

March 3, 2022

This presentation deck accompanies an audio recording at 11:00am AEDT on March 3, 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

Mr Russell Beasley, Director of Equity Trustees Limited has authorised this presentation to be given to the ASX

Equity Trustees Limited
ACN 004 031 298
AFSL 240975



REGAL
FUNDS MANAGEMENT



Regal Investment Fund (ASX.RF1)

ARSN 632 283 384

March 2022

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Agenda

1	Regal Investment Fund (RF1) — Review	5
2	Market Review and Outlook	8
3a	Recent Correction	9
3b	Echoes of 2001 — Shorting Getting Easier	13
3c	Value Stocks Will Ensure Takeover Boom Continues	18
3d	Financials	21
3e	Resources	24
3	Regal Investment Fund (RF1) — Outlook	32
4	Investor Q&A	33
5	Appendix	35

Regal Team



**Philip
King**

Chief Investment
Officer



**Brendan
O'Connor**

Chief Executive
Officer



**Mark
Nathan**

Portfolio Manager
Head of Research



**Tim
Elliott**

Portfolio Manger
Head of Mining



Regal Funds Management



Strong heritage built on long / short investing, pioneering alternatives in Australia since 2004

PERFORMANCE

- Multi-award winning performance track record delivered over 17 years
- Performance driven investment culture with leading sector specialists and Portfolio Managers

SCALE

- Managing FUM of over A\$3bn, delivering scale whilst remaining nimble
- Over 40 staff across offices in Singapore and Sydney

ALIGNMENT

- Owned by founders and staff
- Significant founder and staff capital invested in all Funds
- Capacity limits across all strategies to preserve performance

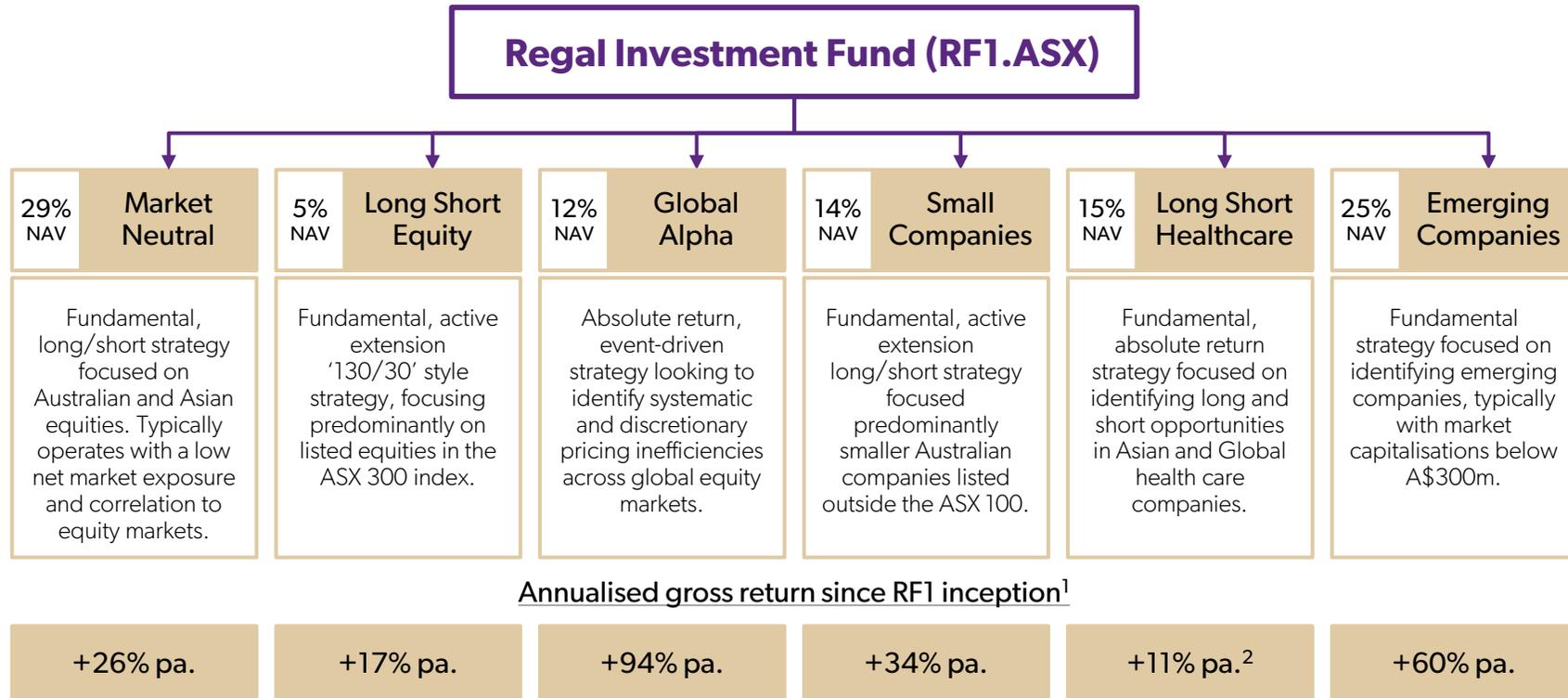
FOCUS

- Dedicated and specialised alternatives manager
- Institutional grade infrastructure and operating model

Note: 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
As at as at 28 February 2022

The Regal Investment Fund (RF1)

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Source: Regal, Bloomberg as at 28 February 2022

Note: (1) from 17 June listing date to 28 February 2022; (2) 7 September 2020 inception date of Strategy.

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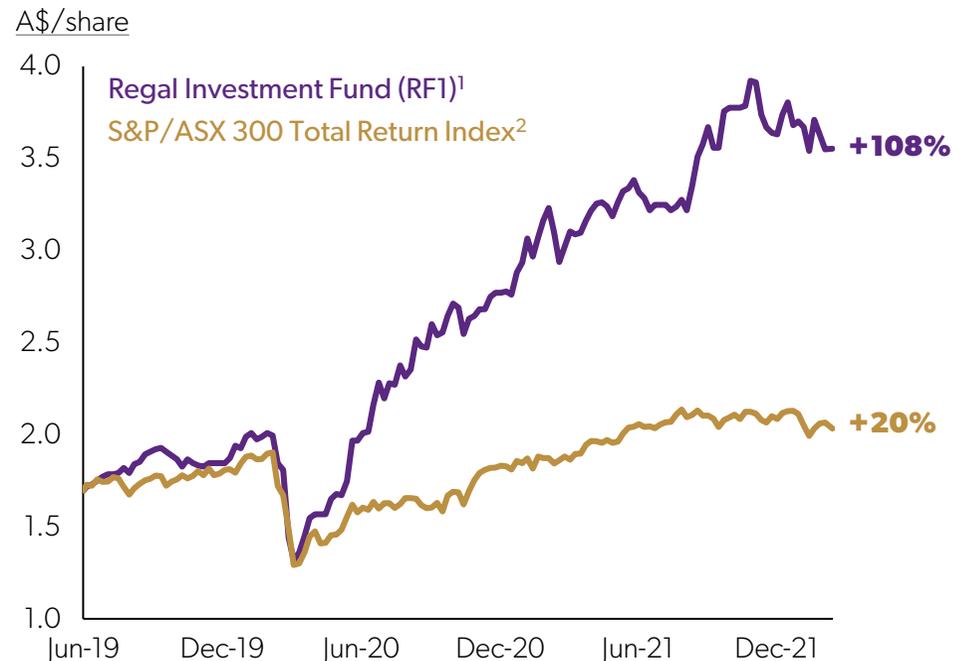
RF1 Investment Highlights



RF1 Overview

- **Performance** – Since inception in June 2019, RF1 has generated total unitholder return of 108%, including cash distributions totalling \$1.39 per unit.
- **Team** – Highly experienced investment team consisting of over 20 staff across Sydney and Singapore, including portfolio managers, equity analysts and sector specialists.
- **Strong Alignment** – Significant personal investments in RF1 and underlying strategies by investment management team.
- **Supportive Product Structure** – Supportive structure in place to support RF1 listed vehicle, including:
 - Weekly NAV updates;
 - Regular communication and marketing schedule;
 - On-Market Buyback Facility;
 - Regular Distributions & DRP.

Performance since listing – Net Asset Value



Source: Regal, Bloomberg as at 28 February 2022

Note: (1) net of all fees; (2) gross of fees.

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RFI Investment Performance



RFI Performance Since Inception

Fund performance	6 Month	1 Year	2 Year pa.	Since Inception pa. ³	Total Return Since Inception ³
Regal Investment Fund^{1,2}	+5%	+14%	+38%	+31%	+108%
S&P/ASX 300 Total Return Index	-4%	+10%	+9%	+9%	+20%

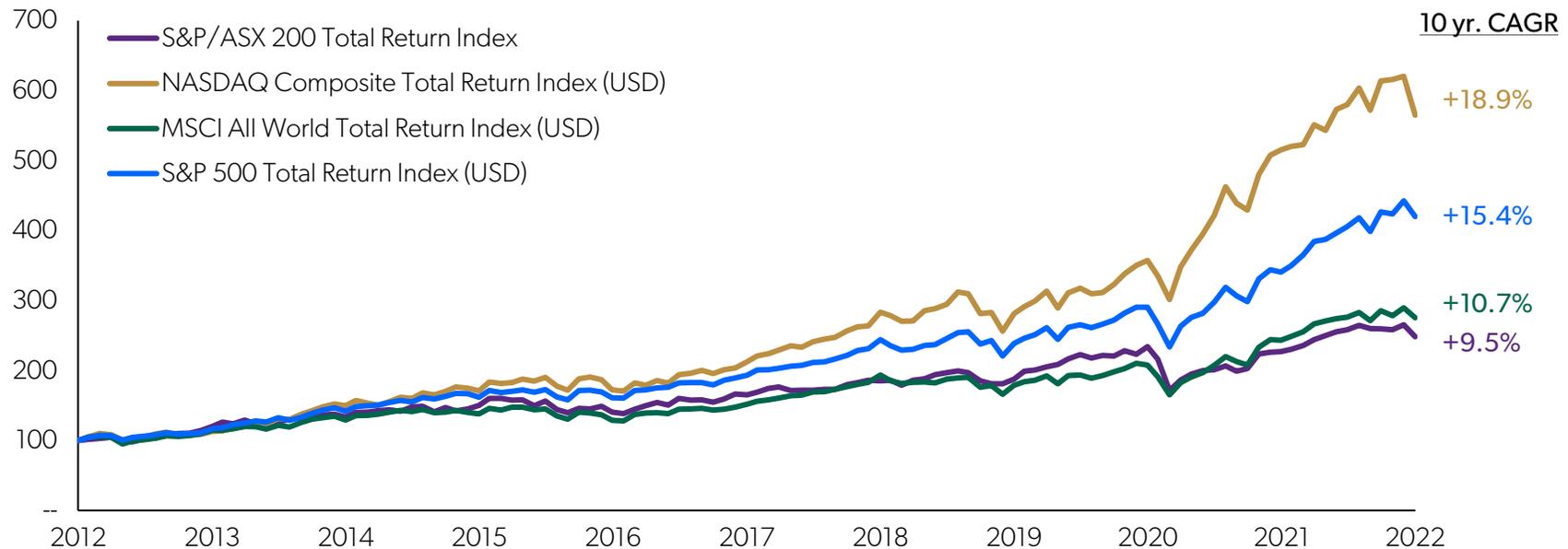
Source: Regal, Bloomberg as at 28 February 2022

Note: (1) net of all fees; (2) Adjusted for historical distributions; (3) calculated from 17 June 2019 listing date to 28 February 2022.

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Australia Has Underperformed Global Peers

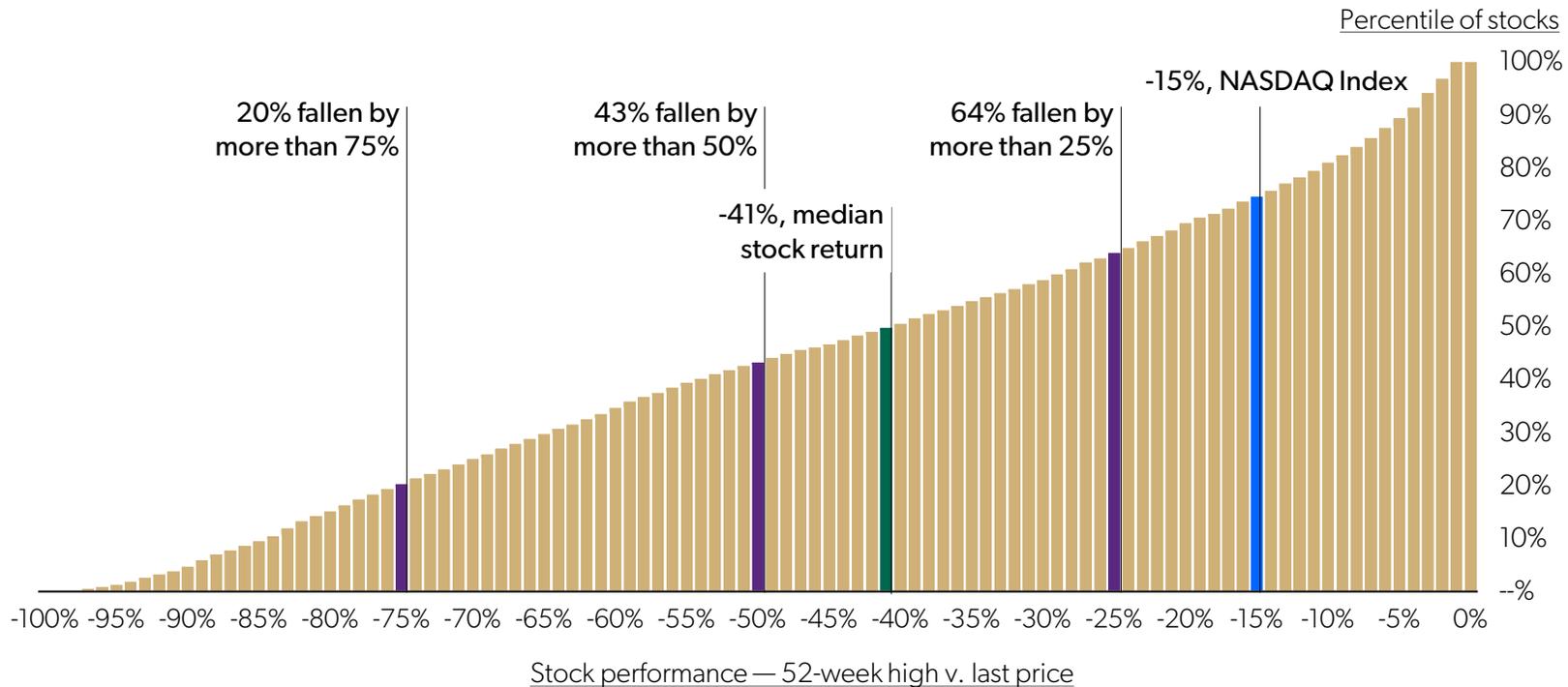
Australia, US and Global stock market indices last 10 years



Source: Regal, Bloomberg as at February 2022

Most NASDAQ Stocks Crunched

Nasdaq Composite Index — cumulative proportion of stocks with performance worse than a given percentage¹



Source: Regal, Bloomberg as at 28 February 2022

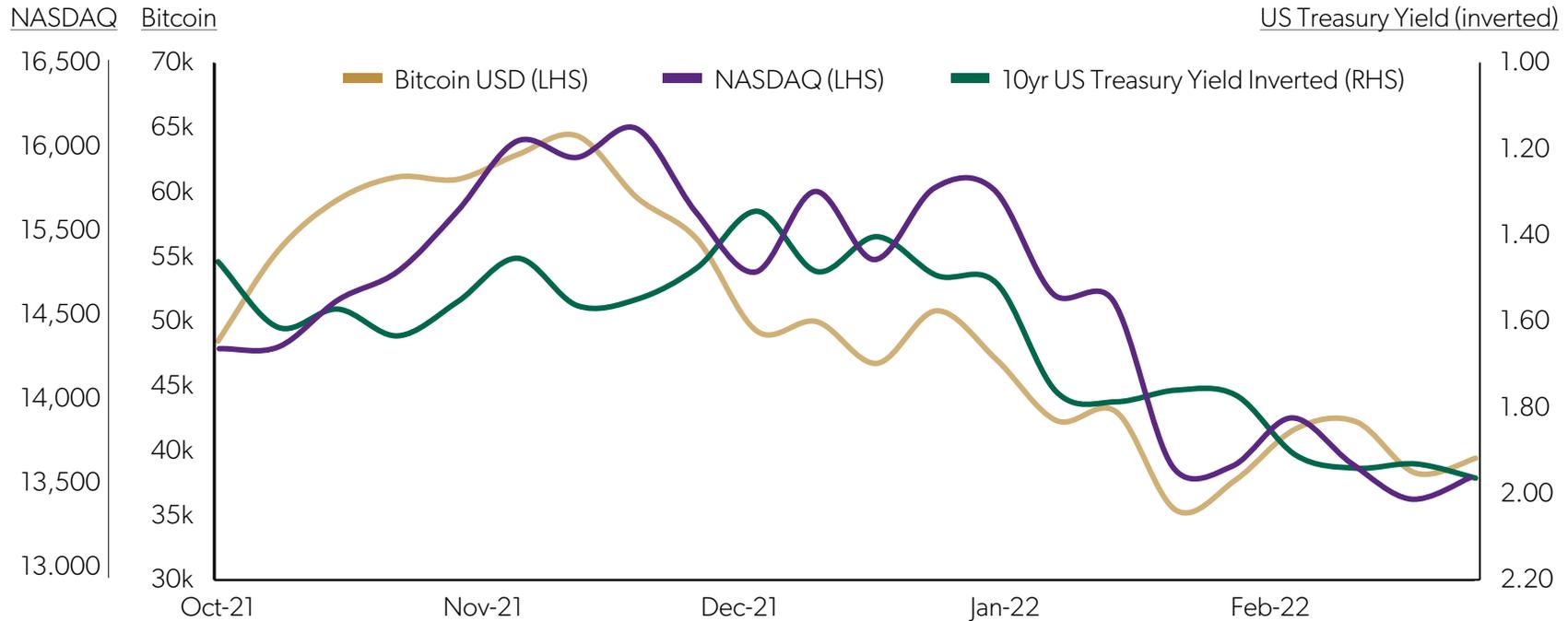
Note:

1. Calculated using last price as at 28 February 2022 and 52-week high

Inflation Fears & Retail Selling Pop NASDAQ Bubble



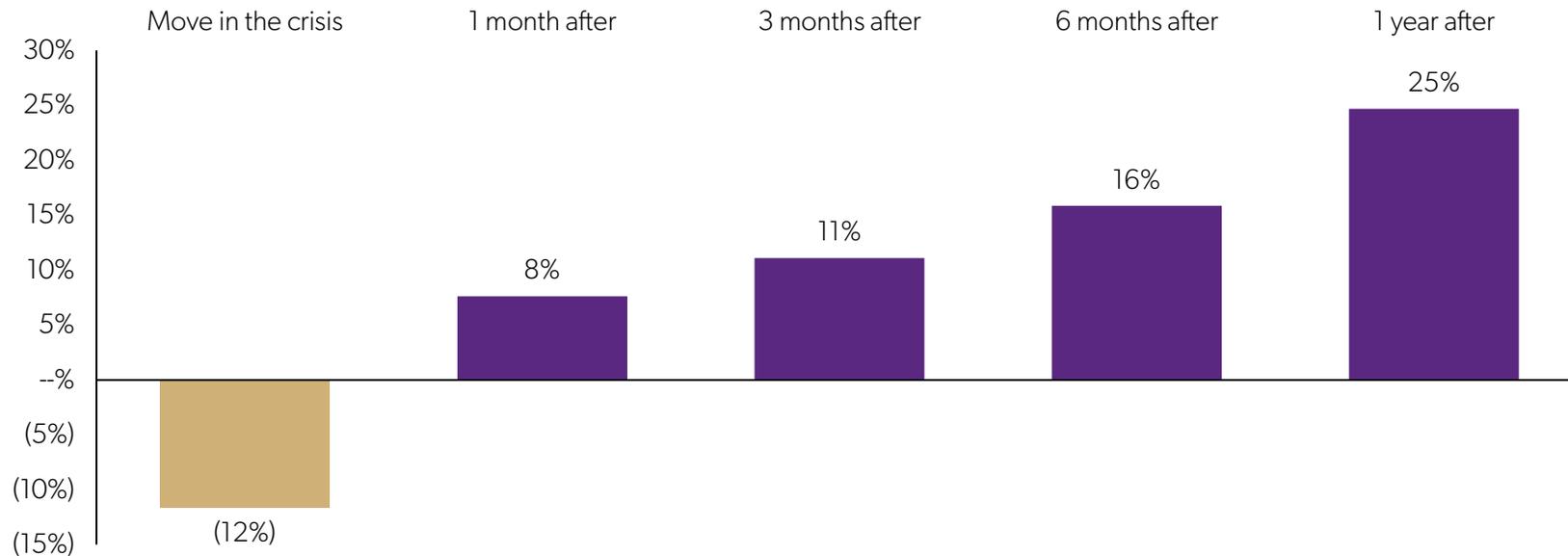
NASDAQ v. Bitcoin and inverted 10yr US Treasury Yield



Source: Regal, Bloomberg as at February 2022

Market Reaction to Geopolitical Events

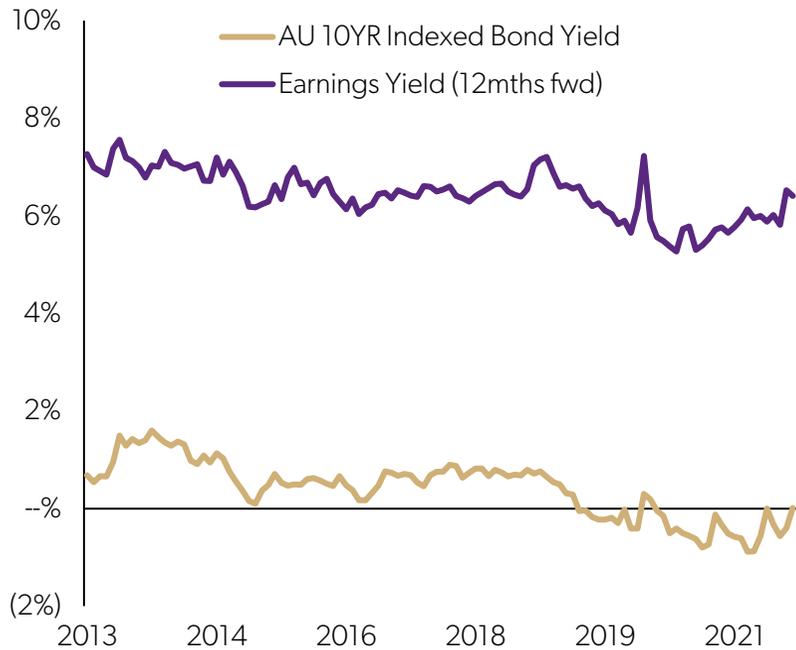
Dow Jones average reaction to the 29 crisis events in the last 82 years



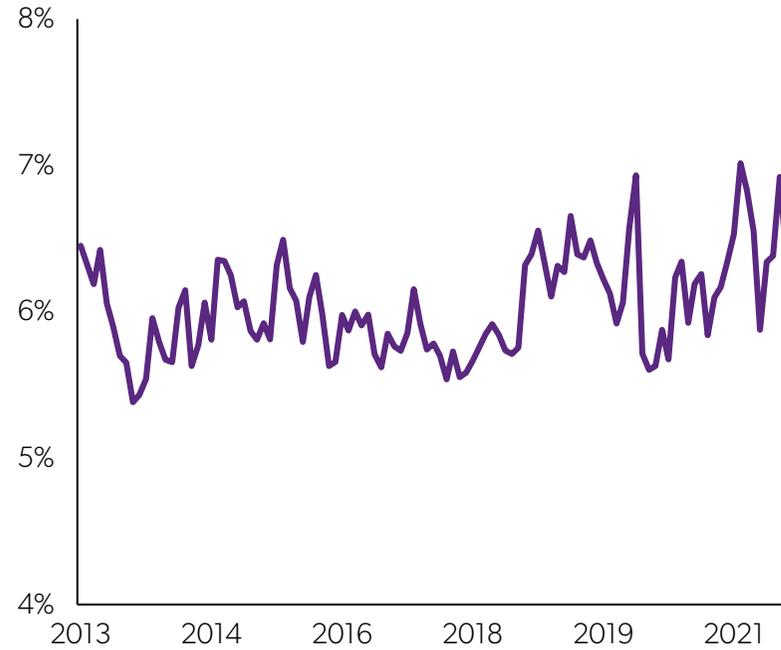
Source: Reuters, Broker Research

Equities Remain Attractive

Equity yield v. real bond yield



Equity Risk Premium



Source: Goldman Sachs as at February 2022

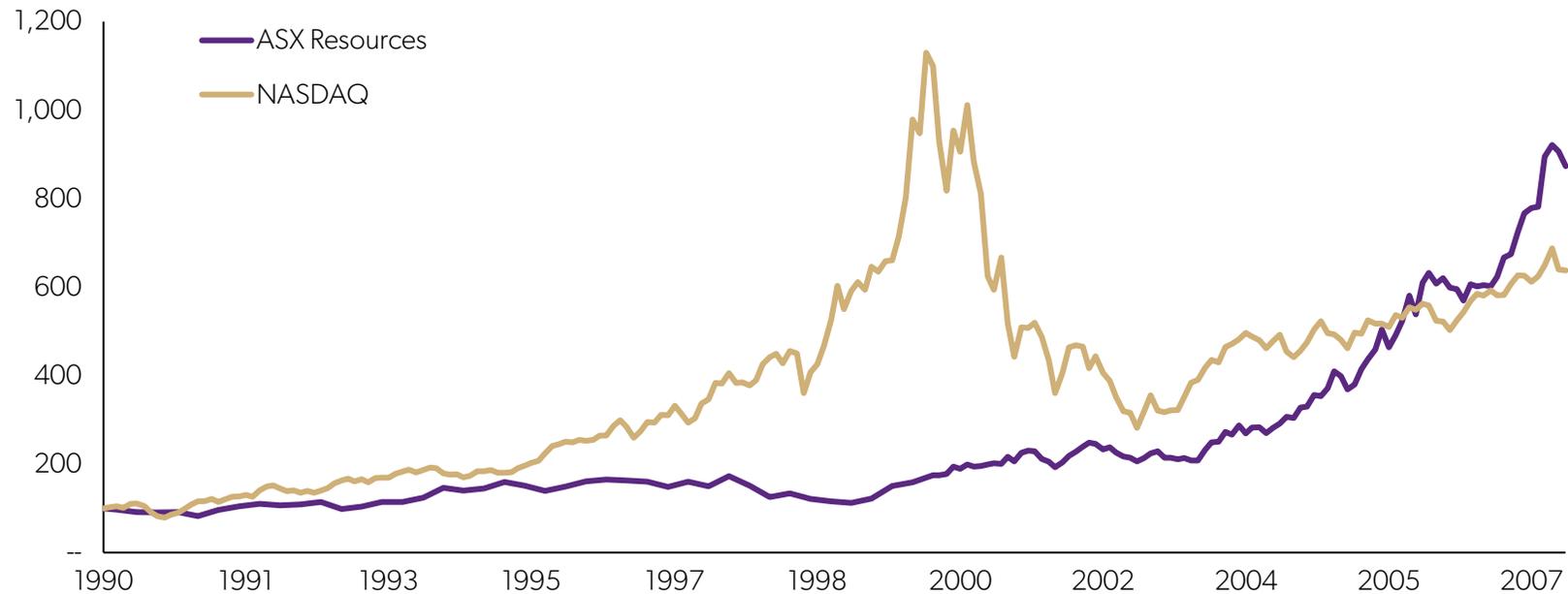
Note:

- 1. Monthly data series.

Echoes of 2001 — Resources Up, Technology Down

ASX Resources Index and NASDAQ (1990 – 2007)

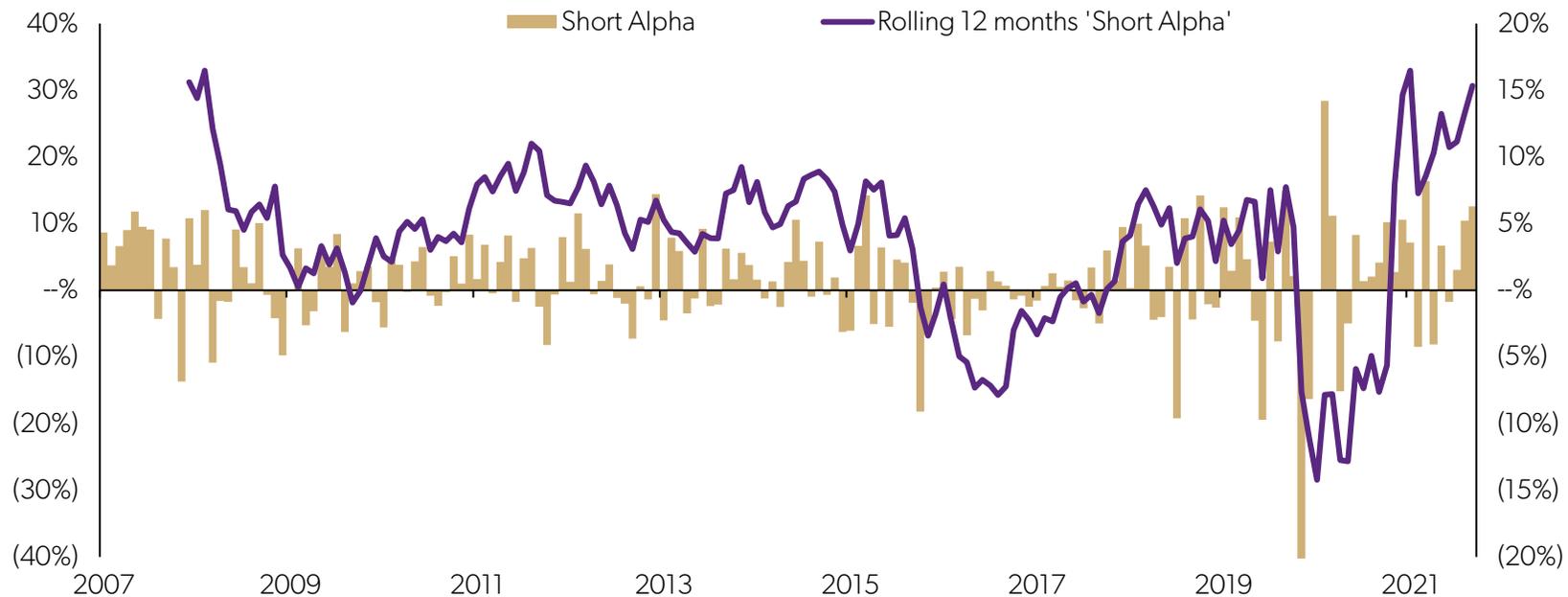
100 = 31 January 1990



Source: Regal, Bloomberg as at February 2022

Improved Environment For Shorting

Regal 'Short Alpha'¹



Source: Regal as at February 2022

Note:

1. Calculated using the Regal Tasman Market Neutral Fund

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.

Current 'Bubble' More Pronounced Than 2000?

MSCI World Growth v. Value



Source: Goldman Sachs as at February 2022

Note:

1. Monthly data series.

Is This Bubble Bigger?

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Price /sales multiple of the S&P 500 Index



Source: Regal, Bloomberg as at February 2022

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Earnings Valuations More Reasonable

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P/E multiple of the S&P 500 Index v. US 10yr Treasury yield



Source: Regal, Bloomberg as at February 2022

Note:

1. 10-year US Treasury yield, average from 1995 to 2000

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Dichotomy In Valuation

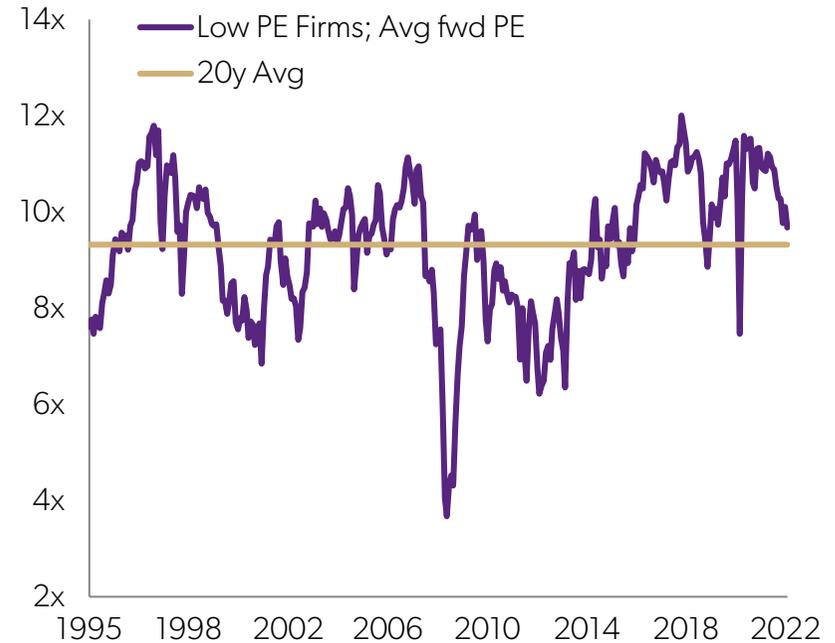
High PE firms trade 77% above their 20-yr average

12 months forward P/E ratio



Low PE firms trade 4% above their 20-yr average

12 months forward P/E ratio

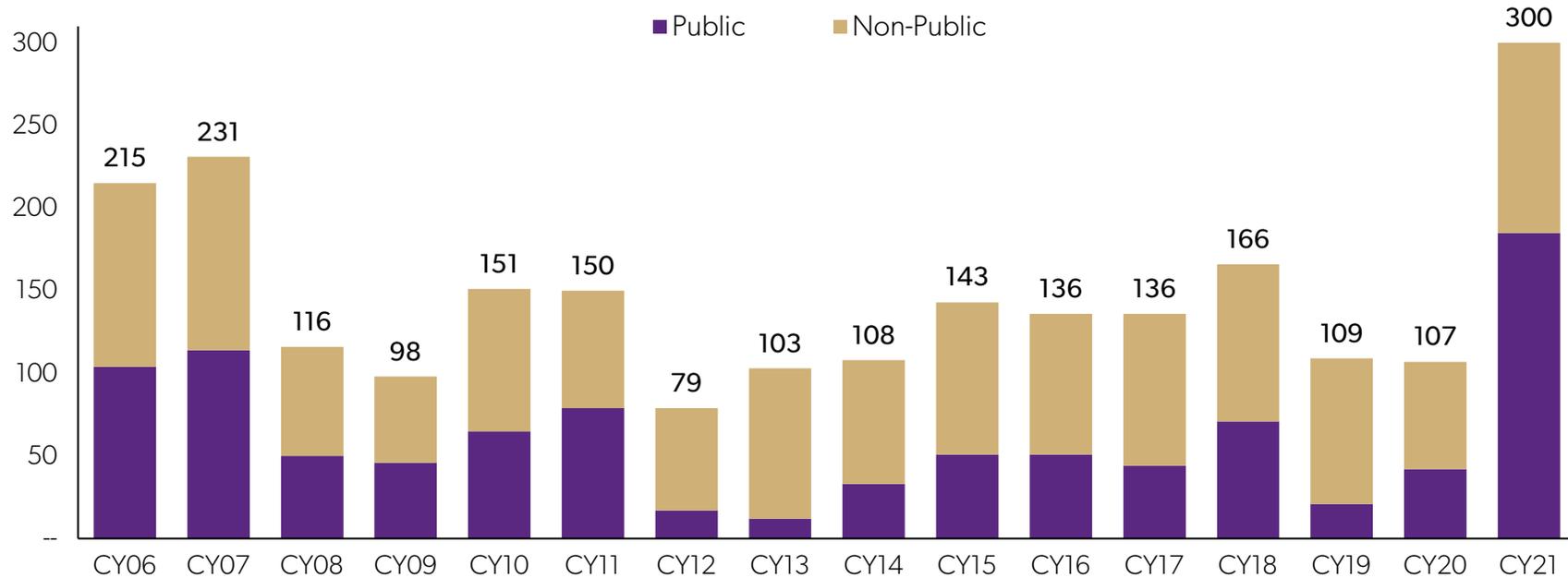


Source: Goldman as at January 2022

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Record Takeover Activity

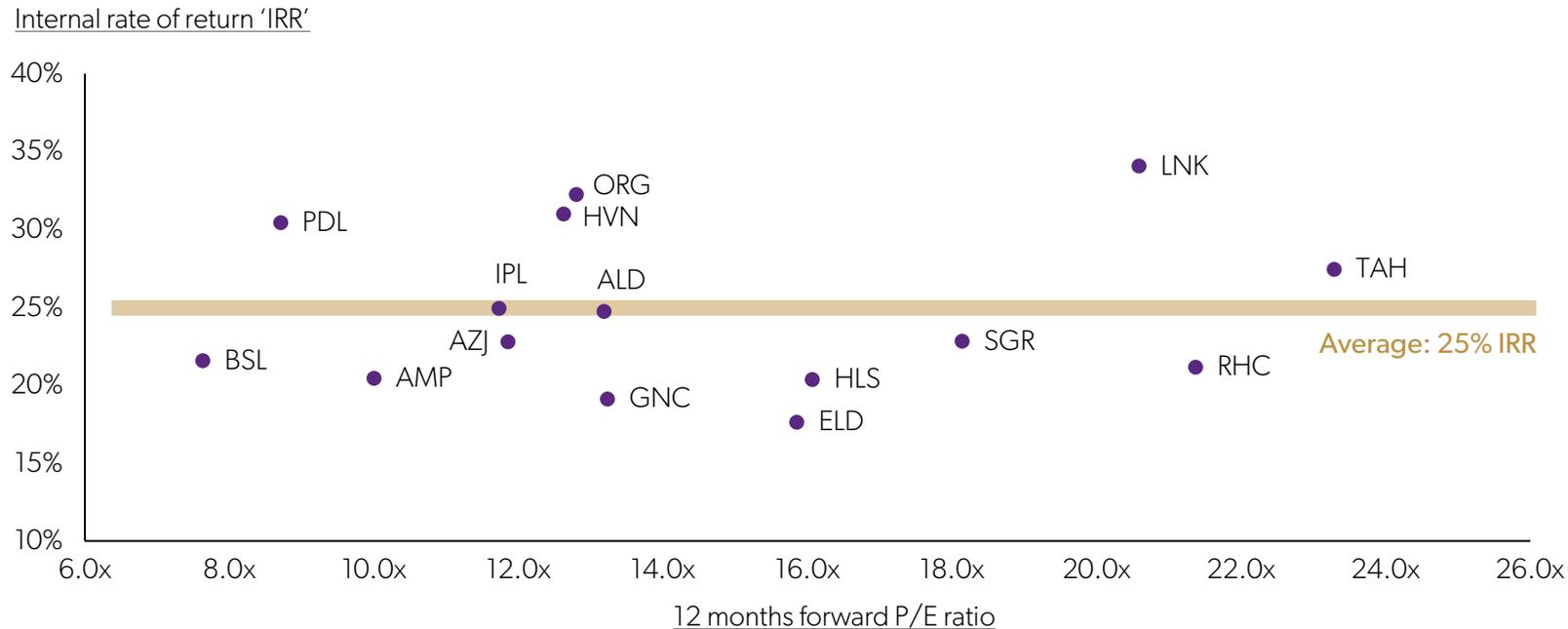
Announced M&A involving an Australian target (A\$bn)



Source: Dealogic as at 31 December 2021. Announced M&A with an Australian Target. Excluding Buybacks.

Very Attractive Potential Returns For PE

Regal internal modelling of illustrative returns for select take-private targets ^{1,2,3}



Source: Regal, Bloomberg as at February 2022

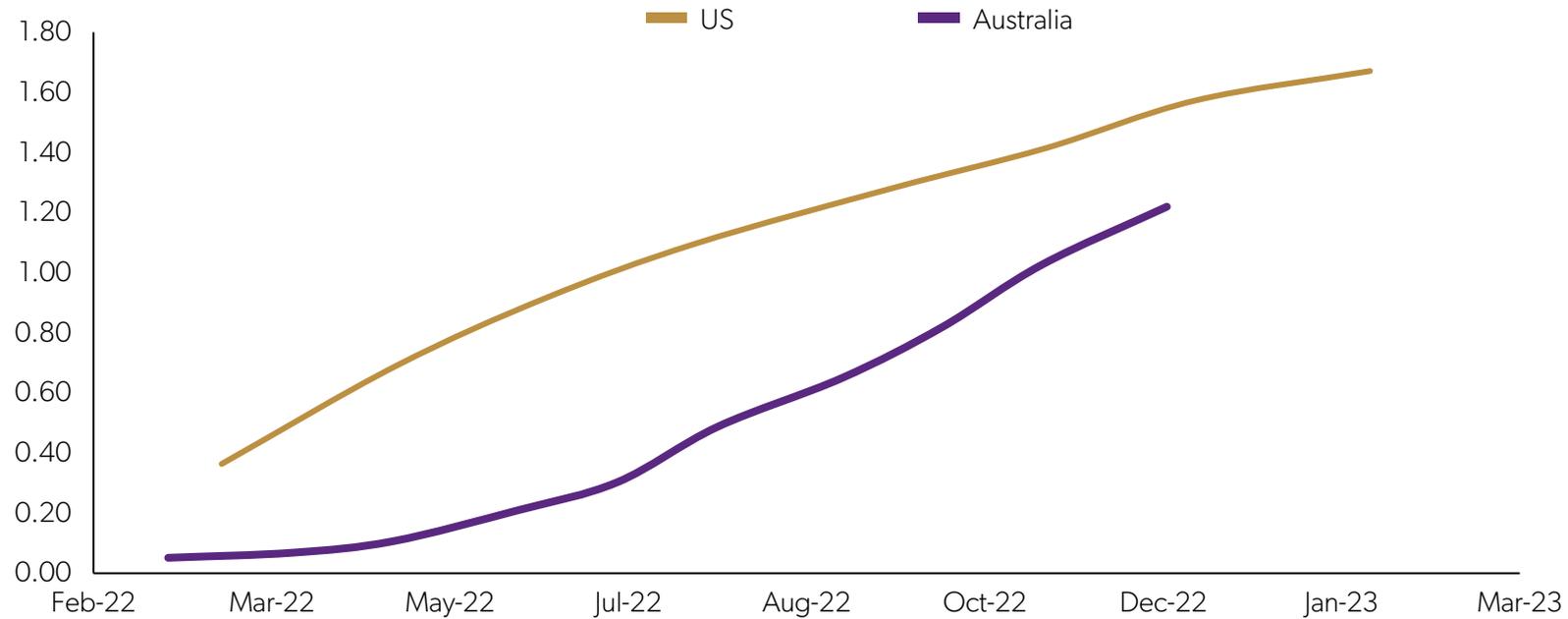
Note:

1. Intended to be illustrative only and should not be relied upon
2. Calculated using Bloomberg consensus estimates and Regal assumptions
3. Take-private targets selected by Regal and is not intended to be a definitive or comprehensive list

Cash Rates Forecast Rise

Bond market expectations not yet factored into share market expectation

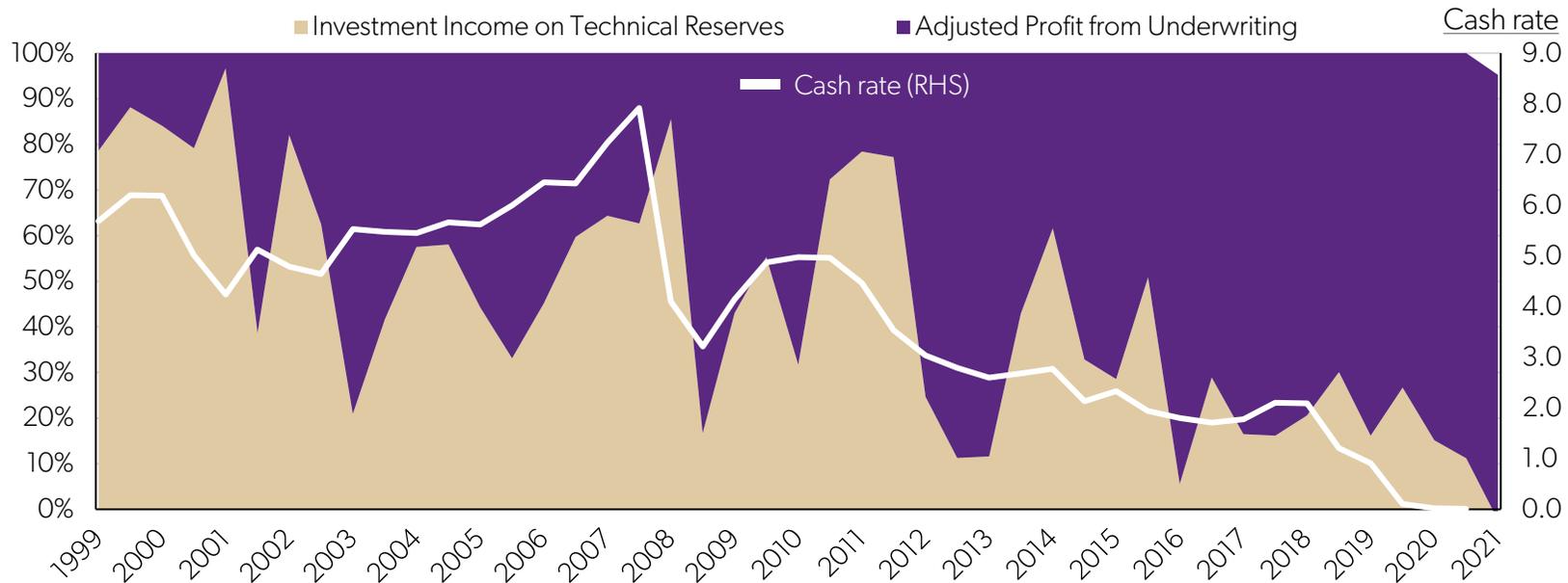
Official overnight cash rate



Source: Broker Research, Bloomberg as at February 2022

Rising Rates Historically Positive For Financials

IAG Investment earnings as % Insurance Profits¹



Source: Broker Research, Bloomberg as at February 2022

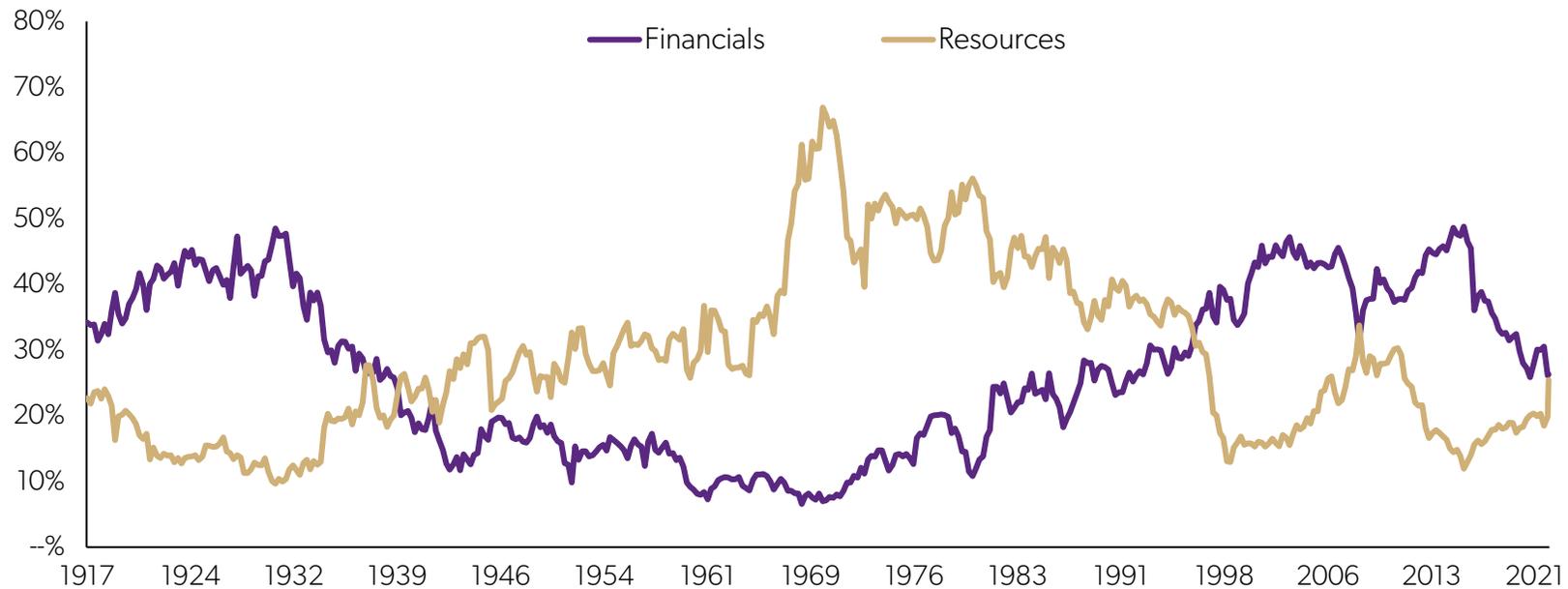
Note:

1. IAG Insurance margins, smoothed over time to remove negative underwriting results.

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Changing Market Leadership

Market capitalization by sector — share of total index



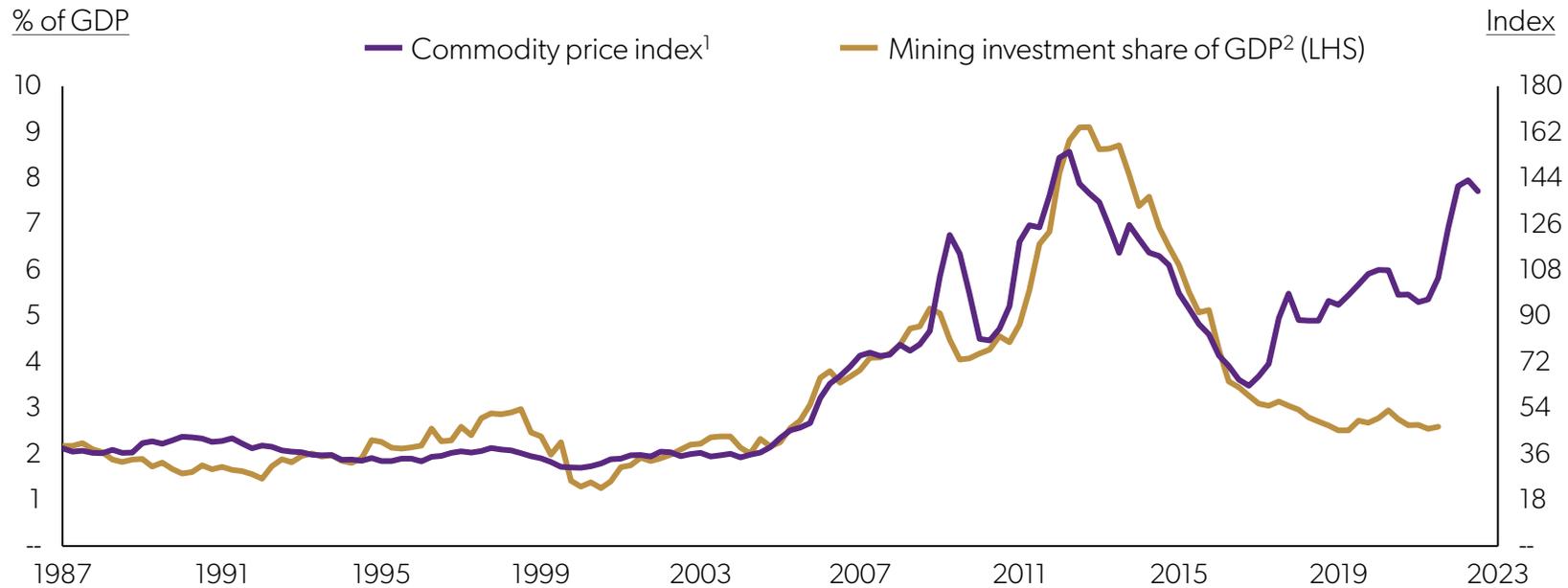
Source: RBA, ASX, Bloomberg as at February 2022

Note:

1. Quarterly data series.

Mining Investment Continues To Lag

Mining investment and commodity prices



Source: Minack Advisors as at February 2022

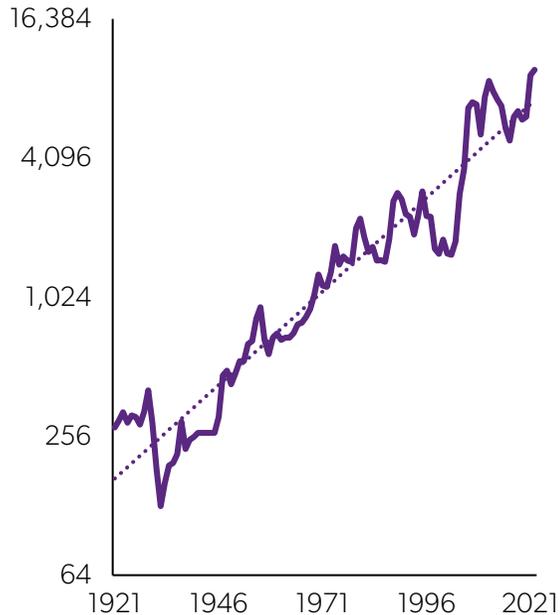
Note:

1. RBA non-rural commodity index (sdr terms) — leading by 3 quarters
2. Annual data interpolated using quarterly new capital expenditure data.

100 Year Commodity Prices

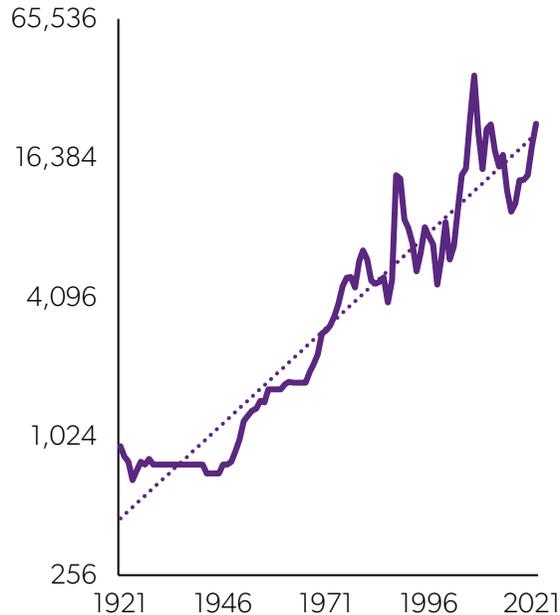
Copper

USD / metric tonne



Nickel

USD / metric tonne



Iron Ore

USD / dry metric tonne



Source: Broker Research, Bloomberg as at February 2022

Note:

1. Nominal terms

Mining Usually Trades At A Discount, But Rarely This Wide

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ASX Resources EV/EBITDA v. S&P/ASX 200 Index



Source: Broker Research, Bloomberg as at 31 January 2022

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Positive Outlook For Commodities / Miners

Structural mining bull case

1. Reserve depletion
2. Grade decline
3. Deeper undergrounds / higher strip ratios
4. Population growth
5. Urbanisation & industrialisation
6. Input cost inflation
7. Supply underinvestment

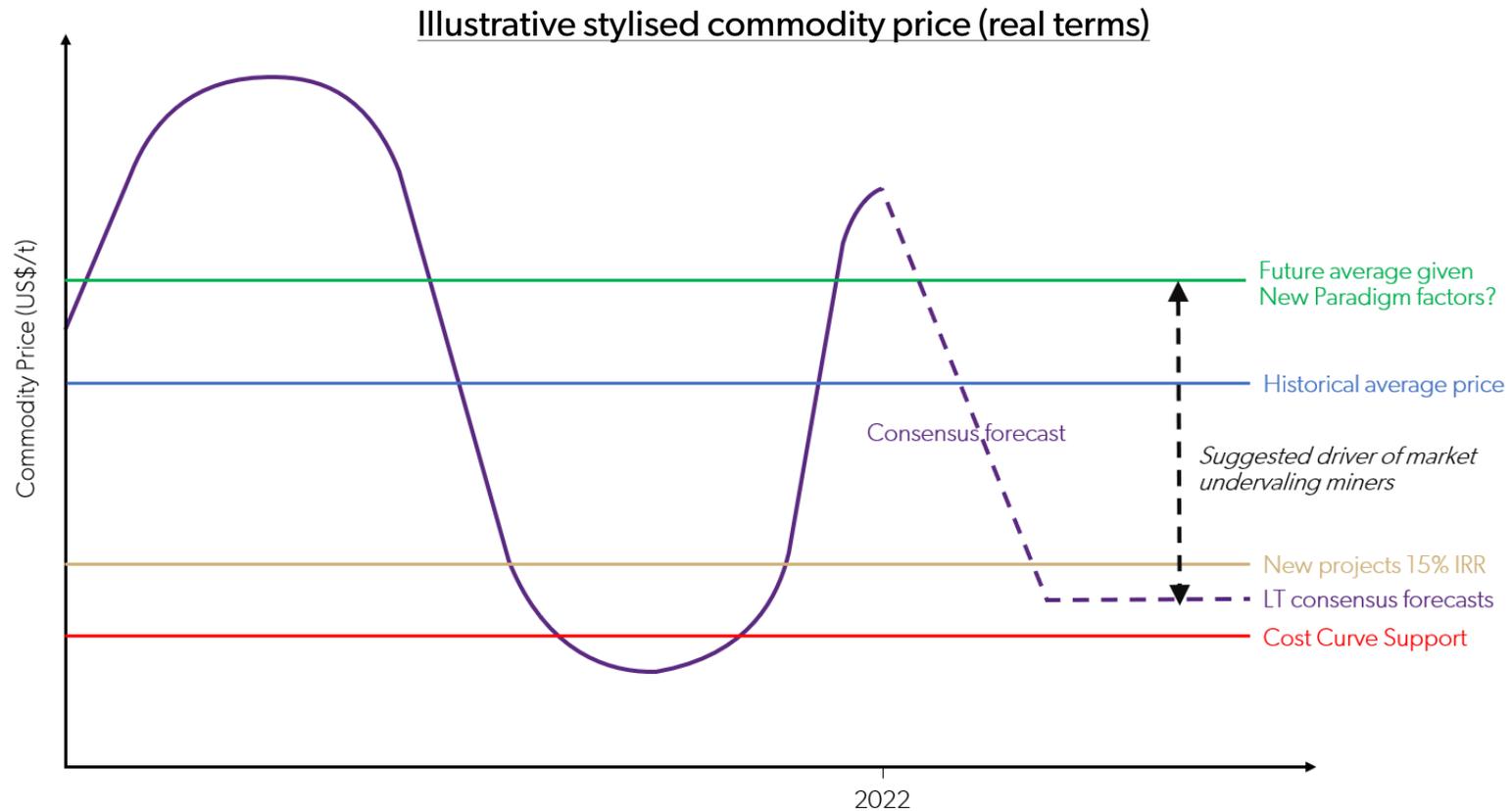
Additional 2022+ supportive factors

1. Decarbonisation lifting metals consumption
2. Global energy shortage
3. War, sanctions & geopolitical tensions
4. High inflation
5. Low & falling commodity inventories
6. Supply chain disruptions
7. Pristine miner balance sheets
8. Strong cash generation
9. Cheap earnings multiples & P/NAVs

Source: Regal

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Questioning Traditional Commodity Forecasting Methodology



Source: Regal

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The New Paradigm: Threats To Future Supply



Going forward, supply response may be impeded & delayed (so longer periods of high commodity prices):

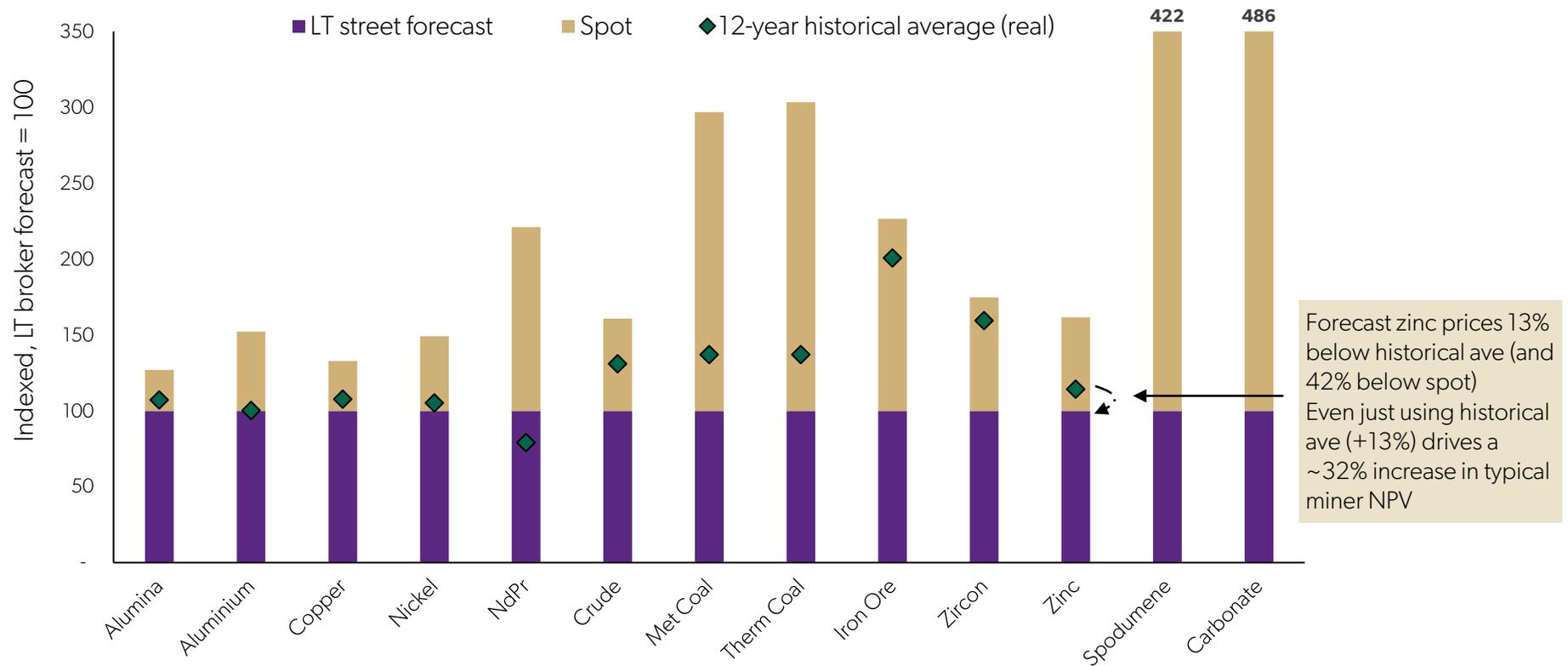
1. Relatively empty project pipelines / lower quality projects
2. Red & green tape combined with lengthy permitting processes
3. Litigation from green activists to block or delay mines
4. Resource nationalism (taxes, royalties, expropriation)
5. Projects increasingly in higher risk jurisdictions
6. Improved industry supply discipline (“value over volume”)
7. Withdrawal of capital from mining
 - ESG
 - Passive index funds crowding out active fund managers who can back projects
 - Shareholder aversion to projects & demands for cash returns
 - Corporate risk aversion following capex blowouts
 - Diversion of cash flow to miner decarbonisation
 - Low valuation of miners (“little incentive to build what’s valued at 5x EBITDA”)

Source: Regal

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Street Commodity Price Forecasts Too Low?

Miner valuations reflect LT commodity forecasts (purple) below historical averages (diamond) and spot (gold)

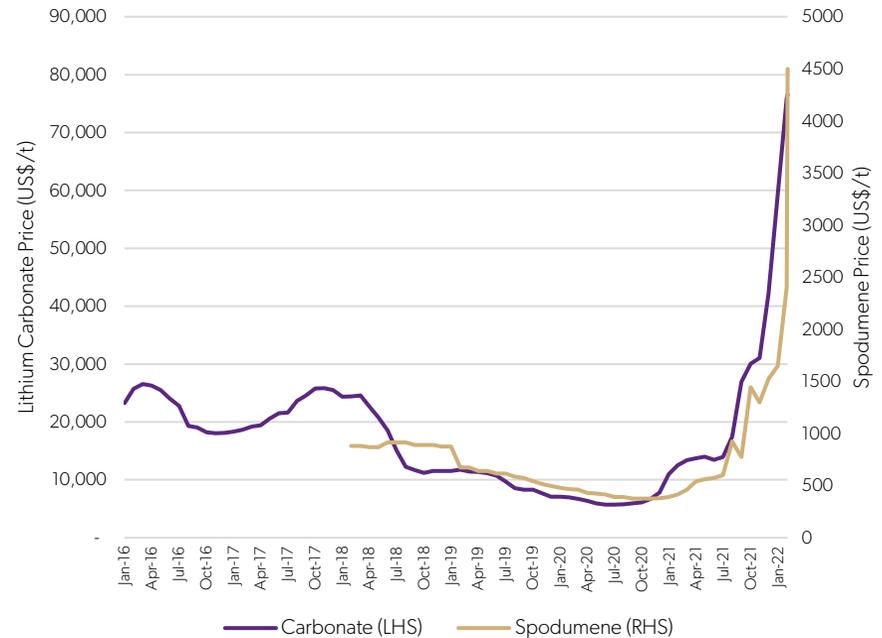


Case Study: Lithium Equities

Lithium equities have sold off YTD¹



Will the market rethink how high lithium prices could be whenever lithium supply is tight?



Source: Bloomberg as at February 2022

Note:

1. Price falls YTD to 28 February

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Delivering Unitholder Value



RF1 STATISTICS

Launch Date

17 June 2019

Net Asset Value

\$3.53

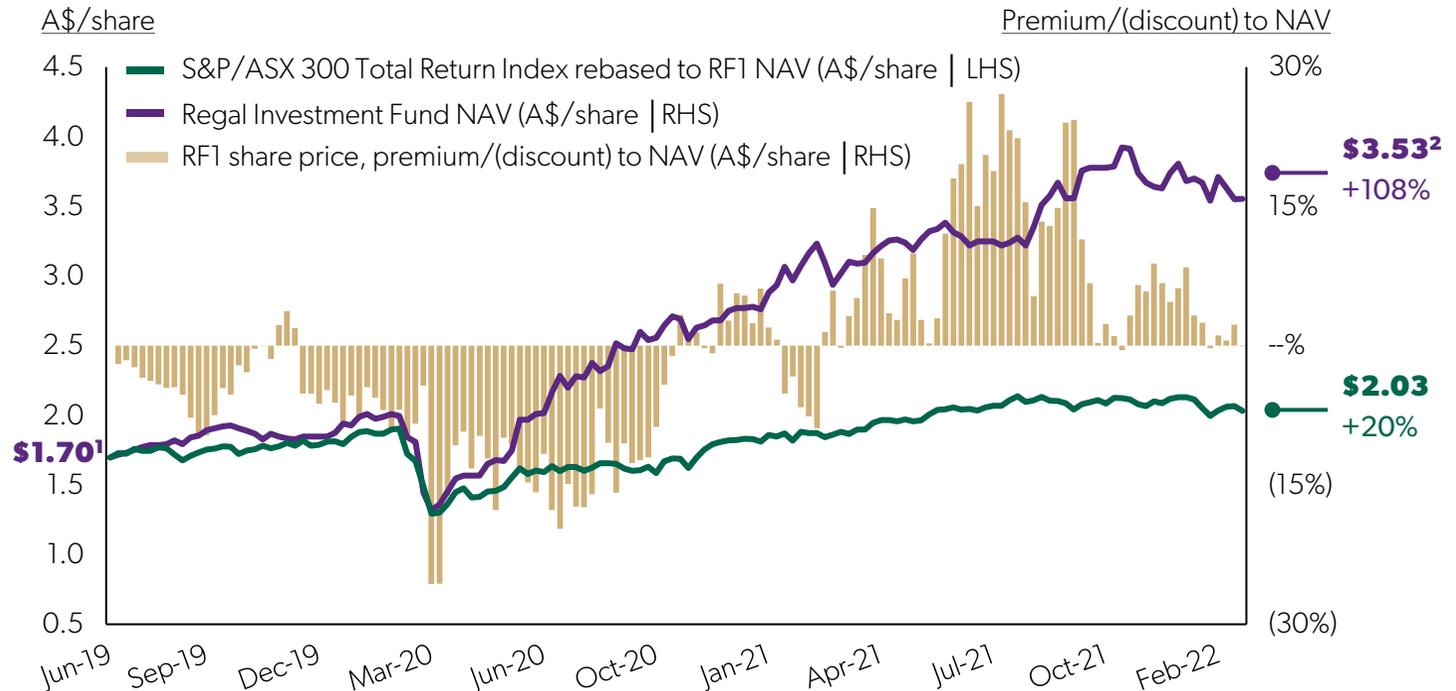
ASX Market Price

\$3.55

Total Return Since Inception

+108%

RF1 NAV and share price premium – adjusted for distributions



Source: Regal, Bloomberg as at 28 February 2022

Note: (1) Adjusted to reflect lower capital base due to distributions since inception, (2) net of all fees; (3) based on a \$3.55 share price and \$3.53 NAV, rounded-up to the nearest percent; 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

Investor Q&A



**Philip
King**

Chief Investment
Officer



**Brendan
O'Connor**

Chief Executive
Officer



**Mark
Nathan**

Portfolio Manager
Head of Research



**Tim
Elliott**

Portfolio Manger
Head of Mining



APPENDIX

RF1 Strategy Returns



Performance since listing

Fund performance	2019 ³	2020	2021	2022 YTD ⁴	Annualised Since Inception ⁵
Regal Investment Fund¹	+10%	+47%	+38%	-7%	+31%
S&P/ASX 300 Total Return Index	+7%	+1%	+16%	-5%	+9%

Gross Strategy performance within RF1 ²	2019 ³	2020	2021	2022 YTD ⁴	Annualised Since Inception ⁵
Market Neutral	+6%	+22%	+43%	+6%	+26%
Aus. Long Short Equity	+6%	+21%	+18%	-7%	+17%
Aus. Small Companies	+22%	+40%	+29%	-25%	+34%
Emerging Companies	+35%	+83%	+44%	-6%	+60%
Long Short Health Care ⁶	n/a	+5%	+11%	-2%	+11%
Global Alpha	+34%	+125%	+99%	+3%	+94%

Source: Regal, Bloomberg as at 28 February 2022

Note: (1) net of all fees; (2) gross of fees; (3) from 17 June listing date to 31 December 2019; (4) calendar year to 28 February 2022; (5) from 17 June listing date to 28 February 2022; (6) 7 September 2020 inception date of Strategy. 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.

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