

APPENDIX 4D HALF-YEAR REPORT

Regal Investment Fund (ARSN 632 283 384) (the "Fund")

DETAILS OF REPORTING PERIOD

Current reporting period: 1 July 2022 to 31 December 2022
 Previous corresponding period: 1 July 2021 to 31 December 2021

RESULTS FOR ANNOUNCEMENT TO THE MARKET

PERFORMANCE	HALF-YEAR ENDED 31 DECEMBER 2022 \$'000		HALF-YEAR ENDED 31 DECEMBER 2021 \$'000
Total investment income/(loss) (Revenue from ordinary activities)	55,059	Down 47% from	103,162
Operating profit/(loss) for the half-year	21,846	Down 67% from	65,605
Total comprehensive income/(loss) for the half-year	21,846	Down 67% from	65,605

DETAILS OF DISTRIBUTIONS

DISTRIBUTIONS ^{(1), (2), (3)}	RECORD DATE	PAYMENT DATE	AMOUNT PER UNIT (CPU)
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Distribution – December 2022 (payable) 3 January 2023 31 January 2023 15.000

- (1) On 23 December 2022 the Fund has announced the estimated details of its distribution for the six months ending 31 December 2022.
- (2) Subsequent to the current reporting period, on 18 January 2023, the Fund has announced the actual details of its six-monthly distribution and made a payment on 31 January 2023. DRP election date was 4 January 2023.
- (3) Includes estimated Franking Credits of 2.3857 Cents Per Unit.

DETAILS OF DISTRIBUTIONS REINVESTMENT PLAN

The Responsible Entity established a distribution reinvestment plan (DRP) on 17 June 2019. An eligible unit holder may elect into the DRP by completing an election notice and sending it to the registry. An eligible member may elect to partially or fully participate in the DRP and is recorded on the register once the Responsible Entity has accepted the election.

On 9 July 2020, in accordance with the rules of the DRP (section 11), the Responsible Entity provided a notice of amendment to the DRP. The effect of change is to increase the period that the Responsible Entity has to purchase units on market for the DRP from up to 10 trading days to up to 20 trading days.



Under the DRP, the Responsible Entity has the discretion to determine whether new units will be issued, or existing units purchased on market. This is driven by the following:

- Where the market price is greater than or equal to the net asset value price, new units will be issued; or
- Where the market price is less than the net asset value price, existing units will be purchased on market.

Details on the DRP may be found at <https://www.regalfm.com/site/regal-investment-fund>

ON-MARKET BUY-BACKS

On 5 February 2021, the Responsible Entity in consultation with the Investment Manager, has exercised its discretion to commence a buy-back to purchase units on-market with a view to addressing any unsatisfied liquidity in the units or any material discount in the price at the which the units may have been trading to the NAV per unit.

The buy-back has been in accordance with the Constitution, ASX Listing Rules and all applicable laws. A buy-back will not exceed 10% of the smallest number of units on issue in the Fund during the 12 months prior to any buy-back, unless otherwise approved by ordinary resolution of unitholders.

On 16 February 2022, the buy-back was extended for an additional 12 months to 4 February 2023 and on 3 February 2023, the buy-back was extended for another 12 months, from 5 February 2023 to 4 February 2024.

Units purchased by the Responsible Entity under the buy-back will be immediately cancelled.

During the half-year ended 31 December 2022, the Fund has purchased on-market and cancelled 1,486,427 units at a cost of \$4,710,669.

CAPITAL RAISING

On 1 December 2022, a Placement and Unit Purchase Plan were announced to the ASX. The placement raised \$79,759,130 and the Unit Purchase Plan raised \$12,319,993. A total of 26,498,050 units were issued under the Placement and a total of 4,092,657 units were issued under the Unit Purchase Plan. Proceeds raised will be allocated across Regal's existing strategies, including long/short equities, private markets, real and natural assets and capital solutions. It is anticipated that RF1 will also deploy capital into the new Private Credit Strategy on a measured and opportunistic basis, given the expectation of attractive investment opportunities and to further diversify RF1's portfolio across public and private alternative investment strategies.

NET TANGIBLE ASSETS

	AS AT 31 DECEMBER 2022	AS AT 31 DECEMBER 2021
Total net tangible assets attributable to unit holders (\$'000)	580,834	653,072
Units on issue ('000)	207,244	171,929
Net tangible assets attributable to unit holders per unit (\$)	2.80	3.80

CONTROL GAINED OR LOST DURING THE PERIOD

During the half-year ended 31 December 2022 the Fund became the majority investor in the Regal Resources Royalties Fund.

ASSOCIATES AND JOINT VENTURES ENTITIES

The Fund did not have any interest in associates and joint venture entities during the half-year ended 31 December 2022.



STATUTORY REVIEW

The interim report for the half-year ended 31 December 2022 has been reviewed by Ernst & Young and an unmodified review opinion has been issued.

COMMENTARY

Additional Appendix 4D disclosure requirements can be found in the financial report for the half-year ended 31 December 2022 which contains the Directors' report, the condensed financial statements and accompanying notes.

Philip Gentry, Director, Equity Trustees Limited, the Responsible Entity of Regal Investment Fund, has authorised that this document be given to the ASX.

REGAL INVESTMENT FUND

ARSN 632 283 384

CONDENSED FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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CONDENSED FINANCIAL REPORT FOR THE HALF-YEAR ENDED 31 DECEMBER 2022

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This condensed financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this condensed financial report is to be read in conjunction with the annual report for the year ended 30 June 2022 and any public announcements made in respect of Regal Investment Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

This condensed financial report covers Regal Investment Fund as an individual entity.

The Responsible Entity of Regal Investment Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975).

The Responsible Entity's registered office is:

Level 1, 575 Bourke Street
Melbourne, VIC 3000.

DIRECTORS' REPORT

The directors of Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975), the Responsible Entity of Regal Investment Fund (the "Fund"), present their report together with the condensed financial statements of the Fund for the half-year ended 31 December 2022. These condensed financial statements have been prepared as it is a disclosing entity under the *Corporations Act 2001*.

Principal activities

The Fund invests in alternative investment strategies managed by Regal Funds Management Pty Limited ("Regal"), in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution. The Fund also uses derivatives for economic hedges.

The Fund did not have any employees during the half-year ended 31 December 2022.

There were no significant changes in the nature of the Fund's activities during the half-year ended 31 December 2022.

The various service providers for the Fund are detailed below:

Service	Provider
Responsible Entity	Equity Trustees Limited
Investment Manager	Regal Funds Management Pty Limited
Custodian and Administrator	The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch
Prime Brokers	UBS AG, Australia Branch Credit Suisse Securities (Europe) Ltd Merrill Lynch International Bank Ltd Morgan Stanley J.P Morgan
Statutory Auditor	Ernst & Young

Directors

The following persons held office as directors of Equity Trustees Limited during or since the end of the half-year and up to the date of this report:

Philip D Gentry	Chairman
Mary A O'Connor Michael J O'Brien Russell W Beasley Samantha Einhart	Company Secretary

Review and results of operations

During the half-year, the Fund continued to invest its funds in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The Fund's performance was 2.85% (net of fees) for the half-year ended 31 December 2022. The Fund's benchmark, the RBA Cash Rate, returned 1.15% for the same period.

DIRECTORS' REPORT (CONTINUED)

Review and results of operations (continued)

The performance of the Fund, as represented by the results of its operations, was as follows:

	Half-year ended	
	31 December 2022	31 December 2021
Profit/(loss) for the half-year (\$'000)	21,846	65,605
Distributions paid and payable (\$'000)	31,087	17,193
Distributions (cents per unit)	15.0000	10.0000

Significant changes in the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Fund that occurred during the half-year ended 31 December 2022.

Units buy-back plan

During the half-year ended 31 December 2022, the Fund has purchased on-market and cancelled 1,486,427 units (31 December 2021: Nil units) at a cost of \$4,710,669 (31 December 2021: \$Nil).

Capital raising

On 1 December 2022, a Placement and Unit Purchase Plan were announced to the ASX. The placement raised \$79,759,130 and the Unit Purchase Plan raised \$12,319,993. A total of 26,498,050 units were issued under the Placement and a total of 4,092,657 units were issued under the Unit Purchase Plan. Proceeds raised will be allocated across Regal's existing strategies, including long/short equities, private markets, real and natural assets and capital solutions. It is anticipated that RF1 will also deploy capital into the new Private Credit Strategy on a measured and opportunistic basis, given the expectation of attractive investment opportunities and to further diversify RF1's portfolio across public and private alternative investment strategies.

Matters subsequent to the end of the financial period

No matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may have a significant effect on:

- i. the operations of the Fund in future financial years; or
- ii. the results of those operations in future financial years; or
- iii. the state of affairs of the Fund in future financial years.

DIRECTORS' REPORT (CONTINUED)

Rounding of amounts to the nearest thousand dollars

Amounts in the Directors' report have been rounded to the nearest thousand dollars in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the directors of Equity Trustees Limited through a delegated authority given by Equity Trustees Limited's Board.



Philip D Gentry
Chairman

Melbourne
27 February 2023



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Auditor's independence declaration to the directors of Equity Trustees Limited as responsible entity for Regal Investment Fund

As lead auditor for the review of the half-year financial report of Regal Investment Fund for the half-year ended 31 December 2022, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

Ernst & Young

Jaddus Manga
Partner
27 February 2023

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Notes	Half-year ended	
		31 December 2022 \$'000	31 December 2021 \$'000
Investment income			
Interest income from financial assets at amortised cost		3,034	15
Dividend and distribution income		27,916	9,001
Net gains/(losses) on financial instruments at fair value through profit or loss		25,233	92,329
Net foreign exchange gain/(loss)		(2,627)	(1,050)
Other income	12	1,503	2,867
Total investment income/(loss)		55,059	103,162
Expenses			
Investment Manager fees	14(g)	4,213	20,517
Dividend expense on short positioned securities		6,208	2,840
Interest expense		6,345	1,359
Transaction fees		10,685	9,329
Responsible Entity fees	14(g)	109	105
Auditor's remuneration		29	43
Other expenses	13	5,624	3,364
Total expenses		33,213	37,557
Profit/(loss) for the half-year		21,846	65,605
Other comprehensive income/(loss)		-	-
Total comprehensive income/(loss) for the half-year		21,846	65,605
Basic earnings per unit (cents per unit)	8	12.19	48.09
Diluted earnings per unit (cents per unit)	8	12.19	48.09

The above condensed statement of comprehensive income should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF FINANCIAL POSITION

		As at	
	Notes	31 December 2022 \$'000	30 June 2022 \$'000
Assets			
Cash and cash equivalents		417	337
Due from brokers		64,234	136,358
Receivables	10	5,337	32,357
Financial assets at fair value through profit or loss	3(c),4	979,210	975,034
Total assets		1,049,198	1,144,086
 Liabilities			
Due to brokers		144,946	222,801
Distributions payable	7,9	31,087	50,923
Payables	11	3,561	2,936
Financial liabilities at fair value through profit or loss	3(c),5	288,770	381,623
Total liabilities		468,364	658,283
Net assets attributable to unit holders – equity		580,834	485,803

The above condensed statement of financial position should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Notes	Half-year ended	
		31 December 2022 \$'000	31 December 2021 \$'000
Total equity at the beginning of the half-year		485,803	342,960
Comprehensive income/(loss) for the half-year			
Profit/(loss) for the half-year		21,846	65,605
Other comprehensive income/(loss)		-	-
Total comprehensive income/(loss)		21,846	65,605
Transactions with unit holders			
Applications	7	92,079	212,327
Units buy-back	7	(4,711)	-
Reinvestment of distributions	7	16,904	49,373
Distributions paid and payable	7,9	(31,087)	(17,193)
Total transactions with unit holders		73,185	244,507
Total equity at the end of the half-year		580,834	653,072

The above condensed statement of changes in equity should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CASH FLOWS

	Half-year ended	
	31 December 2022 \$'000	31 December 2021 \$'000
Cash flows from operating activities		
Proceeds from sale of financial instruments at fair value through profit or loss	4,209,605	4,403,055
Payments for purchase of financial instruments at fair value through profit or loss	(4,287,157)	(4,592,073)
Interest income received from financial assets at amortised cost	2,642	15
Dividends and distributions income received	55,628	66,723
Other income received	1,229	2,834
Investment Manager fees paid	(3,806)	(23,869)
Dividend expense paid on short position securities	(6,434)	(2,944)
Interest expense paid	(6,076)	(1,246)
Transaction fees paid	(10,701)	(9,073)
Responsible Entity fees paid	(102)	(82)
Auditors' remuneration paid	(17)	(82)
Other expenses paid	(5,453)	(1,333)
Net cash inflow/(outflow) from operating activities	(50,642)	(158,075)
Cash flows from financing activities		
Proceeds from applications by unit holders	92,079	212,327
Payments for units buy-back	(4,711)	-
Distributions paid to unit holders	(34,019)	(53,075)
Net cash inflow/(outflow) from financing activities	53,349	159,252
Net increase/(decrease) in cash and cash equivalents	2,707	1,177
Cash and cash equivalents at the beginning of the half-year	337	1,177
Effect of foreign currency exchange rate changes on cash and cash equivalents	(2,627)	(1,050)
Cash and cash equivalents at the end of the half-year	417	1,304
Non-cash operating and financing activities		
Issue of units under the distribution reinvestment plan	16,903	49,373

The above condensed statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

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1 GENERAL INFORMATION

These condensed financial statements cover Regal Investment Fund (the "Fund") as an individual entity. The Fund is an Australian registered managed investment scheme which was constituted on 15 March 2019, registered with the Australian Securities and Investments Commission (ASIC) on 26 March 2019 and commenced operations on 29 April 2019. The Fund will terminate in accordance with the provisions of the Fund's Constitution or by Law.

The Fund was listed on the Australian Securities Exchange (ASX) on 17 June 2019 and is quoted under ticker code: RF1.

The Responsible Entity of the Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975) (the "Responsible Entity"). The Responsible Entity's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000. The condensed financial statements are presented in the Australian currency unless otherwise noted.

The Fund invests in alternative investment strategies managed by Regal Funds Management Pty Limited (the "Investment Manager") in accordance with the Product Disclosure Statement and the provisions of the Fund's Constitution.

The condensed financial statements were authorised for issue by the directors on the date the Directors' declaration was signed. The directors of the Responsible Entity have the power to amend and reissue the condensed financial statements.

2 BASIS OF PREPARATION

These condensed financial statements have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The condensed financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these condensed financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any public announcements made in respect of the Fund during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The directors are satisfied that the Fund has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

Significant accounting policies

The accounting policies applied in these condensed financial statements are the same as those applied to the Fund's annual financial statements for the year ended 30 June 2022.

i. New and amended standards adopted by the Fund

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

ii. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2023 and have not been early adopted in preparing these condensed financial statements.

None of these are expected to have a material effect on the condensed financial statements of the Fund.

3 FAIR VALUE MEASUREMENT

The Fund measures and recognises financial assets and liabilities at fair value through profit or loss on a recurring basis.

- Financial assets/liabilities at fair value through profit or loss (see Note 4 and Note 5)

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Fund values its investments in accordance with the accounting policies set out in Note 2 to the condensed financial statements. For the majority of its investments, the Fund relies on information provided by independent pricing services for the valuation of its investments.

The Fund continues to determine net asset values with the frequency as set out in the Product Disclosure Statement, consistently applying valuation policies and reflective of prevailing market conditions.

a. Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

The quoted market price used for financial assets held by the Fund is the last traded price; the quoted market price for financial liabilities is the last traded price.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

3 FAIR VALUE MEASUREMENT (CONTINUED)

b. Fair value in an inactive or unquoted market (level 2 and level 3)

The fair value of financial assets and financial liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The Fund uses widely recognised valuation models for determining fair values of over-the-counter equity swaps and forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including both credit and debit valuation adjustments for counterparty and own credit risk, foreign exchange spot and forward rates. For these financial instruments, significant inputs into models are market observable and are included within level 2.

The Fund held investments that have been categorised within level 3 of the fair value hierarchy as at 31 December 2022 and 30 June 2022. Fair values for investment securities that do not have quoted prices in active markets are derived using a valuation policy that mandates the use of the price of recent investment techniques where the date of the investment is considered sufficiently proximate to the reporting date for the price on investment to remain indicative of the fair value at the reporting date.

Unlisted unit trusts are recorded at the Net Asset Value per units as reported by the underlying administrator.

At 31 December 2022 and 30 June 2022, investments classified within level 3 have significant unobservable inputs as they are infrequently traded. Level 3 investments consist mainly of unlisted, delisted, pre-IPO equity securities and suspended securities and unit trust. As observable prices are not available for these securities, the Investment Manager has used valuation techniques to derive fair value.

3 FAIR VALUE MEASUREMENT (CONTINUED)

c. Recognised fair value measurements

The table below presents the Fund's financial assets and liabilities measured and recognised at fair value as at 31 December 2022 and 30 June 2022.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 31 December 2022				
Financial assets				
Equities	732,431	-	4,805	737,236
Unlisted unit trusts	-	-	229,165	229,165
Warrants	-	201	-	201
Swaps	-	3,615	-	3,615
Futures contracts	1,717	-	-	1,717
Convertible bonds	-	-	7,276	7,276
Total financial assets	734,148	3,816	241,246	979,210
Financial liabilities				
Equities	283,660	-	3,545	287,205
Swaps	-	1,534	27	1,561
Futures contracts	4	-	-	4
Total financial liabilities	283,664	1,534	3,572	288,770
As at 30 June 2022				
Financial assets				
Equities	855,876	-	185	856,061
Unlisted unit trusts	-	-	104,015	104,015
Warrants	-	95	-	95
Swaps	-	8,257	-	8,257
Futures contracts	606	-	-	606
Convertible bonds	-	-	6,000	6,000
Total financial assets	856,482	8,352	110,200	975,034
Financial liabilities				
Equities	375,933	95	3,725	379,753
Swaps	-	1,828	35	1,863
Futures contracts	7	-	-	7
Total financial liabilities	375,940	1,923	3,760	381,623

3 FAIR VALUE MEASUREMENT (CONTINUED)

d. Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The following table presents the transfers between levels at the end of the reporting period.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
As at 31 December 2022			
Transfer between levels 1 and 3	-	-	-
Transfer between levels 2 and 3	-	-	-
As at 30 June 2022			
Transfer between levels 1 and 3	4,596	-	(4,596)
Transfer between levels 2 and 3	-	-	-

e. Fair value measurements using significant unobservable inputs (level 3)

The following table presents the movement in level 3 instruments for the half-year ended 31 December 2022 by class of financial instrument.

	Equities \$'000	Unlisted unit trusts \$'000	Swaps \$'000	Convertible bonds \$'000	Total \$'000
Financial assets					
Opening balance – 30 June 2021	2,272	108,336	-	-	110,608
Transfer into/(out) from level 3	(4,296)	-	-	-	(4,296)
Purchases	10,863	45,078	-	6,000	61,941
Sales	(894)	-	-	-	(894)
Unrealised gains/(losses) recognised in the condensed statement of comprehensive income	(7,570)	(49,399)	-	-	56,969
Realised gains/(losses) recognised in the condensed statement of comprehensive income	(190)	-	-	-	(190)
Closing balance – 30 June 2022*	185	104,015	-	6,000	110,200
Transfer into/(out) from level 3	-	-	-	-	-
Purchases	915	129,254	-	1,276	131,445
Sales	(46)	-	-	-	(46)
Unrealised gains/(losses) recognised in the condensed statement of comprehensive income	3,751	(4,104)	-	-	(353)
Realised gains/(losses) recognised in the condensed statement of comprehensive income	-	-	-	-	-
Closing balance – 31 December 2022*	4,805	229,165	-	7,276	241,246

3 FAIR VALUE MEASUREMENT (CONTINUED)

e. Fair value measurements using significant unobservable inputs (level 3) (continued)

Financial liabilities	Equities \$'000	Unlisted unit trusts \$'000	Swaps \$'000	Convertible bonds \$'000	Total \$'000
Opening balance – 30 June 2021	-	-	(101)	-	(101)
Transfer into/(out) from level 3	(300)	-	-	-	(300)
Purchases	7,569	-	-	-	7,569
Sales	(20,294)	-	(694)	-	(20,988)
Unrealised gains/(losses) recognised in the condensed statement of comprehensive income	6,918	-	66	-	6,984
Realised gains/(losses) recognised in the condensed statement of comprehensive income	2,382	-	694	-	3,076
Closing balance – 30 June 2022*	(3,725)	-	(35)	-	(3,760)
Transfer into/(out) from level 3	-	-	-	-	-
Purchases	-	-	-	-	-
Sales	17	-	28	-	45
Unrealised gains/(losses) recognised in the condensed statement of comprehensive income	173	-	8	-	181
Realised gains/(losses) recognised in the condensed statement of comprehensive income	(10)	-	(28)	-	(38)
Closing balance – 31 December 2022*	(3,545)	-	(27)	-	(3,572)

* Includes unrealised gains or (losses) recognised in profit or loss attributable to balances held at the end of the reporting period

3 FAIR VALUE MEASUREMENT (CONTINUED)

e. Fair value measurements using significant unobservable inputs (level 3) (continued)

i. Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in the level 3 fair value measurements for the half-year ended 31 December 2022. See Note 3(b) above for the valuation techniques adopted.

Description	Fair value \$'000	Valuation technique	Unobservable inputs	Range of inputs (probability-weighted average) \$	Relationship of unobservable inputs to fair value \$'000
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As at 31 December 2022

Financial assets

Equities	4,805	Recent transaction price	Unquoted share price	0.1000 to 11.9500	10% increase in the market price would result in an increase in fair value by 481 and 10% decrease in the market price would result in a decrease in fair value by 481.
Unlisted unit trusts	229,165	Net asset value (NAV)	NAV per unit	0.7150 to 2.4746	10% increase in the NAV per unit would result in an increase in fair value by 22,917 and 10% decrease in the NAV per unit would result in a decrease in fair value by 22,917.
Convertible bonds	7,276 <u>241,246</u>	Cost price	Unquoted bond price	0.3000 to 100.0000	10% increase in the bond price per unit would result in an increase in fair value by 728 and 10% decrease in the bond price per unit would result in a decrease in fair value by 728.

As at 31 December 2022

Financial liabilities

Equities	3,545	Recent transaction price	Unquoted share price	0.0000 to 0.3900	10% increase in the market price would result in an increase in fair value by 355 and 10% decrease in the market price would result in a decrease in fair value by 355.
Swaps	27 <u>3,572</u>	Recent transaction price	Unquoted share price	0.0003 to 0.0003	10% increase in the market price would result in an increase in fair value by 3 and 10% decrease in the market price would result in a decrease in fair value by 3.

3 FAIR VALUE MEASUREMENT (CONTINUED)

e. Fair value measurements using significant unobservable inputs (level 3) (continued)

i. Valuation inputs and relationships to fair value (continued)

Description	Fair value \$'000	Valuation technique	Unobservable inputs	Range of inputs (probability- weighted average) \$	Relationship of unobservable inputs to fair value \$'000
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As at 30 June 2022

Financial assets

Equities	185	Recent transaction price	Unquoted share price	0.0370 to 28.0004	10% increase in the market price would result in an increase in fair value by 19 and 10% decrease in the market price would result in a decrease in fair value by 19.
Unlisted unit trusts	104,015	Net asset value (NAV)	NAV per unit	0.8141 to 1.9110	10% increase in the NAV per unit would result in an increase in fair value by 10,402 and 10% decrease in the NAV per unit would result in a decrease in fair value by 10,402.
Convertible bonds	<u>6,000</u> <u>110,200</u>	Recent transaction price	Unquoted share price	100.0000 to 100.0000	10% increase in the bond price per unit would result in an increase in fair value by 600 and 10% decrease in the bond price per unit would result in a decrease in fair value by 600.

As at 30 June 2022

Financial liabilities

Equities	3,725	Recent transaction price	Unquoted share price	0.0370 to 1.1300	10% increase in the market price would result in an increase in fair value by 373 and 10% decrease in the market price would result in a decrease in fair value by 373.
Swaps	<u>35</u> <u>3,760</u>	Recent transaction price	Unquoted share price	0.0215 to 3.8828	10% increase in the market price would result in an increase in fair value by 4 and 10% decrease in the market price would result in a decrease in fair value by 4.

There were no significant inter-relationships between unobservable inputs that materially affect fair values.

3 FAIR VALUE MEASUREMENT (CONTINUED)

e. Fair value measurements using significant unobservable inputs (level 3) (continued)

ii. Valuation processes

Portfolio reviews are undertaken regularly by management to identify securities that potentially may not be actively traded or have stale security pricing. This process identifies securities which possibly could be regarded as being level 3 securities. Further analysis, should it be required, is undertaken to determine the accounting significance of the identification. For certain security types, in selecting the most appropriate valuation model, management performs back testing and considers actual market transactions. Changes in allocation to or from level 3 are analysed at the end of each reporting period.

f. Financial instruments not carried at fair value

The carrying value of cash and cash equivalents, receivables and payables approximate their fair values due to their short-term nature.

4 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	31 December 2022 \$'000	30 June 2022 \$'000
Equities	737,236	856,061
Unlisted unit trusts	229,165	104,015
Warrants	201	95
Swaps	3,615	8,257
Futures contracts	1,717	606
Convertible bonds	7,276	6,000
Total financial assets at fair value through profit or loss	979,210	975,034

5 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at	
	31 December 2022 \$'000	30 June 2022 \$'000
Equities	287,205	379,753
Swaps	1,561	1,863
Futures contracts	4	7
Total financial liabilities at fair value through profit or loss	288,770	381,623

6 INVESTMENT IN MANAGED INVESTMENT SCHEMES

The Fund invests in Managed Investment Schemes (the "Schemes") for the purpose of capital appreciation and or earning investment income.

The exposure to investments in related party Schemes at fair value, and any related party amounts recognised in the statement of comprehensive income, is disclosed at Note 14 to the condensed financial statements.

The fair value of the Schemes is included as unlisted unit trusts in financial assets at fair value through profit or loss in the condensed statement of financial position.

The Fund's maximum exposure to loss from its interest in the Schemes is equal to the fair value of its investments in the Schemes as there are no off-balance sheet exposures relating to any of the Schemes. Once the Fund has disposed of its units in a Scheme it ceases to be exposed to any risk from that Scheme.

Total losses incurred on investments in the Schemes were \$4,103,782 during the half-year ended 31 December 2022 (2021: gain of \$21,517,146). The Fund also earned \$3,368,696 distribution income during the year (2021: Nil) as a result of its interests in the Schemes.

7 NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS – EQUITY

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Fund shall classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions. The Fund's units are classified as equity as they meet the definition of a financial liability to be classified as equity.

Movements in the number of units and net assets attributable to unit holders during the year were as follows:

	Half-year ended		Half-year ended	
	31 December	31 December	31 December	31 December
	2022	2022	2021	2021
	Units '000	\$'000	Units '000	\$'000
Opening balance	172,252	485,803	101,320	342,960
Applications	30,591	92,079	56,023	212,327
Units buy-back	(1,486)	(4,711)	-	-
Reinvestment of distributions	5,887	16,904	14,586	49,373
Distributions paid and payable	-	(31,087)	-	(17,193)
Profit/(loss) for the half-year	-	21,846	-	65,605
Closing balance	207,244	580,834	171,929	653,072

As stipulated within the Fund's Constitution, each unit represents a right to an individual unit in the Fund and does not extend to a right in the underlying assets of the Fund.

There are no separate classes of units and each unit has the same rights attaching to it as all other units of the Fund.

Units buy-back plan

During the half-year ended 31 December 2022, the Fund has purchased on-market and cancelled 1,486,427 units (31 December 2021: Nil units) at a cost of \$4,710,669 (31 December 2021: Nil).

7 NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS – EQUITY (CONTINUED)

Capital raising

On 1 December 2022, a Placement and Unit Purchase Plan were announced to the ASX. The placement raised \$79,759,130 and the Unit Purchase Plan raised \$12,319,993. A total of 26,498,050 units were issued under the Placement and a total of 4,092,657 units were issued under the Unit Purchase Plan. Proceeds raised will be allocated across Regal's existing strategies, including long/short equities, private markets, real and natural assets and capital solutions. It is anticipated that RF1 will also deploy capital into the new Private Credit Strategy on a measured and opportunistic basis, given the expectation of attractive investment opportunities and to further diversify RF1's portfolio across public and private alternative investment strategies.

8 BASIC AND DILUTED EARNINGS PER UNIT

	Half-year ended	
	31 December 2022	31 December 2021
Profit/(loss) attributable to unit holders (\$'000)	21,846	65,605
Weighted average number of units on issue ('000)	179,182	136,422
Basic earnings per unit (cents per unit)	12.19	48.09

	Half-year ended	
	31 December 2022	31 December 2021
Profit/(loss) attributable to unit holders (\$'000)	21,846	65,605
Weighted average number of units on issue ('000)	179,182	136,422
Diluted earnings per unit (cents per unit)	12.19	48.09

9 DISTRIBUTIONS TO UNIT HOLDERS

The distributions declared during the half-year were as follows:

	Half-year ended		Half-year ended	
	31 December 2022 \$'000	31 December 2022 CPU	31 December 2021 \$'000	31 December 2021 CPU
Distributions				
December (payable)	31,087	15.0000	17,193	10.0000
Total distributions	31,087	15.0000	17,193	10.0000

10 RECEIVABLES

	As at	
	31 December 2022 \$'000	30 June 2022 \$'000
Interest receivable	967	436
Dividends receivable from long positions	3,468	31,179
RITC refund receivable	324	438
Other receivables	578	304
Total receivables	5,337	32,357

11 PAYABLES

	As at	
	31 December 2022 \$'000	30 June 2022 \$'000
Management fees payable	1,569	741
Responsible Entity fees payable	61	42
Dividend payable from short positions	432	659
Auditors' remuneration payable	96	98
Transaction fees payable	495	511
Interest payable	806	537
Withholding tax payable	66	326
Accounting fees payable	14	14
Other payables	22	8
Total payables	3,561	2,936

12. OTHER INCOME

	Half-year ended	
	31 December 2022 \$'000	31 December 2021 \$'000
RITC income	629	1,912
Rebate income	303	24
Underwriting fee income	570	214
Other income	1	717
Total other income	1,503	2,867

13 OTHER EXPENSES

	Half-year ended	
	31 December	31 December
	2022	2021
	\$'000	\$'000
GST expenses	452	2,069
Dividend withholding tax expense	4,902	1,156
Withholding tax expense	92	3
Other fees	178	136
Total other expenses	5,624	3,364

14 RELATED PARTY TRANSACTIONS

The Responsible Entity of Regal Investment Fund is Equity Trustees Limited (ABN 46 004 031 298) (AFSL 240975). Accordingly, transactions with entities related to the Responsible Entity are disclosed below.

The Responsible Entity has contracted services to Regal Funds Management Pty Limited, to act as Investment Manager for the Fund and The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch to act as Custodian and Administrator for the Fund. The contracts are on normal commercial terms and conditions.

(a) Key management personnel

(i) Directors

Key management personnel include Equity Trustees Limited and persons who are directors of Equity Trustees Limited at any time during or since the end of the period and up to the date of this report.

Philip D Gentry	Chairman
Mary A O'Connor	
Michael J O'Brien	
Russell W Beasley	
Samantha Einhart	Company Secretary

(ii) Responsible Entity

Other than the fees paid to the Responsible Entity, there were no other transactions.

(iii) Other key management personnel

There were no other key management personnel with responsibility for planning, directing and controlling activities of the Fund, directly or indirectly during the reporting period.

(b) Transactions with key management personnel

The following transactions occurred with key management personnel during the reporting period:

	Half-year ended	
	31 December	31 December
	2022	2021
	\$	\$
Purchase of units	29,998	341,100
Total	29,998	341,100

14 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Key management personnel unit holdings

Key management personnel held units in the Fund, as follows:

	Number of units held opening	Number of units held closing	Interest held %	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund \$
Unit holder						
As at 31 December 2022						
Platinum Cat Pty Ltd ATF for Platinum Cat Superfund*						
	8,000	8,000	0.0039	-	-	1,200
Michael J O'Brien	250,000	259,966	0.1254	9,966	-	38,995
Russell W Beasley	1	1	0.0000	-	-	-
Unit holder						
As at 30 June 2022						
Platinum Cat Pty Ltd ATF for Platinum Cat Superfund*						
	8,000	8,000	0.0050	-	-	3,165
Michael J O'Brien	160,000	250,000	0.1450	90,000	-	98,908
Russell W Beasley	1	1	-	-	-	-

*Philip D Gentry is a member of the Platinum Cat Superfund.

(d) Key management personnel compensation

Key management personnel are paid by EQT Services Pty Ltd. Payments made from the Fund to Equity Trustees Limited do not include any amounts directly attributable to the compensation of key management personnel and are not related to services that directors render to individual funds.

(e) Key management personnel loan disclosures

The Fund has not made, guaranteed or secured, directly or indirectly, any loans to key management personnel or their personally related entities at any time during the reporting period.

(f) Other transactions within the Fund

Apart from those details disclosed in this note, no key management personnel have entered into a material contract with the Fund during the reporting period and there were no material contracts involving management personnel's interests existing at period end.

(g) Responsible Entity fees, Investment Manager fees and other transactions

Under the terms of the Fund's Constitution and Product Disclosure Statement for the Fund, the Responsible Entity and the Investment Manager are entitled to receive management fees. The Investment Manager is also entitled to performance fees.

14 RELATED PARTY TRANSACTIONS (CONTINUED)

(g) Responsible Entity fees, Investment Manager fees and other transactions (continued)

The transactions during the reporting period and amounts payable at period end between the Fund, the Responsible Entity and the Investment Manager were as follows:

	Half-year ended	
	31 December 2022	31 December 2021
	\$	\$
Management fees for the half-year	4,212,459	4,077,958
Performance fees for the half-year	-	16,438,917
Responsible Entity fees for the half-year	109,321	104,953
Management fees payable at half-year end	1,568,868	1,940,610
Performance fees payable at half-year end	-	18,082,809
Responsible Entity fees payable at half-year end	60,613	67,992

The performance fee will be calculated and accrued at least monthly and is payable at the end of each performance period in arrears. Performance periods are typically six months in duration and end on 30 June or 31 December. The performance fee of 20% (plus GST) of the amount by which the portfolio's outperformance against the RBA cash rate subject to a high water mark will be calculated and accrued at least monthly.

The Investment Manager is entitled to receive a management fee totalling 1.50% per annum (or 1.54% inclusive of GST less RITC) of the Fund's net assets attributable to unit holders (before the management fees and accrued but unpaid performance fees). The management fee is calculated and accrued at least monthly and are payable monthly in arrears by the Fund.

(h) Related party unit holdings

Parties related to the Fund (including Equity Trustees Limited, its related parties and other schemes managed by Equity Trustees Limited and the Investment Manager) hold units in the Fund, as follows:

	Number of units held opening	Number of units held closing	Interest held %	Number of units acquired	Number of units disposed	Distributions paid/payable by the Fund \$
Unit holder						
As at						
31 December 2022						
Equity Trustees Superannuation Limited <AMG Super> and <Acclaim Super> Regal Funds Management Pty Limited	589,784	725,613	0.3501	148,171	12,342	108,842
	233,894	257,979	0.1245	24,085	-	38,697
Unit holder						
As at						
30 June 2022						
Equity Trustees Superannuation Limited <AMG Super> and <Acclaim Super> Regal Funds Management Pty Limited	310,356	589,784	0.3420	357,785	78,357	226,458
	196,746	233,894	0.1360	37,148	-	91,936

14 RELATED PARTY TRANSACTIONS (CONTINUED)

(i) Investments

The Fund held investments in EQT Holdings Limited as the parent of Equity Trustees Limited and other schemes managed by the Investment Manager during the reporting period as follows.

	Number of units held opening	Number of units held closing	Interest held %	Distributions earned \$	Distributions receivable \$	Number of units acquired	Number of units disposed
As at							
31 December 2022							
EQT Holdings Limited	98,490	179,793	0.68	88,078	-	114,338	33,035
Regal Emerging Companies Fund III	50,994,042	50,994,042	53.71	-	-	-	-
Regal Emerging Companies Opportunities Fund	40,183,383	85,335,998	12.89	-	-	45,152,615	-
Regal Resources Royalties Fund	8,000,000	56,144,930	67.85	3,368,696	3,368,696	48,144,930	-
As at							
30 June 2022							
EQT Holdings Limited	-	98,490	0.47	73,100	-	138,931	40,441
Regal Emerging Companies Fund III	50,994,042	50,994,042	54.13	27,348,105	27,348,105	-	-
Regal Emerging Companies Opportunities Fund	-	40,183,383	6.58	1,651,537	1,651,537	40,183,383	-

15 OPERATING SEGMENTS

The Fund is organised into one main operating segment with only one key function, being the investment of funds internationally. It operates predominantly in Australia and in the securities industry. It earns revenue from dividend income, interest income and other returns from the investment portfolio. The Company invests in different types of securities, as detailed at Note 3 Fair Value Measurement.

16 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On the 3 February 2023, the buy-back program was extended for another 12 months from the 5 February 2023 to 4 February 2024.

No other significant events have occurred since the end of the half-year which would impact on the financial position of the Fund as disclosed in the condensed statement of financial position as at 31 December 2022 or on the results and cash flows of the Fund for the half-year ended on that date.

17 CONTINGENT ASSETS AND LIABILITIES AND COMMITMENTS

There were no outstanding contingent assets, liabilities or commitments as at 31 December 2022 and 30 June 2022.

DIRECTORS' DECLARATION

In the opinion of the directors of the Responsible Entity:

- a. The condensed financial statements and notes set out on pages 6 to 27 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - ii. giving a true and fair view of the Fund's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
- b. There are reasonable grounds to believe that the Fund will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors of Equity Trustees Limited.



Philip D Gentry
Chairman

Melbourne
27 February 2023

Independent auditor's review report to the unitholders of Regal Investment Fund

Conclusion

We have reviewed the accompanying half-year financial report of Regal Investment Fund (the "Fund"), which comprises the condensed statement of financial position as at 31 December 2022, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Fund does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the Fund's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Fund in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Responsible Entity of the Fund are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Fund's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ernst & Young

Ernst & Young

Jaddus M Manga

Jaddus Manga
Partner
Sydney
27 February 2023