 15, 2022

This presentation deck accompanies an audio recording at 11:30am AEST on September 15, 2022. To view the full webcast please click on the link [here](#) and register for the webinar.

To access the replay of this recording, please reach out to: investorrelations@regalfm.com.

For any questions on RF1, please reach out to the registry, Link Market Services: regalfund@linkmarketservices.com.au.

Equity Trustees Limited
ACN 004 031 298
AFSL 240975



REGAL
FUNDS



AFSL: 277737

Regal Funds Management

Regal Investment Fund (ASX:RF1)

September 2022

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Agenda

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Speakers



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Chief Executive Officer
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Chief Executive Officer
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Introduction to Regal Partners Limited (ASX:RPL)

Parent Company of Regal Funds Management

Regal Partners Limited (RPL.ASX)

ASX-Listed Specialist Alternatives Manager



Regal Partners Limited is an ASX-listed, specialist alternative investment manager with over A\$5.0bn in funds under management¹.

- Regal Partners (RPL.ASX) was formed on 3 June 2022, following the merger of ASX-listed VGI Partners Limited and privately-owned Regal Funds Management Pty Limited.
- The Merger combines two of Australia's most recognised and successful hedge fund businesses, creating a market-leading provider of alternative investment strategies in the Asia-Pac region.
- The Group houses four dedicated alternative investment management businesses: **Regal Funds Management**, **VGI Partners**, **Kilter Rural** and **Attunga Capital**, together employing over 100 employees³, located in offices across Sydney, Victoria, Singapore and New York.

>\$5.0bn

Assets Under Management (AUM)¹

RPL

ASX ticker

\$601m

Market Capitalisation²

4

Global Offices

~100

Employees³

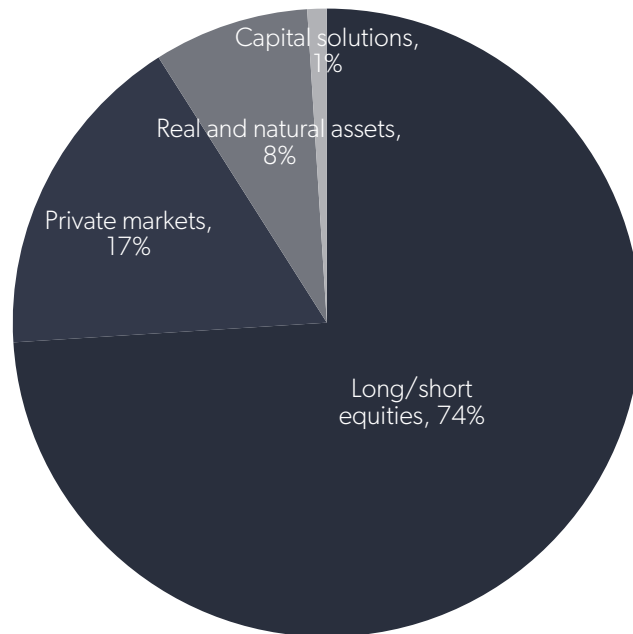
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Investment Professionals

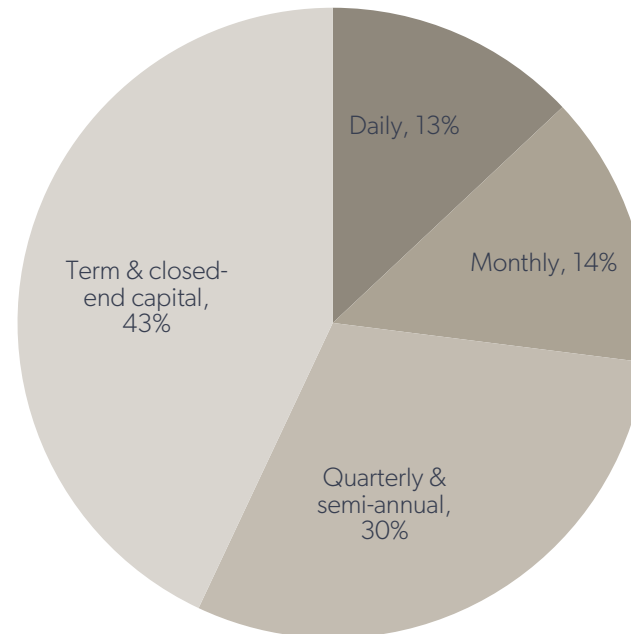
Regal Partners – A strong platform for continued growth

Well diversified across asset class, liquidity profile and client type – FUM as at 30 June 2022

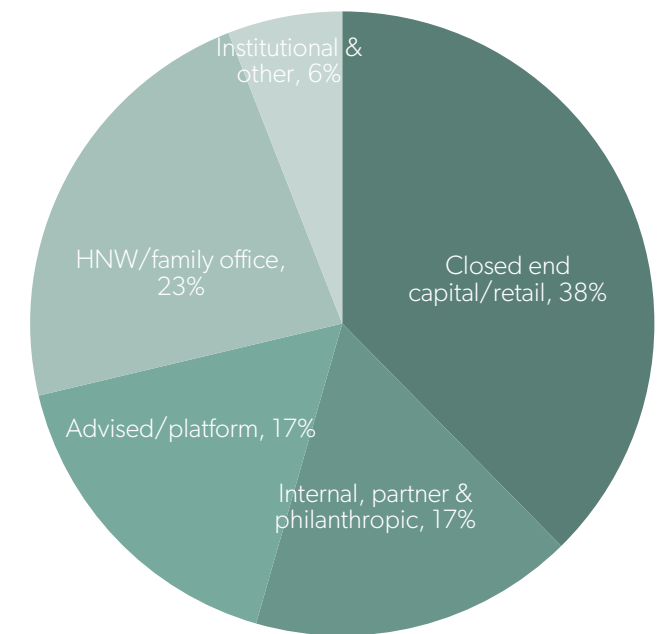
FUM BY ASSET STRATEGY



FUM BY FUND LIQUIDITY



FUM BY CLIENT CHANNEL¹



Regal Investment Fund (ASX:RF1)

RF1 provides investors with exposure to a selection of alternative investment strategies with an objective to produce attractive risk-adjusted absolute returns over a period of more than five years with limited correlation to equity markets

Since listing on 17 June 2019, RF1 has delivered a total return to investors of +110%¹



The Regal Investment Fund (ASX:RF1)

Launch date

17 June 2019

Annualised Return Since Inception¹

+26%

Total Return Since Inception¹

+110%

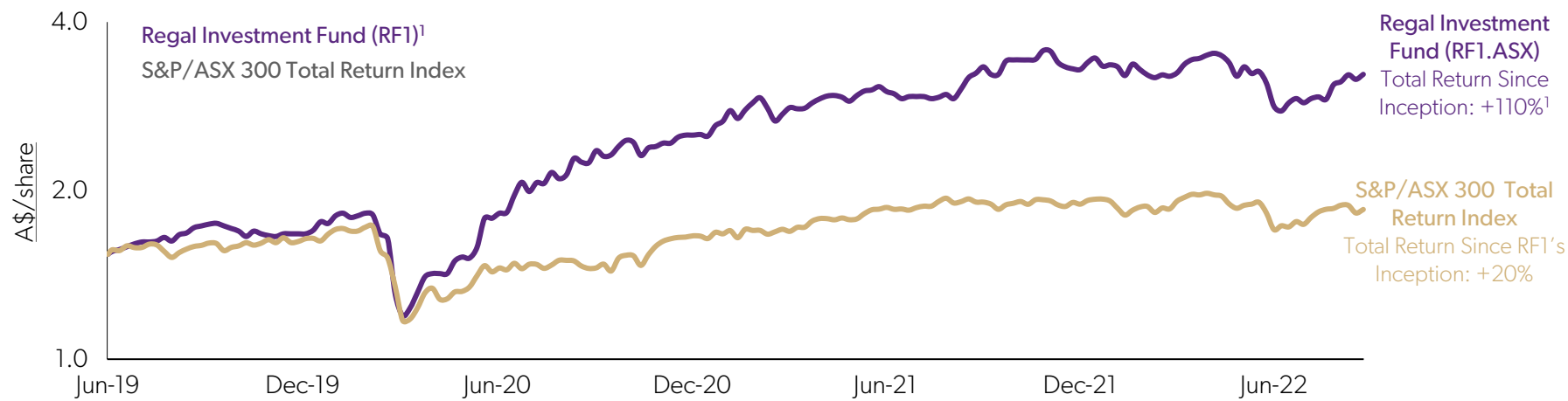
Distributions Paid to Date

\$1.69 per unit

HIGHLIGHTS

- Performance: Since inception in June 2019, RF1 has generated a total unitholder return of 110%¹, including cash distributions totalling \$1.69 per unit
- Team: Highly experienced investment team consisting of 28 investment professionals, in offices across Sydney, Singapore, Victoria and New York
- Strong Alignment: Significant personal investments in RF1 and underlying strategies by investment management team
- Supportive structure: Unitholder-friendly structure in place to support RF1 listed vehicle, including:
 - Weekly NAV updates
 - Regular communication and marketing schedule
 - On-market buyback facility
 - Distribution Reinvestment Plan (DRP)

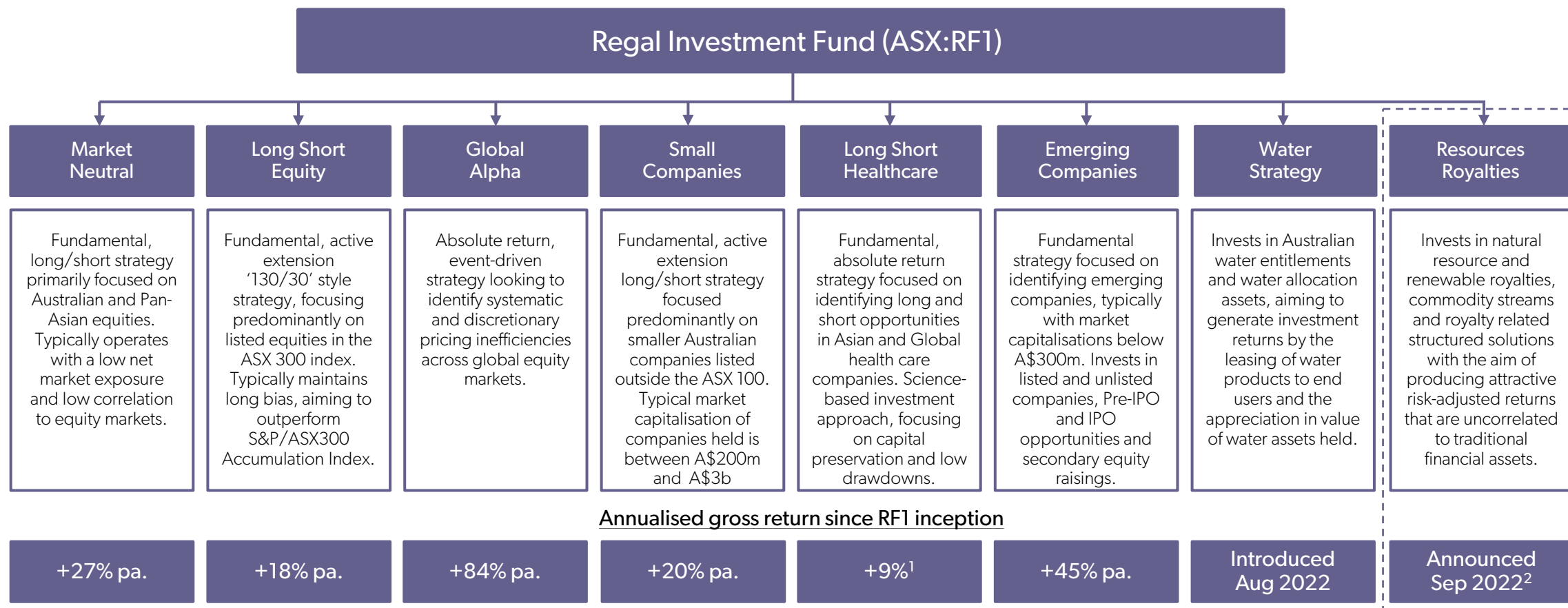
RF1 FUND PERFORMANCE



Source: Regal, Bloomberg as at 9 September 2022. Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance of the Fund's performance.

1. Total return is net of fees, before tax, and assumes reinvestment of all distributions.

RF1 Investment Strategies

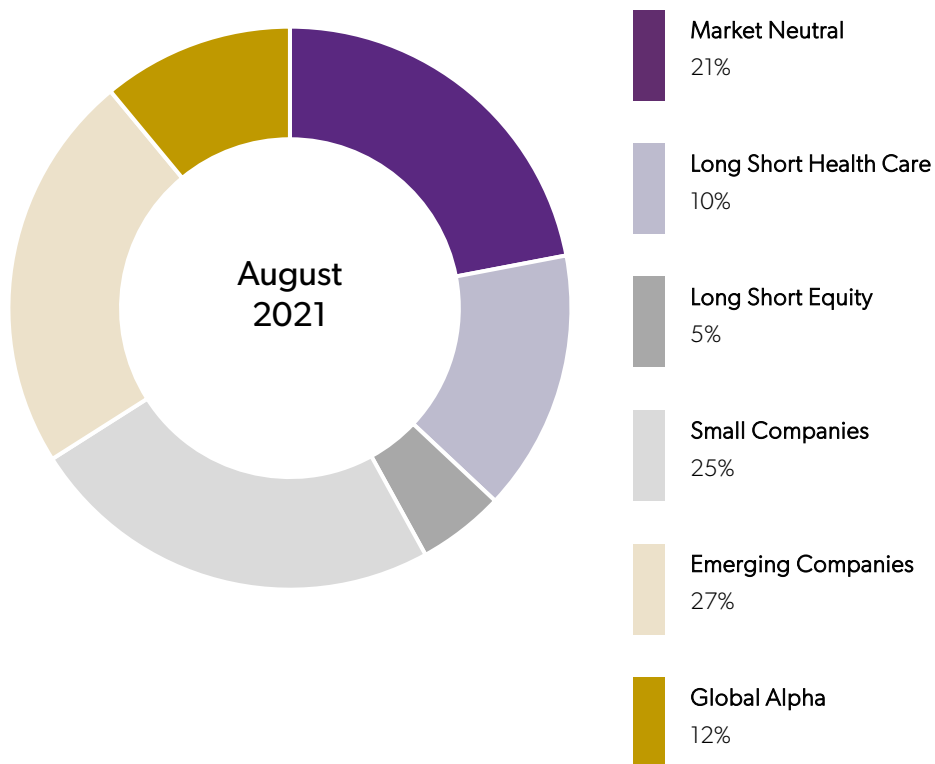


Source: Regal as at 31 August 2022. Gross of fees. Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance of the Fund's performance.

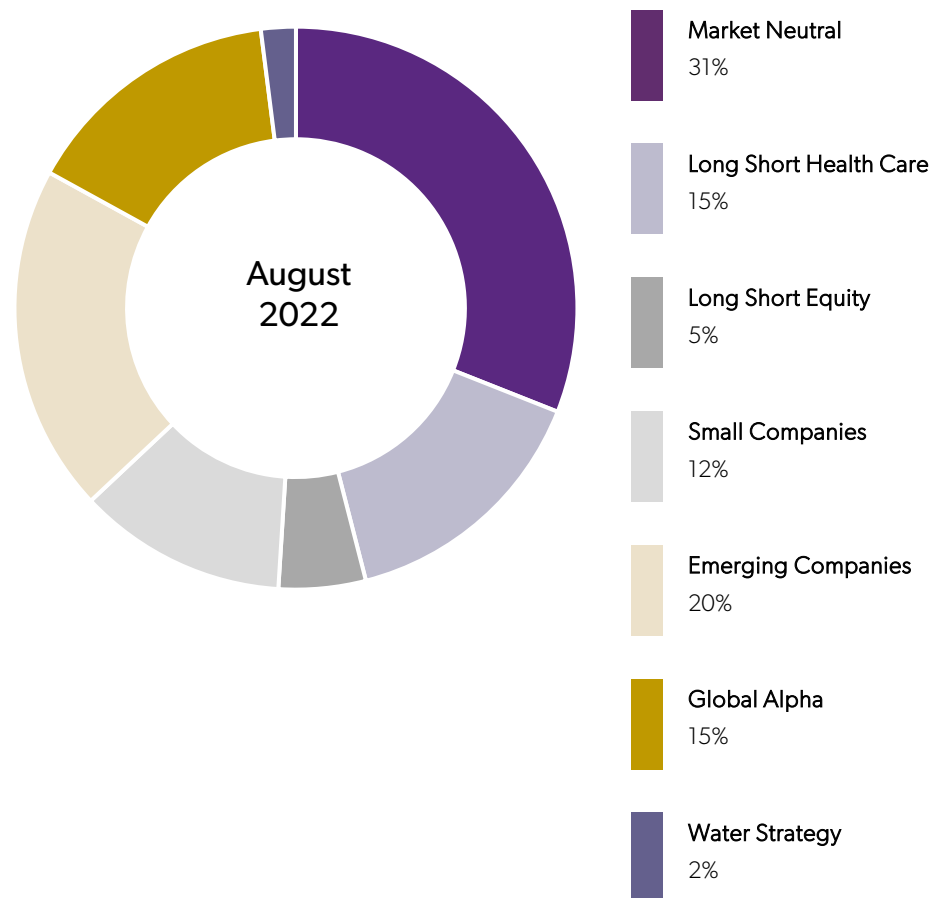
Note: 1. Reflects return since strategy inception in RF1 on 7 Sep 2020 to 31 August 2022. 2. Refer to 12 September 2022 ASX announcement.

RF1 Strategy Allocations – August 2021 vs. August 2022

Allocations as at August 2021

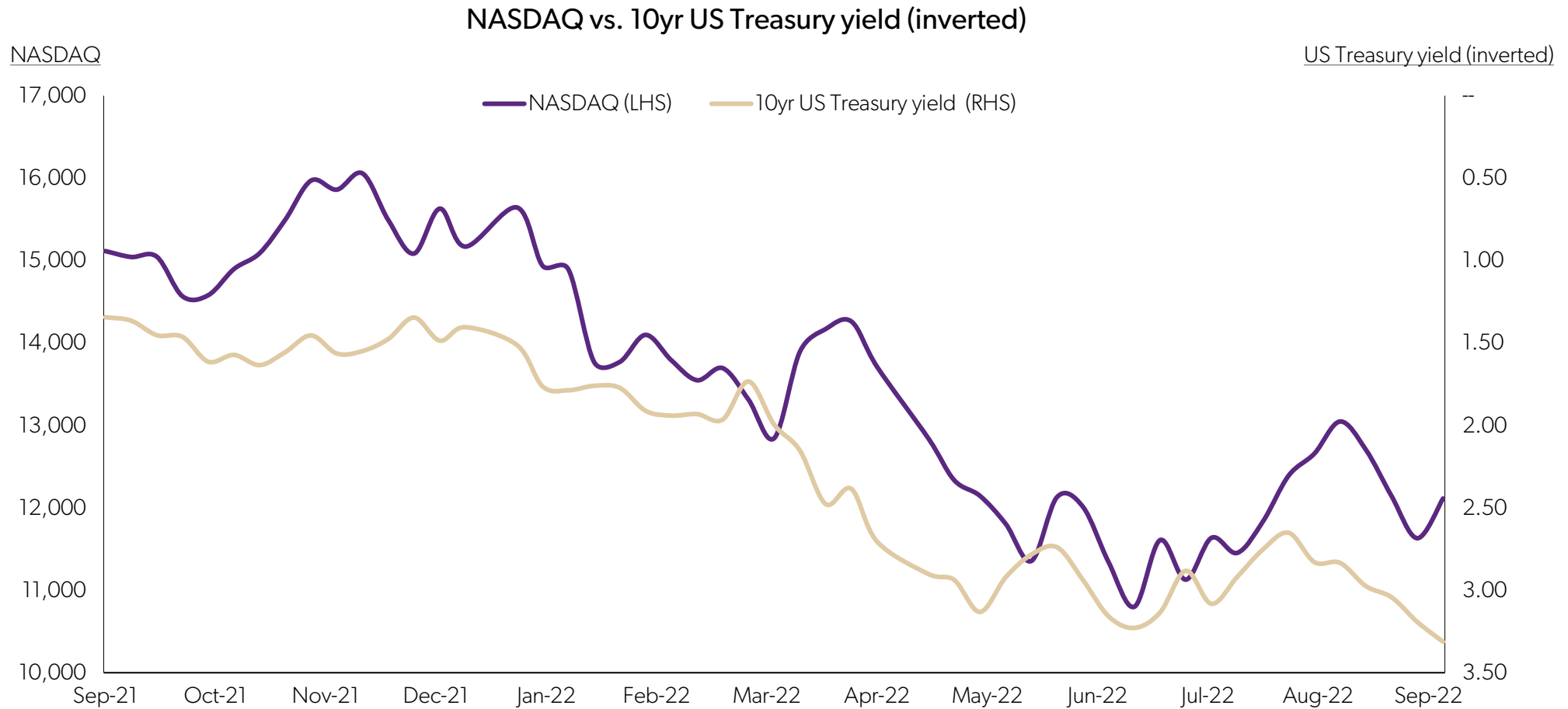


Allocations as at August 2022



| Change (yoy): |
|---------------|
| +10% |
| +5% |
| –% |
| –13% |
| –7% |
| +3% |
| +2% |

Rising bond yields weigh on NASDAQ



Source: Bloomberg as at September 2022 (weekly data).

Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance.

Recent rise in US 10yr Treasury yields put into context

10yr US Treasury yields over the last 50 years



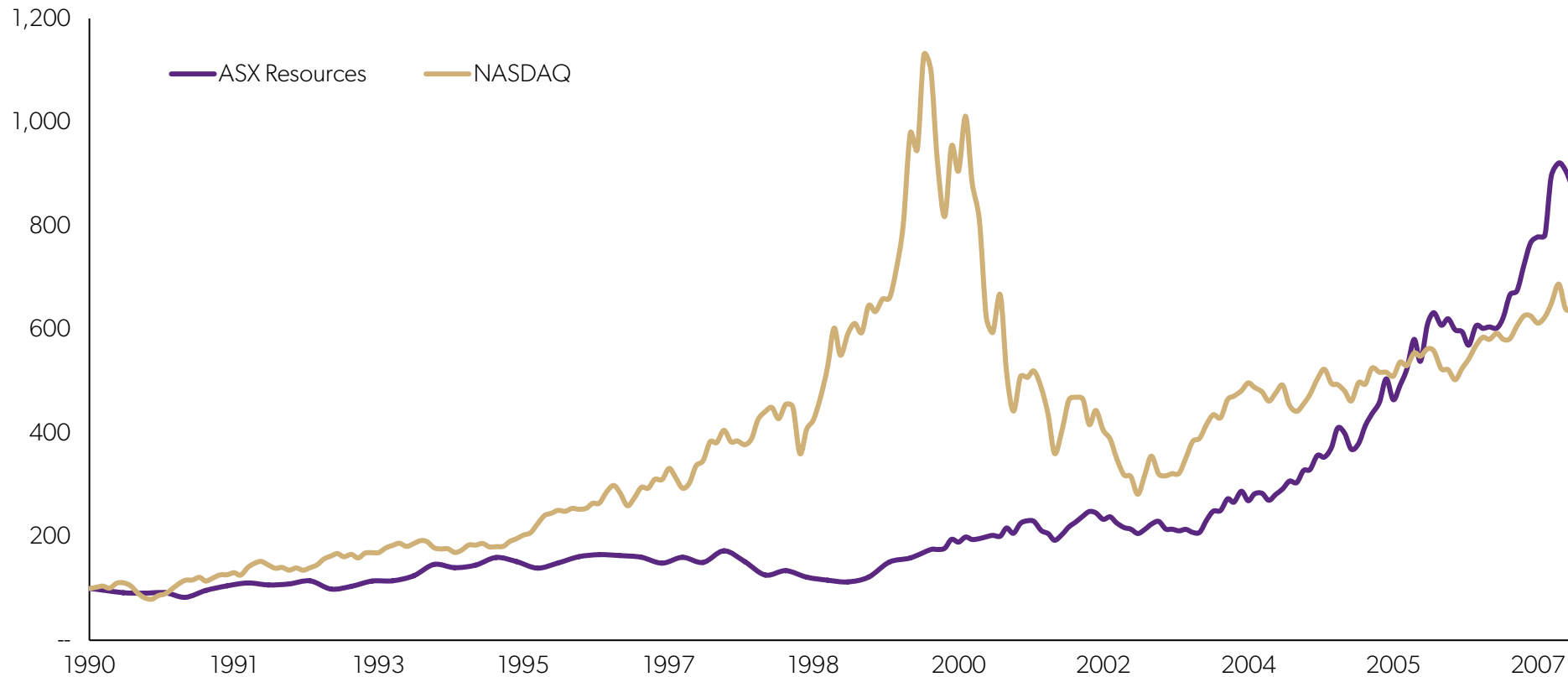
Source: Bloomberg as at September 2022 (monthly data).

Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance.

Echoes of 2001 – Resources outperformed technology

ASX Resources Index and NASDAQ (1990 – 2007)

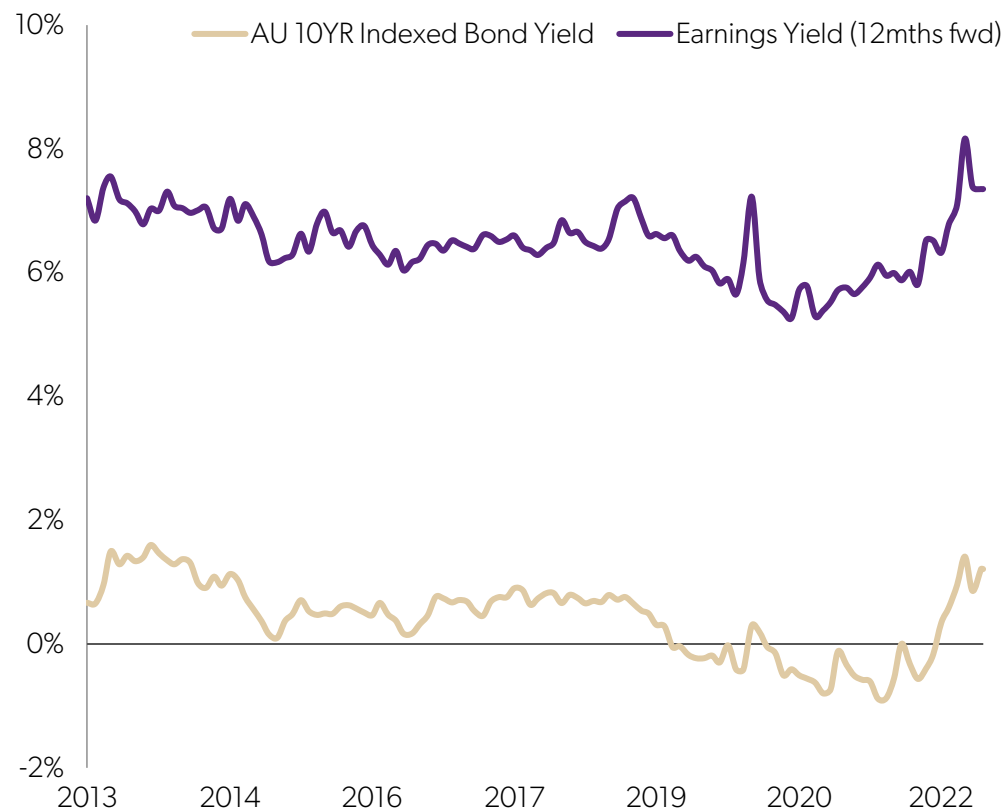
100 = 31 January 1990



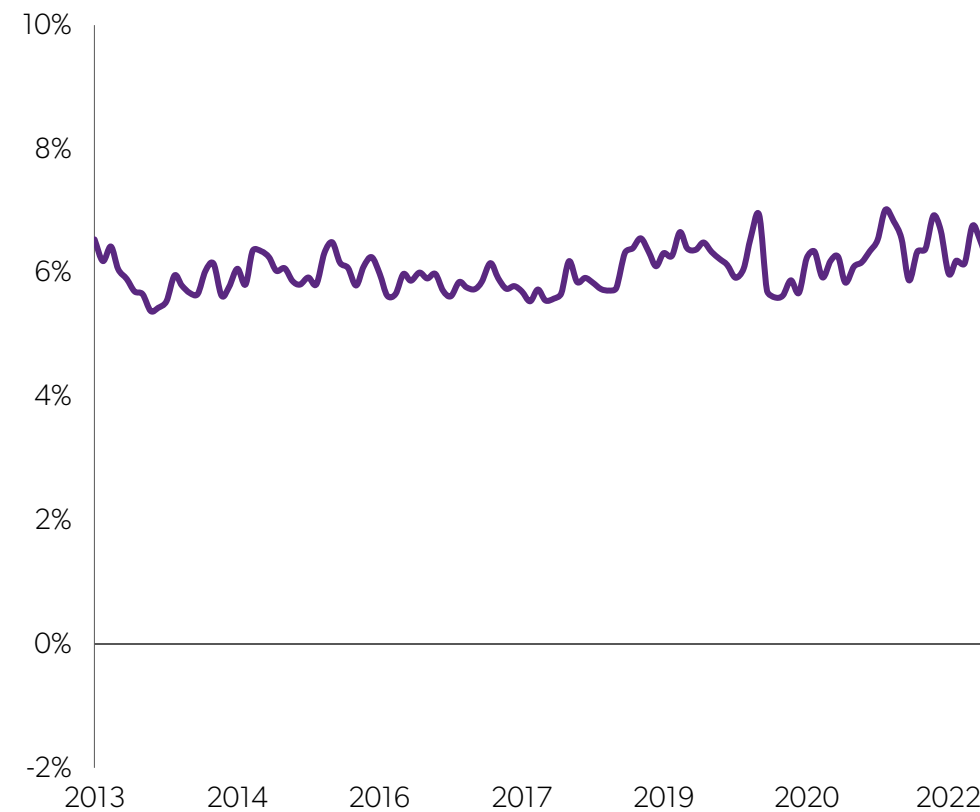
Source: Regal, Bloomberg as at September 2022.
Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance.

Equities remain attractive

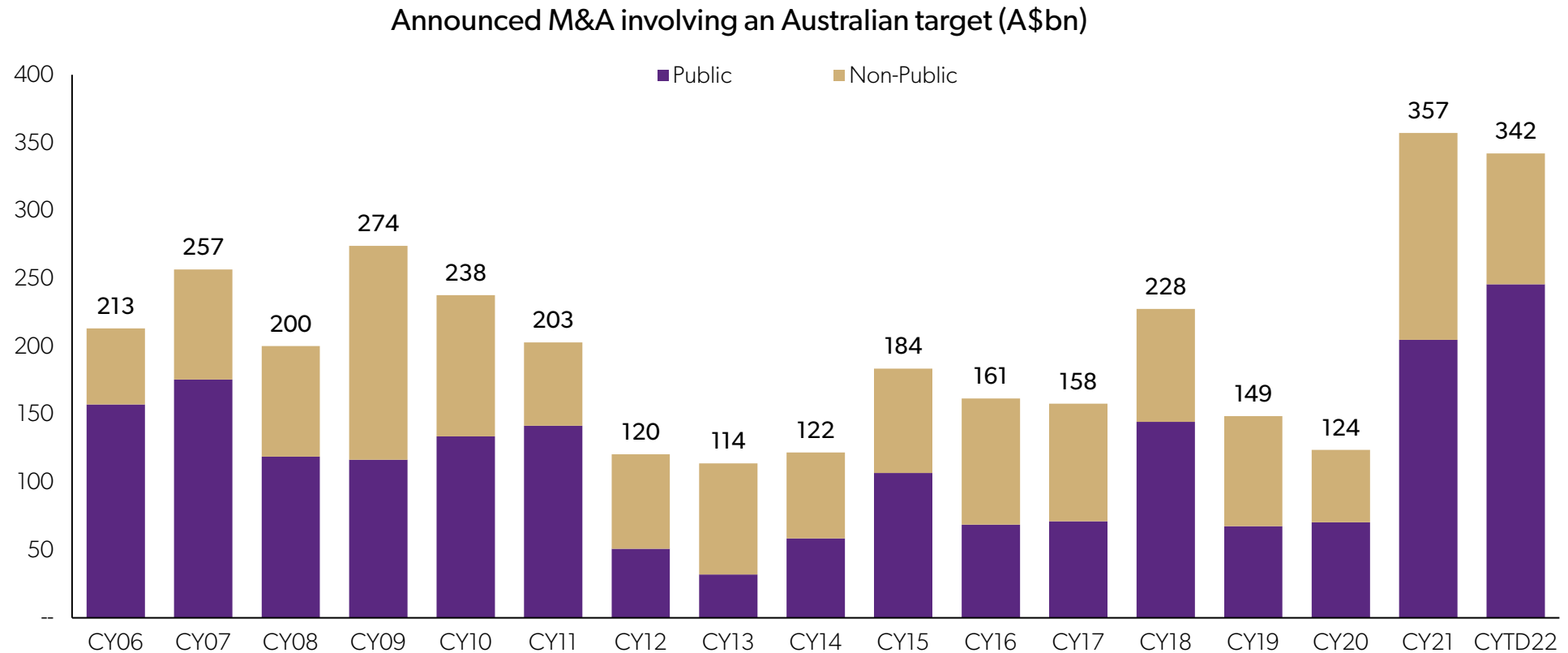
Equity yield vs. real bond yield



Equity risk premium

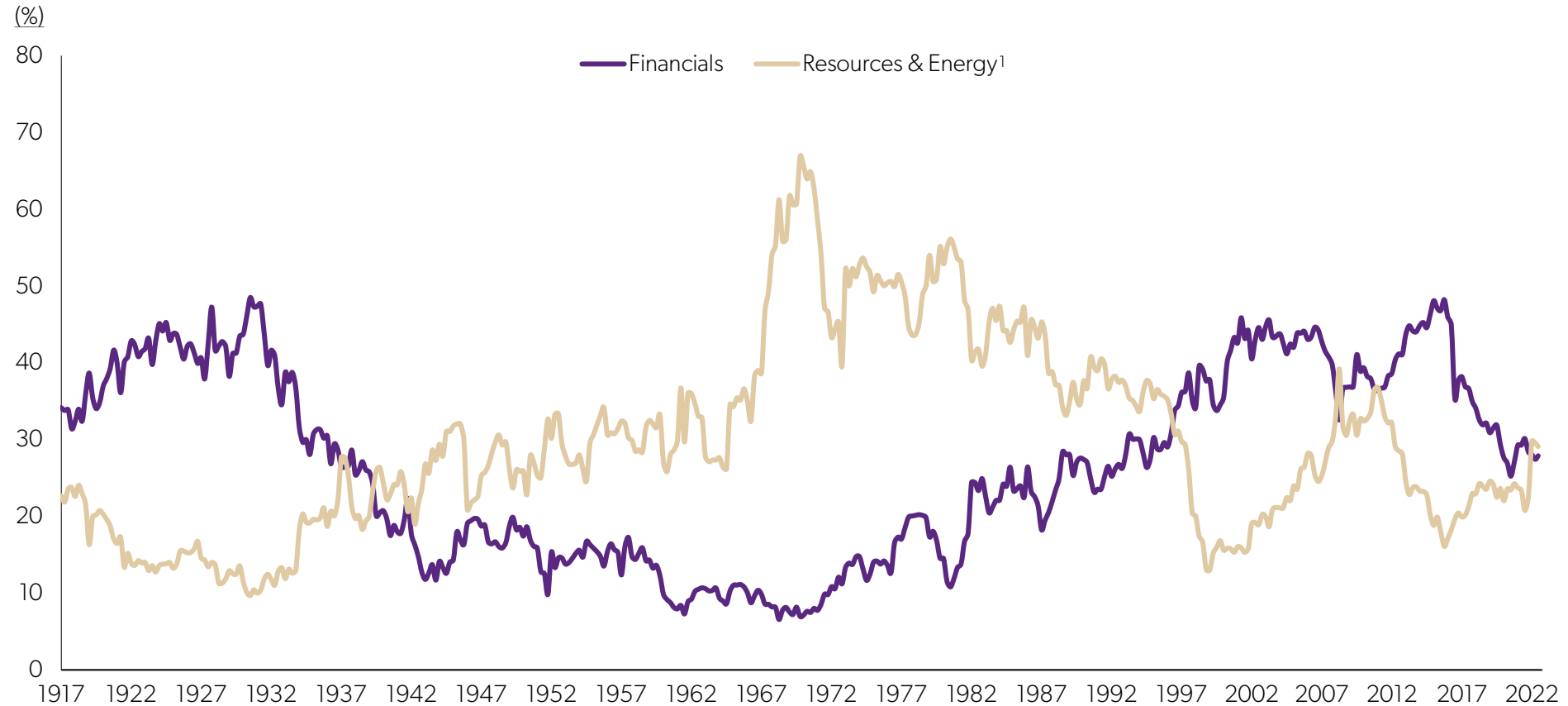


Record takeover activity continues



Changing market leadership

Market capitalisation by sector – share of total index (ASX 300)



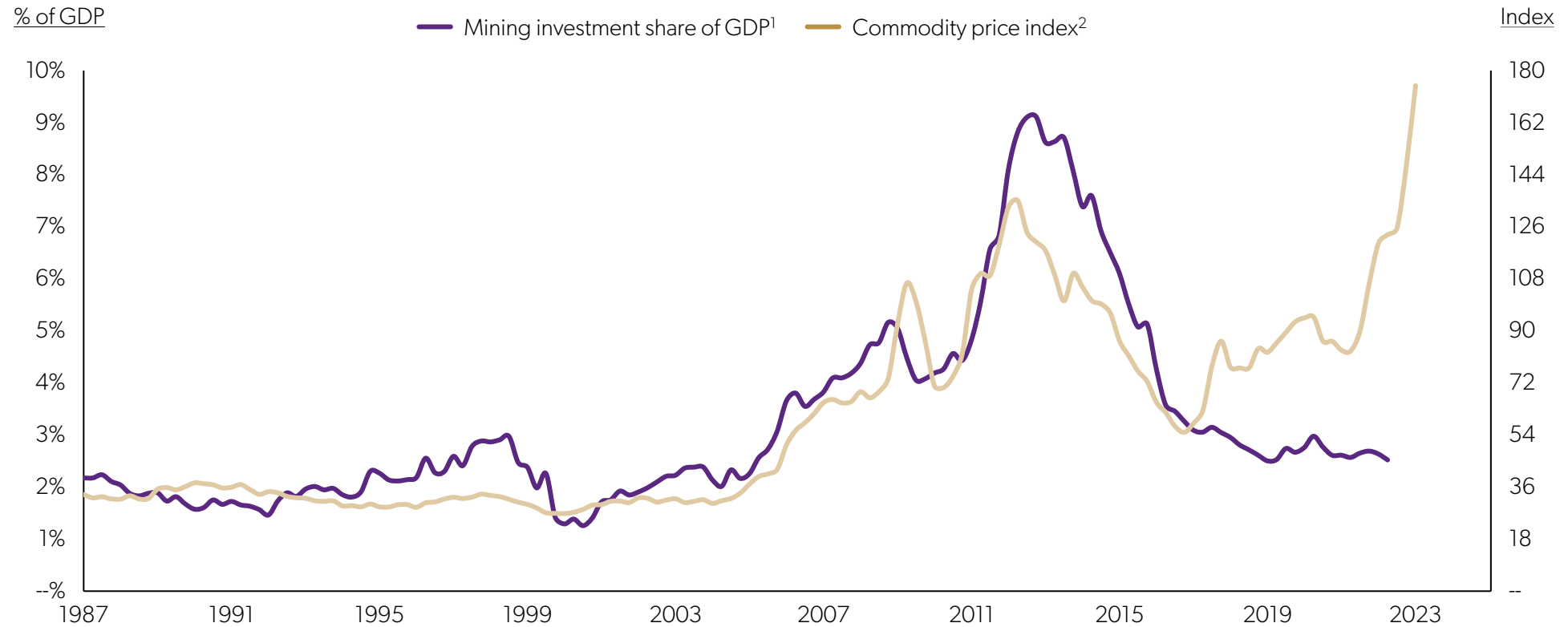
Source: Bloomberg as at September 2022, RBA, ASX, Refinitiv Datastream.

Note: 1. Energy included from Mar-02.

Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance.

Mining investment continues to lag

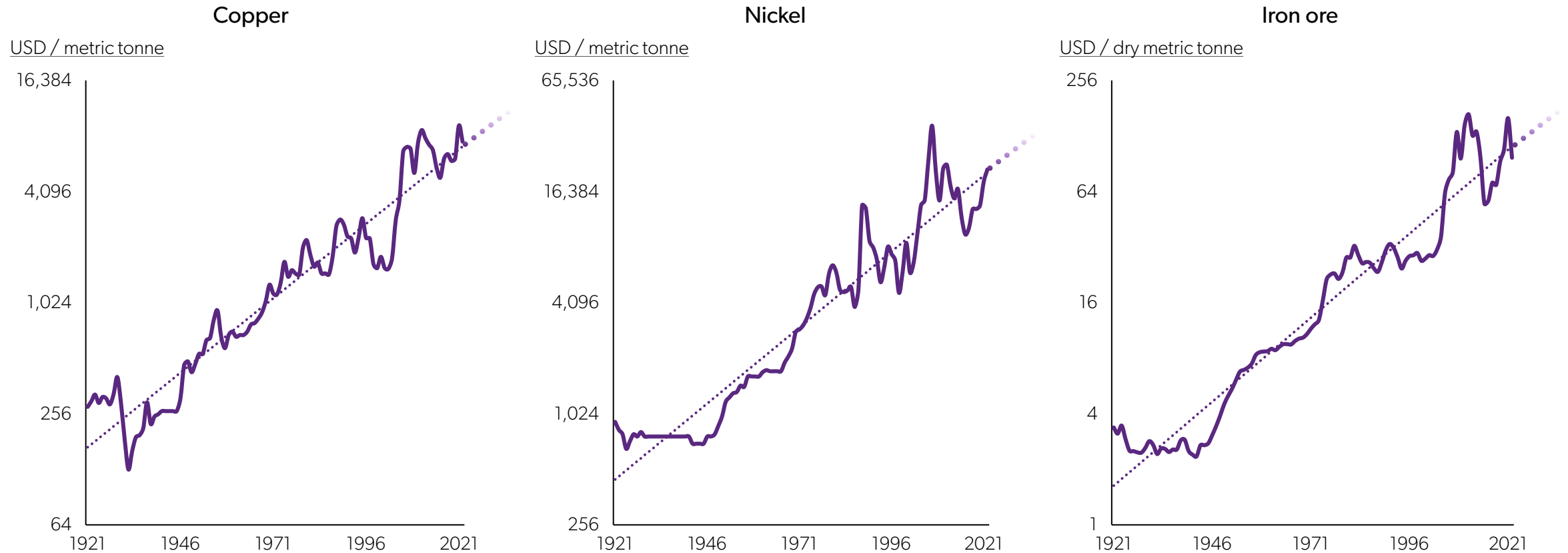
Mining investment and commodity prices



Source: Minack Advisors as at September 2022.

Note: 1. Annual data interpolated using quarterly new capital expenditure data. 2. RBA non-rural commodity index in special drawing rights (SDR) terms — leading by 3 quarters. Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance.

Commodity prices over the last 100 years

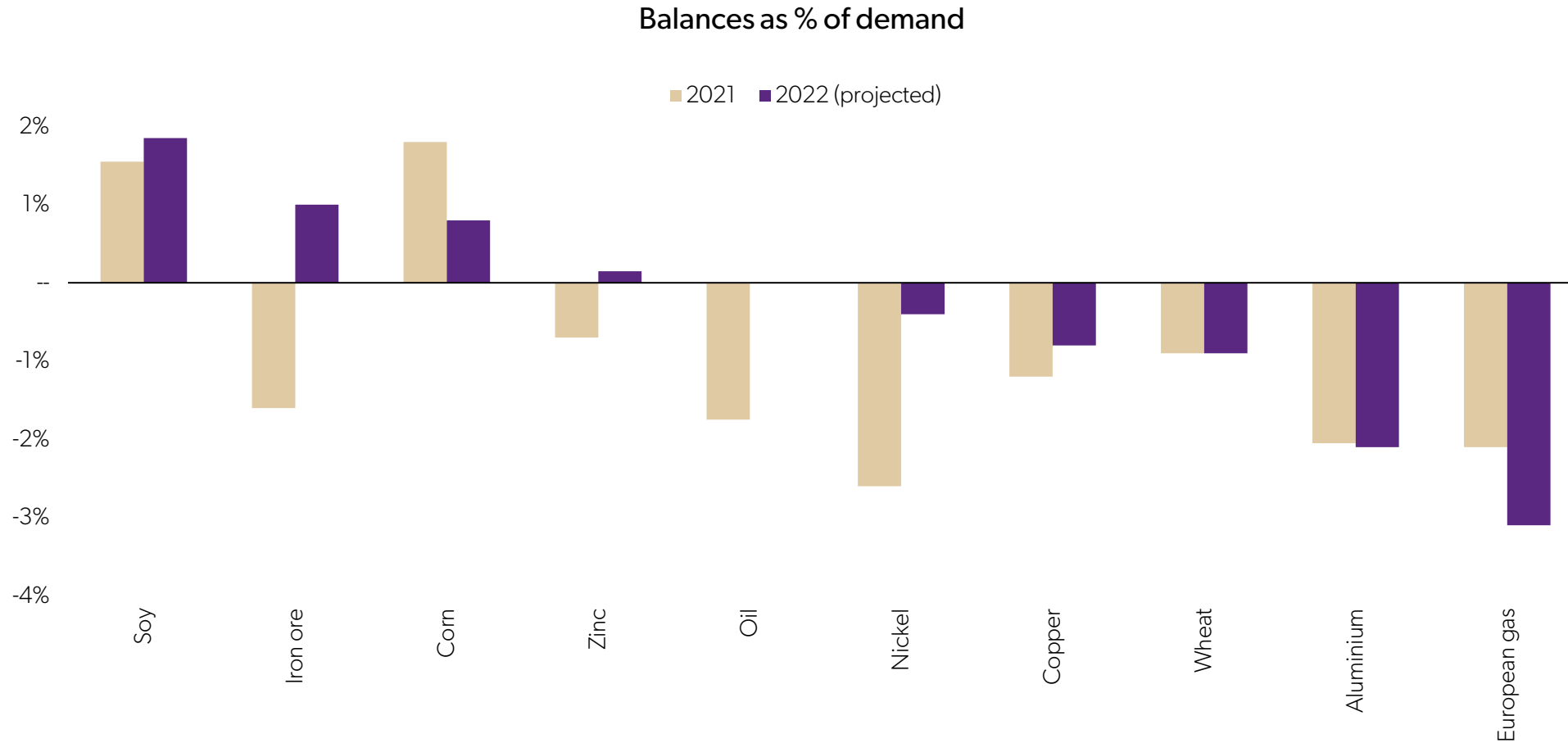


Source: Broker Research, Bloomberg as at September 2022 (annual data).

Note: Nominal terms.

Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance.

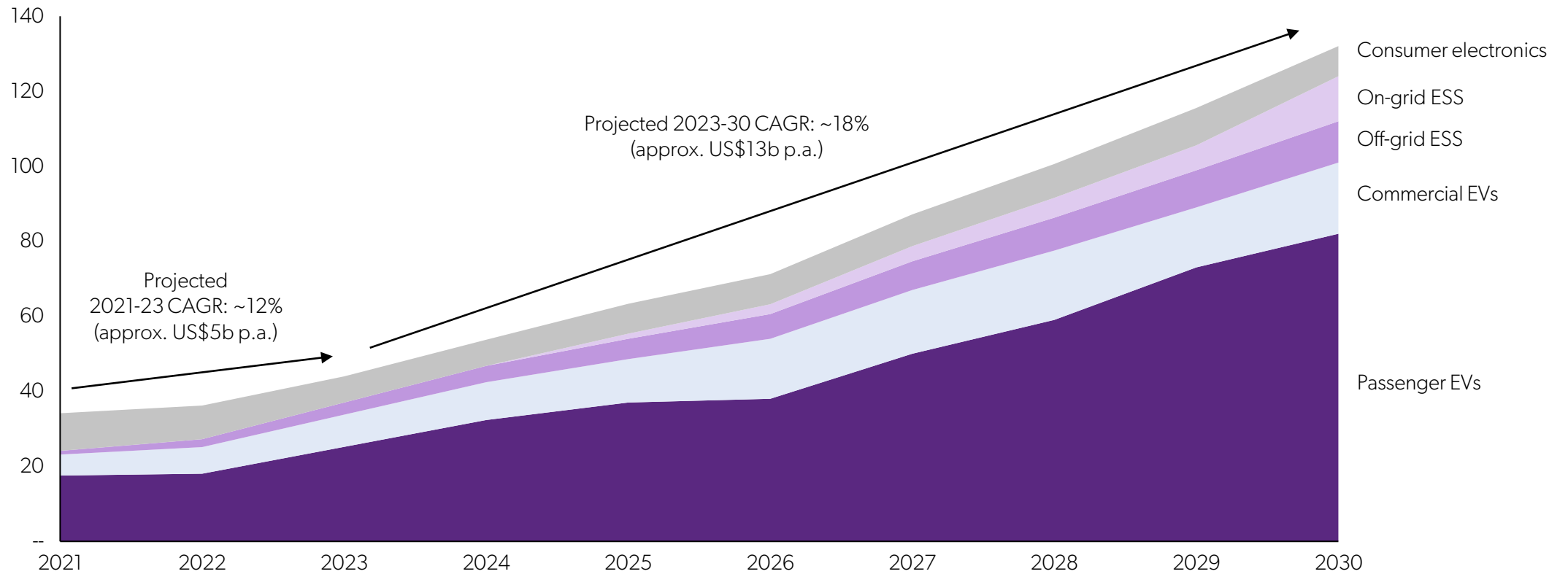
Shortfalls in most commodity inventories are expected to persist



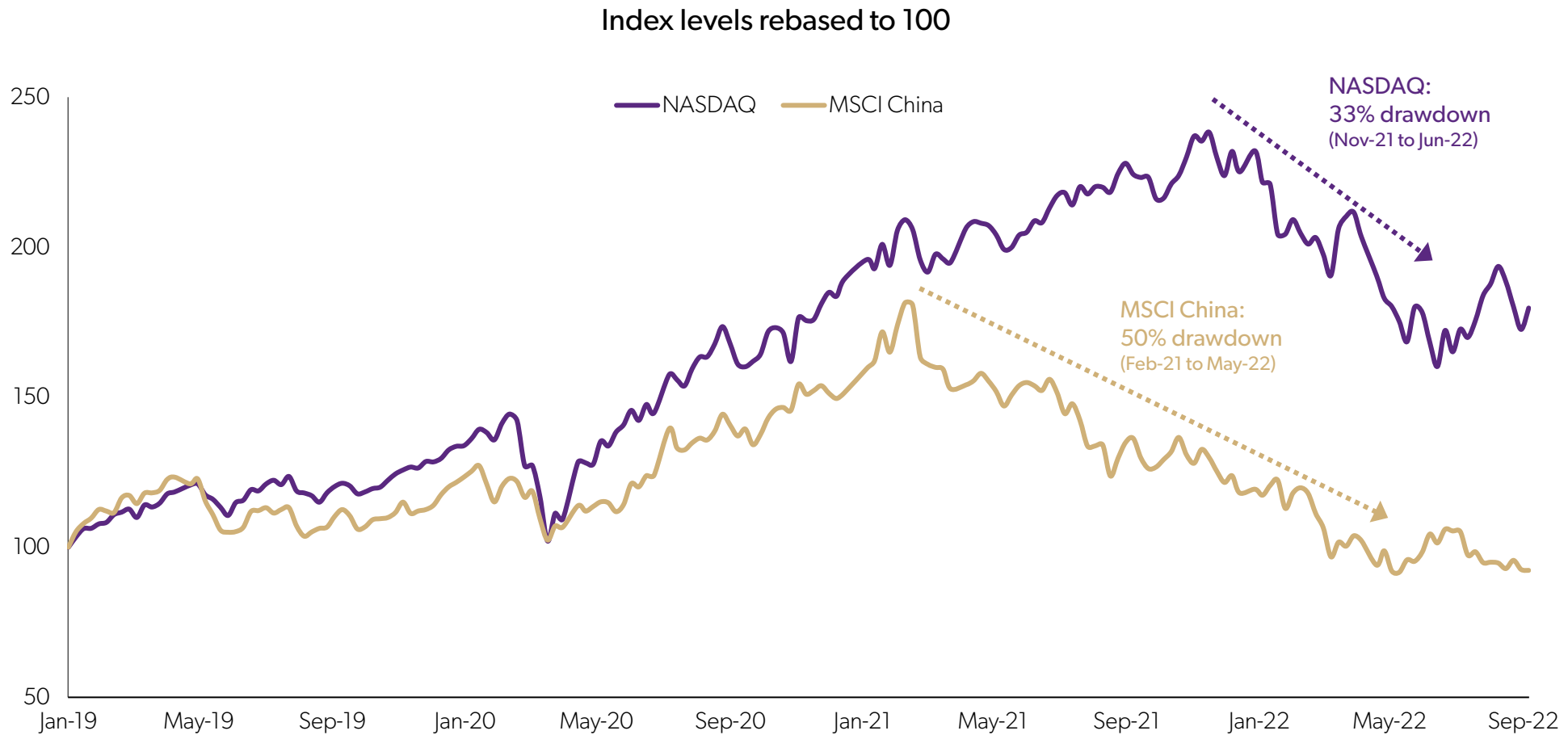
Global battery market outlook

Global battery market outlook by application

US\$bn per annum

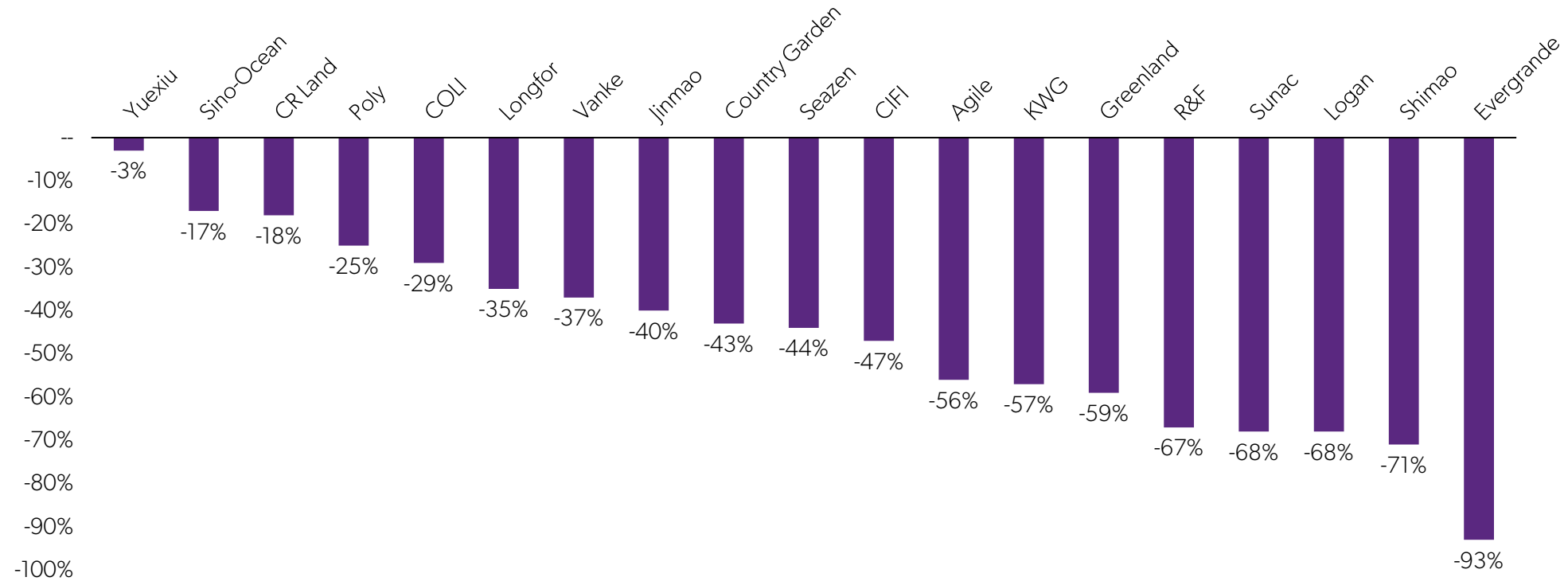


China equity markets closer to capitulation



China developers' sales slowdown showing no sign of turnaround

Contracted sales growth (January-August, yoy%)



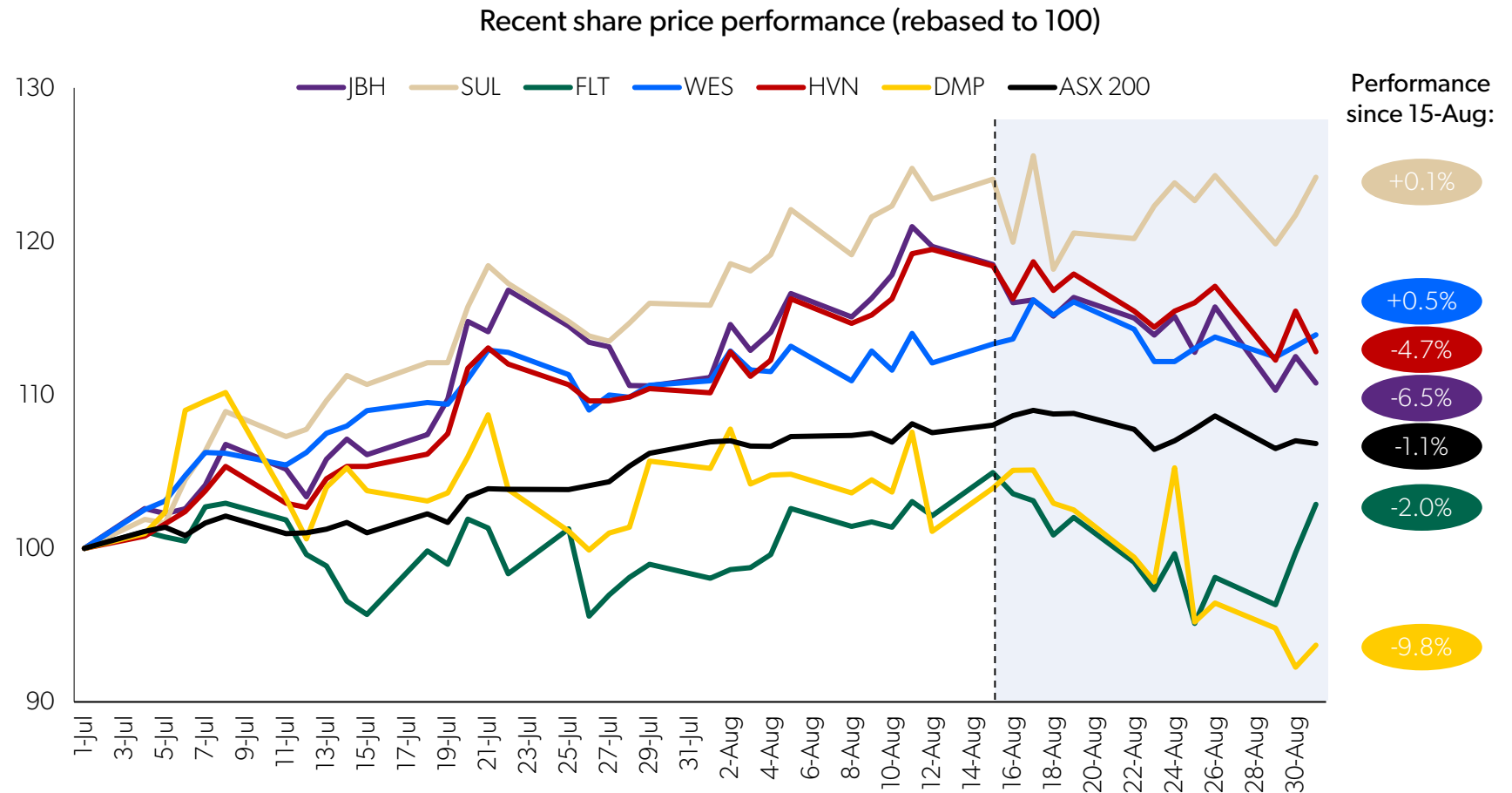
Source: Bloomberg, as at September 2022. Note: Sales figures are preliminary estimates provided by China Real Estate Information Corp (CRIC).

Australian Equities – Consumer Sector

- Portfolio Manager Jovita Khilnani -

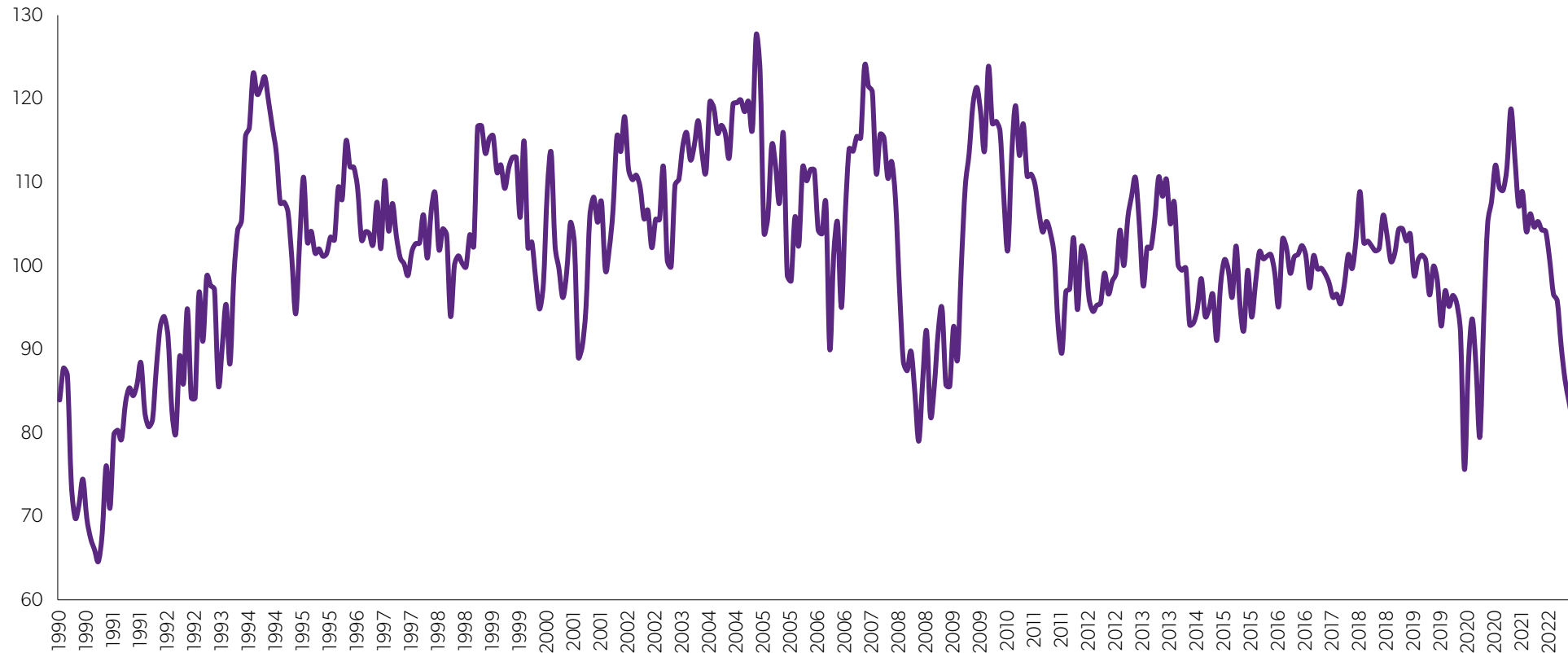
ASX-listed discretionary retailers have underperformed post results

Discretionary retailers have generally underperformed the market since results commenced on 15 August 2022 despite delivering results ahead of market expectations



The consumer is spending now but cautious about the future

Westpac-Melbourne Institute Consumer Confidence Consumer Sentiment



Source: Westpac Banking Corporation, Bloomberg.

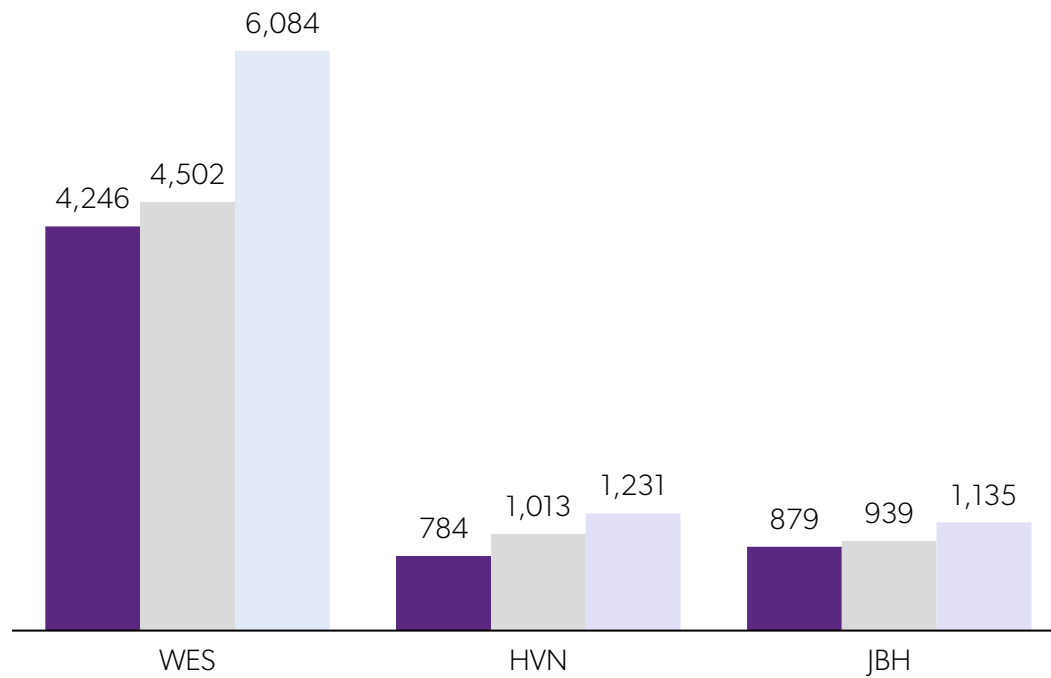
Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance.

Inventory levels are elevated

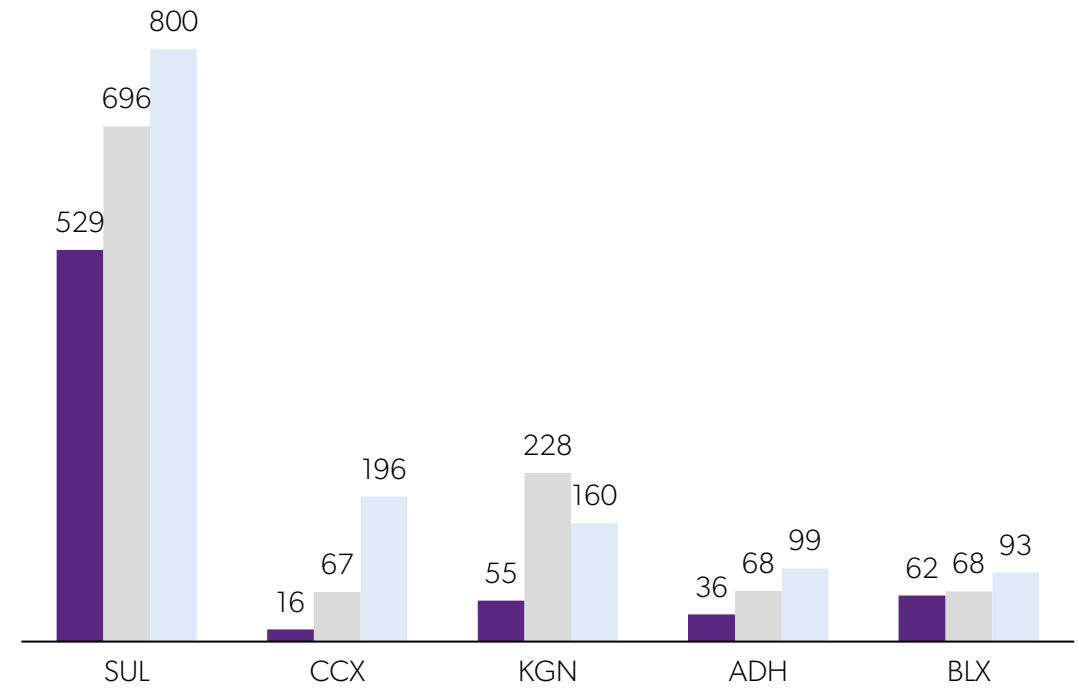
Retailer inventory balances (A\$m)

■ 3 yr pre-COVID average ■ 2021 ■ 2022

ASX 100 retailers



ASX ex-100 retailers



Source: Company Accounts. Working capital used for HVN, since Aus Franchising is not consolidated in reported inventory balance.

Kilter Rural Water Strategy

- Chief Executive Officer Cullen Gunn -

Australia's most experienced water investment manager

KILTER
RURAL
REGAL
 FUNDS

Established in 2004, Kilter Rural are one of the largest water managers in Australia, delivering long-term value to investors through uncorrelated, resilient, farmland and water investments for 18 years.

Operating in the Southern Murray Darling Basin, we are the manager of the Water strategy added to RF1 in August 2022.

Kilter is 61% owned by Regal Funds Management.

EXPERIENCED

With investments dating back to 2006, Kilter is the most experienced water investment manager in Australia.

TRACK RECORD

A history of outperforming target returns.

INNOVATIVE

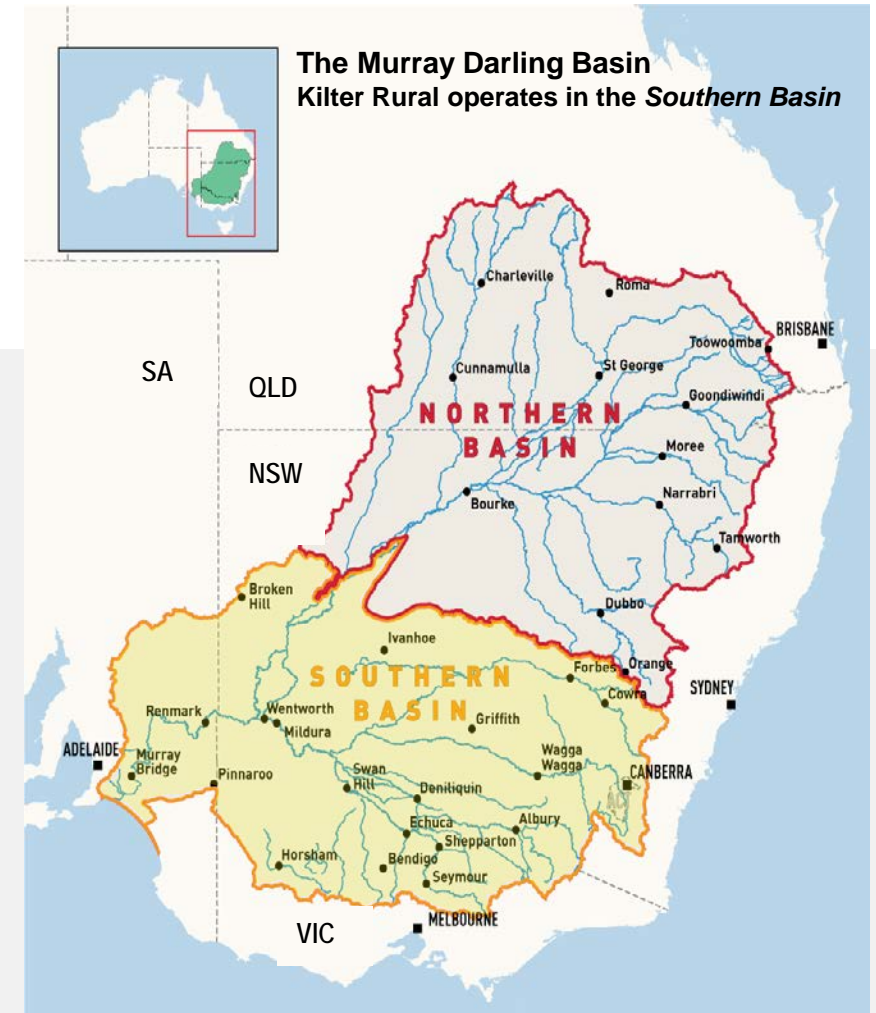
Kilter has initiated and deployed almost every water product in the Southern Murray Darling Basin water market.

RESPECTED

Highly respected in market with a strong social licence to operate.

CONNECTED

Over 14 years have built one of the most extensive client books in the market.



Exposure to the most sophisticated water market in the world

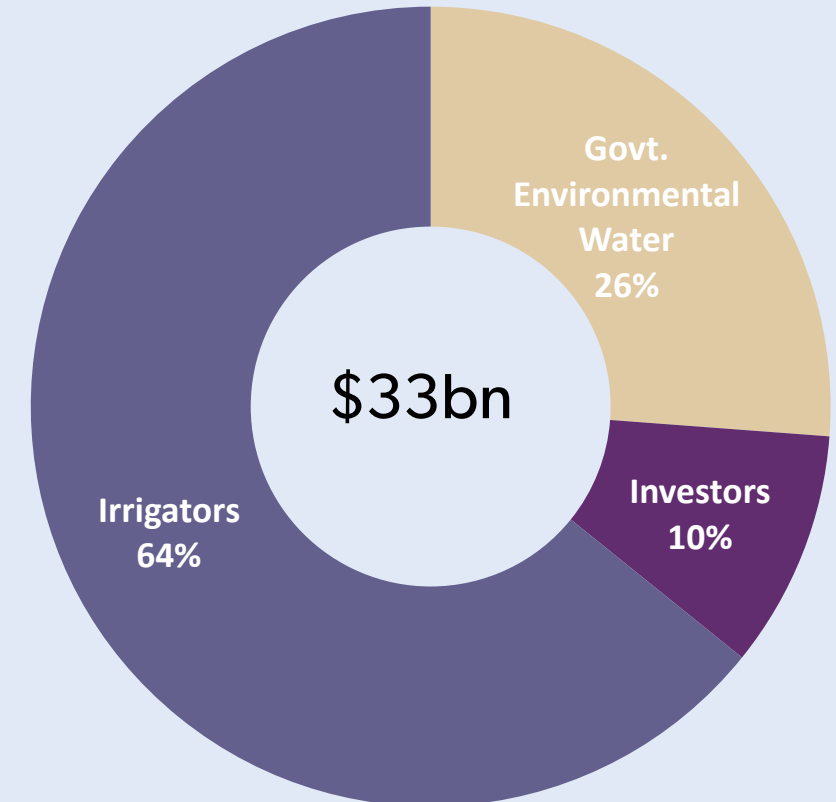


An introduction to the Australian Water Market

- \$33b market
- Annual turnover in Entitlements and Allocation > A\$1Bn
- By value state and federal govt. owns 26% of water
- Investors estimated to own 10%
- Farmers 64%
- Investible opportunity of over A\$3bn

Asset features

- History of strong and uncorrelated returns
- Secure property rights – certainty of title, perpetual, transferable, mortgageable
- Real tangible asset
- No limit on useful life – No R&M, no depreciation



Kilter Water Strategy – performance and overview



- The Kilter Water strategy invests in water entitlements and water allocations.
- Permanent water entitlements generate income by either selling or leasing the annual water allocation attached to that entitlement each year.
- Water users are farming families and business producing a diversity of produce including milk, citrus, table grapes, wine grapes and almonds.
- Permanent water entitlements are tradeable and can generate capital growth.
- The market is currently experiencing its third above average rainfall (La Nina) season in a row. Climate change modelling suggests a longer-term trend to water scarcity.
- In our view, the fundamentals of increasing demand and reducing supply provide an attractive outlook for water.

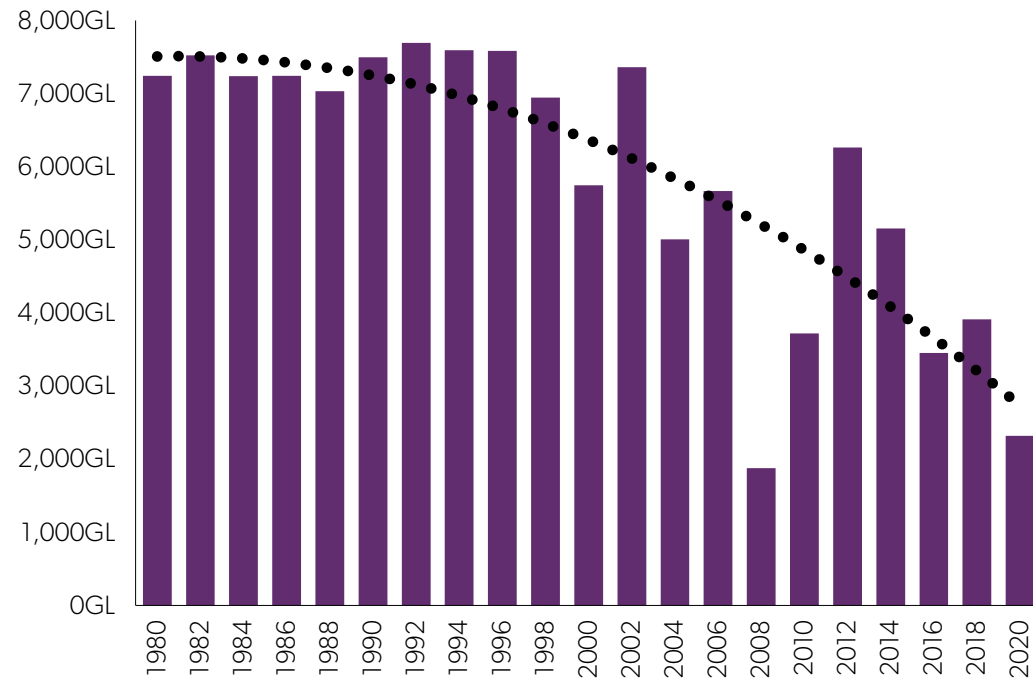
| Kilter Water Strategy | |
|---|-----------|
| Inception date | July 2014 |
| Since inception annualised return | +15.2% |
| Rolling 12 month return to August 2022 | +24.0% |
| Annualised volatility | 10.7 |
| Correlation to S&P/ASX 300 Accumulation Index | 0.00 |

Increasing scarcity is driving water prices higher

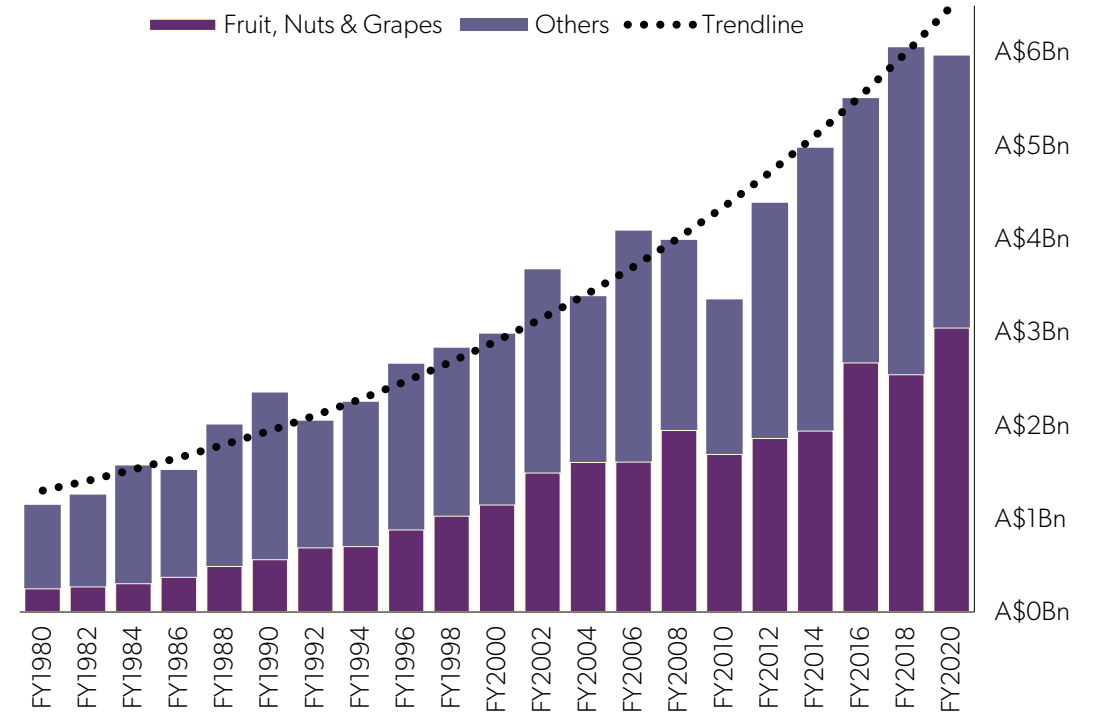
KILTER
RURAL
R E G A L
 FUNDS

Since 1980: Water supplied to irrigators has declined by >50%, whilst value of irrigated agriculture has grown by 500%

Water Allocation Available to Irrigators



Southern Murray Darling Basin Irrigated Agriculture Production Value



RF1 Portfolio & Investment Characteristics – 31 August 2022

Percentage of Positive Months

72%

Current Number of Strategies

7

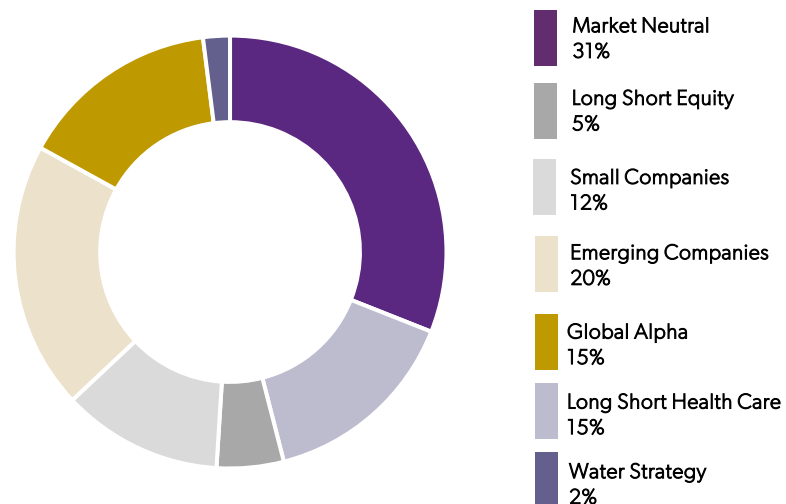
Sharpe Ratio

1.05

Sortino Ratio

1.06

CURRENT EXPOSURE BY STRATEGY (NAV)



GROSS RETURNS IN RF1 BY STRATEGY¹

| STRATEGY PERFORMANCE WITHIN RF1 ¹ | 3MTH | 1 YR | 2YRS P.A. | SINCE INCEPTION P.A. |
|--|------|------|-----------|----------------------|
| Market Neutral | -1% | +34% | +37% | +27% |
| Aus. Long Short Equity | +3% | +7% | +18% | +18% |
| Aus. Small Companies | -6% | -35% | +16% | +20% |
| Emerging Companies | -5% | -5% | +16% | +45% |
| Long Short Health Care | +2% | +2% | +9% | +9% |
| Global Alpha | +6% | +57% | +79% | +84% |
| Water Strategy ¹ | - | - | - | - |

BALANCE SHEET EXPOSURES (% OF NAV)

| SECTOR | LONG | SHORT | NET |
|------------------------|------------|------------|-----------|
| Communication Services | 7 | -3 | 4 |
| Consumer Discretionary | 10 | -12 | -2 |
| Consumer Staples | 4 | -6 | -2 |
| Diversified | 5 | 0 | 5 |
| Energy | 22 | -3 | 19 |
| Financials | 22 | -8 | 14 |
| Health Care | 27 | -18 | 9 |
| Industrials | 15 | -8 | 6 |
| Information Technology | 21 | -14 | 7 |
| Materials | 33 | -14 | 19 |
| Real Estate | 9 | -7 | 2 |
| Utilities | 1 | -2 | 0 |
| Total | 176 | -95 | 80 |

| REGION | LONG | SHORT | NET |
|--------------|------------|------------|-----------|
| Asia | 19 | -9 | 10 |
| Australia/NZ | 145 | -53 | 91 |
| EMEA | 6 | -2 | 4 |
| Americas | 6 | -31 | -24 |
| Total | 176 | -95 | 80 |

Delivering Unitholder Value

RF1 STATISTICS

Launch date

17 June 2019

Net Asset Value

\$3.23

ASX Market Price

\$3.14

Annualised Return Since Inception

+26%

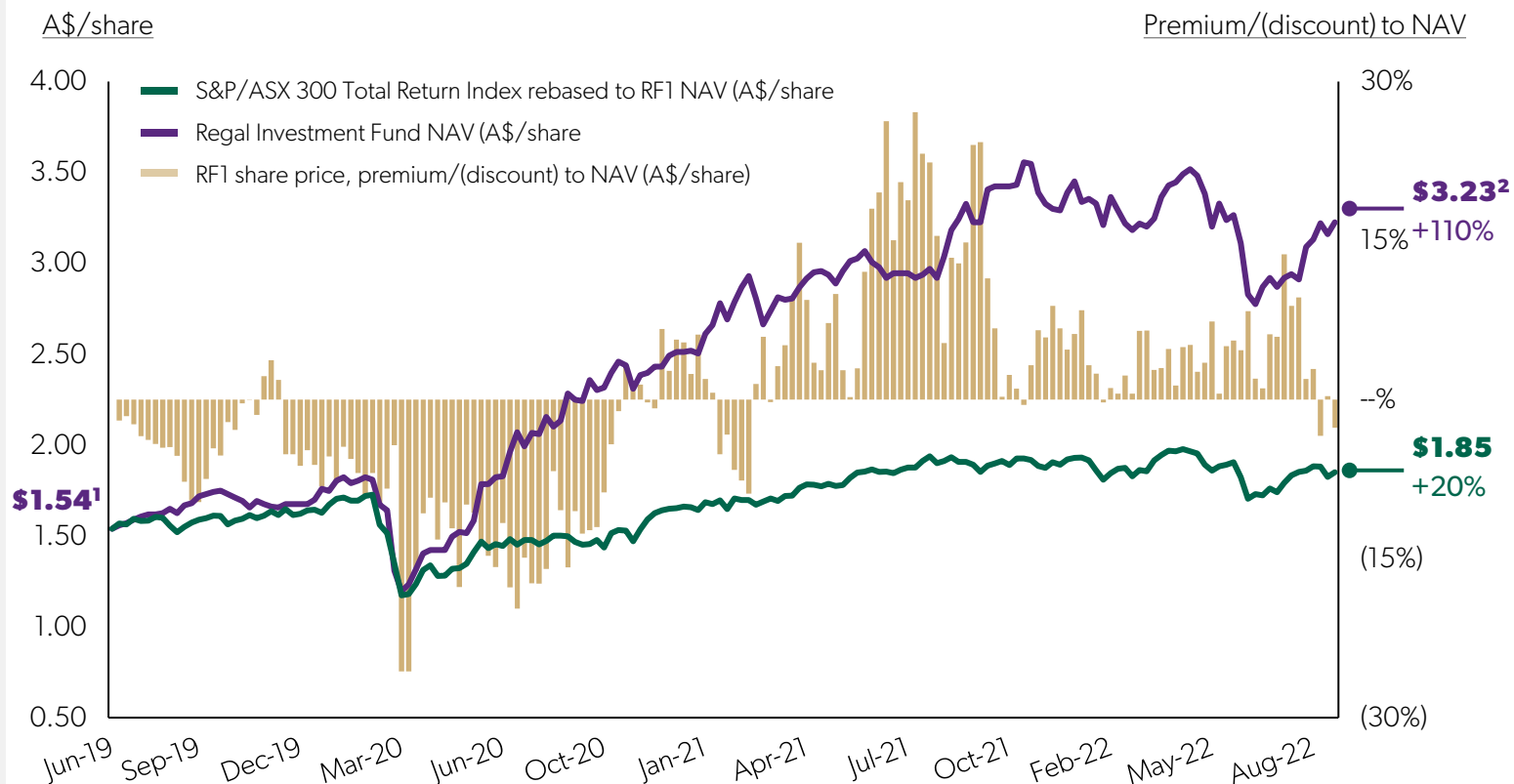
Total Return Since Inception

+110%

Distribution Yield (last 12 months)

13%

RF1 NAV AND SHARE PRICE PREMIUM – ADJUSTED FOR DISTRIBUTIONS



Source: Regal, Bloomberg as at 9 September 2022.

Note: (1) Adjusted to reflect lower capital base due to distributions since inception, (2) net of all fees.

Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance.

Key Pillars of a Successful Listed Investment Vehicle

RF1 Fund Size

\$573m

Return Since Inception¹

26% p.a.

ASX Listing Date

17 Jun 2019

Investment Performance

Deliver attractive risk-adjusted absolute returns over the medium term

Perform in line or above market expectations

Explain mistakes/underperformance

+26% p.a. return (NAV)

+110% total return¹

Investor Engagement & Communication

Experienced sales and marketing team

Structured client engagement program (performance updates, webinars, broker meetings and calls)

Scalable marketing technology and CRM platform

Consistent communication schedule designed to inform and engage unitholders

Capital Management Initiatives

Defined distribution policy

Buyback utilised meaningfully when trading at a discount

Grow and raise capital via a structure that reflects alignment

Buyback actively in place

Cash distribution of \$1.69 per unit paid since inception²

1. From 17 June 2019 listing date to 9 September. Performance is calculated net of all fees and assumes distributions reinvested. Past performance is not a reliable indicator of future performance and it should not be relied upon as an indication of the future performance of the Fund.

2. Cash distributions calculated from 17 June 2019 listing date to 9 September 2022.

Investor Q&A



BRENDAN O'CONNOR

Chief Executive Officer
Regal Partners



PHILIP KING

Chief Investment Officer
Regal Funds



JOVITA KHILNANI

Portfolio Manager
Australian Equities
Regal Funds



CULLEN GUNN

Chief Executive Officer
Kilter Rural

Thank you for joining the Investor Update for the,
Regal Investment Fund (ASX: RF1)

If you have any questions following this presentation, please contact our Registry on:
regalfund@linkmarketservices.com.au

Alternatively, please visit the manager's website:
www.regalfm.com

Thank you again for your continued support