

14 August 2020

ASX ANNOUNCEMENT

CHANGE IN INVESTMENT GUIDELINES FOR THE REGAL INVESTMENT FUND (ASX: RF1)

The investment objective of the Regal Investment Fund (ASX: RF1) is to provide investors with exposure to a selection of alternative investment strategies managed by Regal Funds Management (Regal), the Investment Manager of RF1 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 Initial Portfolio comprises exposure to five investment strategies managed by Regal which includes the Market Neutral Strategy. RF1's investment guidelines as outlined in the Product Disclosure Statement (PDS) dated 8 April 2019 requires RF1 to maintain an exposure to the Market Neutral Strategy of between 40% and 60% of RF1's Net Asset Value (NAV). Exposure to each of individual four remaining strategies must be maintained within a range of between 0 – 25% of RF1's NAV, measured at the time of investment. The RF1 investment committee monitors the performance of RF1 and changes the weightings between the strategies from time to time.

Since listing, Regal has found that maintaining a required exposure of between 40% and 60% to the Market Neutral Strategy has, at times, inhibited RF1's ability to dynamically allocate capital between the investment strategies. This has been exacerbated by the strong investment performance of the Emerging Companies Strategy which achieves its exposure via an investment in the Regal Emerging Companies Fund III, and which is an investment fund with no ability to redeem for the next four years. RF1's investment in the Regal Emerging Companies Fund III has increased 93.8% since inception and now represents 31% of RF1's NAV despite representing less than 25% at the time of initial capital allocation.

Accordingly, only 29% of RF1's NAV remains to be allocated to other alternative investment strategies after allowing for a minimum allocation of 40% to the Market Neutral Strategy and the current 31% allocation to the Emerging Companies Strategy.

The RF1 investment committee proposes that effective 31 August 2020 the investment guidelines relating to the Market Neutral Strategy be amended in accordance with the table below.

Regal Investment Fund Investment Guidelines ¹		
	Revised	Former
Market Neutral Strategy	0% – 50%	40% – 60%
Emerging Companies Strategy ²	0% – 25%	0% – 25%
Australian Small Companies Strategy	0% – 25%	0% – 25%
Global Alpha Strategy	0% – 25%	0% – 25%
Australian Long Short Equity Strategy	0% – 25%	0% – 25%

If you have any questions please contact Regal at investorrelations@regalfm.com or 02 8197 4333.

Mr Harvey H Kalman, Director of Equity Trustees in its capacity as the Responsible Entity of RF1 has authorised that this document be given to the ASX.

About Equity Trustees Limited

Equity Trustees Limited ABN 46 004 031 298, AFSL 240975, is a subsidiary of EQT Holdings Limited ABN 22 607 797 615, which is a public company listed on the Australian Securities Exchange (ASX: EQT), the Fund's Responsible Entity. Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today Equity Trustees is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer.

About Regal Funds Management

Regal Funds Management Pty Limited (Regal) ABN 30 107 576 821 AFSL 277737 is the Fund's investment manager. Regal was founded in 2004 and has specialised in alternative investment strategies with a primacy focus on long/short investment strategies.

About Regal Investment Fund

Regal Investment Fund ARSN 632 283 384, is a registered managed investment scheme listed on the Australian Securities Exchange (ASX: RF1).

¹ This table sets out the changes to the percentage of the Fund's NAV which can be allocated to the relevant Regal Investment Strategy.

² Measured as at the time of investment.