

# Regal Investment Fund (ASX:RF1)

## APRIL 2023<sup>1</sup>

The Regal Investment Fund Net Asset Value (“NAV”) increased by 0.2% to \$2.81 in April. Since inception on 17 June 2019, the Fund has generated 18.0% p.a. net of fees.<sup>1</sup>

While global interest rates and inflationary data points continued to dominate financial news headlines through April, equity markets were noticeably calmer through the month as recent bond market volatility subsided and offshore investor focus shifted to the US earnings season. US markets posted back-to-back monthly gains, the S&P 500 rising +1.5%, while the Dow Jones posted its best month since January, rising +2.5%. Australian equities followed global equities higher, the ASX 200 rising +1.8%, while the ASX Small Ordinaries increased +2.8%.

Pleasingly, seven of the nine underlying strategies contributed positively to Fund performance in April. The largest positive contributors were the Small Companies and Emerging Companies strategies, in line with broader strength across the smaller cap market. Main contributors stemmed from the long book with positions in online luxury marketplace Cettire (+34%) following rapid global expansion and high purity alumina producer AlphaHPA (+10%).

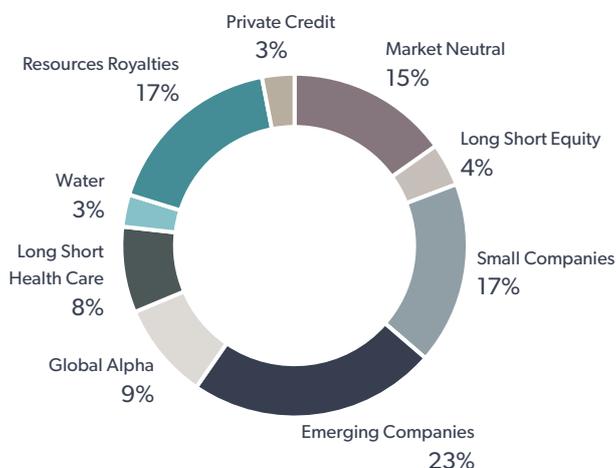
Key detractors in April were the Market Neutral and Global Alpha strategies. The Market Neutral strategy delivered a negative return for April, with positive contributions from long positions in the financial sector offset by weakness in a small number of long positions in the resources sector. The strategy continues to retain an overweight position to the broader resources sector, with a bias toward companies currently in production and within commodity sectors where continued undersupply is anticipated to continue over the medium term. A long position in East Coast bulk commodity producer Stanmore Resources (-11%) negatively impacted performance this month following the company releasing a softer quarterly production report that detailed some loss in volumes as a result of weather events in Queensland over the quarter. Additionally, a long position in graphite producer Syrah Resources (-37%) also detracted from returns, following a softer quarterly production update.

## FUND INFORMATION

Name	Regal Investment Fund
ASX Code	RF1
ASX Closing Price	\$2.82
Monthly NAV (per unit)	\$2.81
Premium/(Discount)	0.33%
Structure	Listed Investment Trust
Listing Date	17 June 2019
Management Fee	1.5% (plus GST)
Performance Fee	20% above RBA Cash Rate
High Water Mark	Yes
Fund Size	A\$586m
Units on Issue	208,639,207 units
Distribution Frequency	Semi-annual
Responsible Entity	Equity Trustees Limited
Investment Manager	Regal Funds Management Pty Ltd
Fund Administrator	HSBC

Past performance is not a reliable indicator of future performance. Data as at 30 April 2023.

## EXPOSURE BY STRATEGY (NAV)<sup>2</sup>



<sup>2</sup> As at 30 April 2023. The Fund portfolio will be constructed using multiple Regal Investment Strategies and these Strategies are not necessarily limited to the current Investment Strategies.

## PERFORMANCE DATA % (NET)

Performance	1 mth	3 mth	6 mth	1 yr	2 yrs pa	3 yrs pa	Inception pa
Regal Investment Fund	0.2	-2.9	-5.0	-15.0	0.4	28.1	18.0

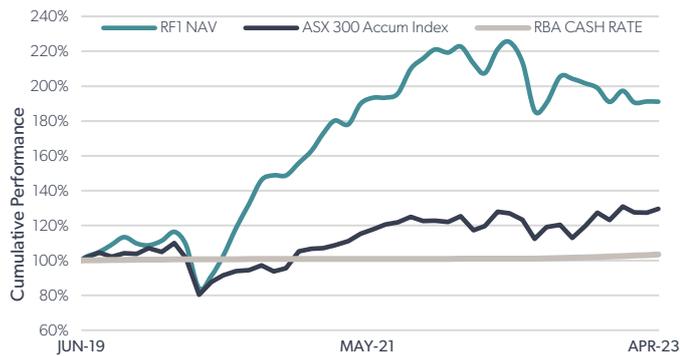
<sup>1</sup> Past performance is not a reliable indicator of future performance. Performance figures assume reinvestment of income. Net return on RF1 assets after fees, and costs. Returns greater than one year are annualised.

## PERFORMANCE BY MONTH % (NET)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	3.33	-3.38	0.29	0.16									0.28
2022	-4.34	-2.63	6.57	1.93	-5.24	-13.05	2.55	7.89	-0.58	-1.27	-1.32	-4.02	-14.26
2021	6.16	4.22	-1.22	6.64	1.83	0.02	1.21	7.27	2.82	2.39	-0.79	1.57	36.72
2020	4.57	-6.38	-22.97	8.48	12.64	15.81	11.35	10.49	1.82	-0.02	4.77	4.49	46.31
2019	-	-	-	-	-	2.06	2.82	3.91	4.00	-3.22	-0.93	2.41	11.36

<sup>2</sup> Past performance is not a reliable indicator of future performance. Performance figures are net of fees and costs and assume reinvestment of distributions.

## RF1 PERFORMANCE



## UNDERLYING STRATEGY PERFORMANCE (GROSS)

Strategy	1 month %	12 months %	Inception % pa
Market Neutral Strategy	-2.8	-19.9	15.3
Long Short Equity Strategy	0.9	-4.2	13.6
Small Companies Strategy	2.8	-13.9	20.7
Emerging Companies Strategy	0.8	-35.6	59.8
Global Alpha Strategy	-0.9	-1.7	64.0
Long Short Health Care Strategy	1.4	2.7	6.3
Water Strategy	-0.4	-	-1.0 <sup>3</sup>
Resources Royalties Strategy	1.4	-	5.0 <sup>4</sup>
Private Credit Strategy	0.7	-	1.5 <sup>5</sup>
<b>Total RF1 (net)</b>	<b>0.2</b>	<b>-15.0</b>	<b>18.0</b>

Past performance is not a reliable indicator of future performance. Performance figures assume reinvestment of income. Underlying strategy performance expressed exclusive of fees and costs. Total RF1 performance expressed net of fees and costs.

<sup>3</sup> Water Strategy commenced 1 August 2022. Performance since inception not annualised.

<sup>4</sup> Resources Royalties Strategy commenced 17 October 2022. Performance since inception not annualised.

<sup>5</sup> Private Credit commenced 1 March 2023. Performance since inception not annualised.

## BALANCE SHEET EXPOSURES (% OF NAV)

Sector	Long	Short	Net	Gross
Communication Services	7	-1	6	9
Consumer Discretionary	10	-13	-4	23
Consumer Staples	8	-3	5	10
Diversified	3	-1	2	4
Energy	8	-3	4	11
Financials	19	-11	8	30
Health Care	21	-11	10	32
Industrials	18	-6	12	24
Information Technology	10	-7	4	17
Materials	31	-11	20	42
Real Estate	8	-5	4	13
Utilities	2	-1	1	2
<b>Total (Listed Positions)</b>	<b>144</b>	<b>-72</b>	<b>72</b>	<b>216</b>
<b>Total (Non Listed Positions)</b>	<b>35</b>	<b>0</b>	<b>35</b>	<b>35</b>
<b>Total</b>	<b>179</b>	<b>-72</b>	<b>107</b>	<b>251</b>

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Note: Performance figures are net of all fees unless otherwise stated. All numbers are as at 30 April 2023.

## STRATEGY

The investment objective of RF1 is to provide investors with exposure to a selection of alternative investment strategies with the aim of producing attractive risk-adjusted absolute returns over a period of more than five years with limited correlation to equity markets. Regal Funds Management Pty Limited's ("Regal" or the "Manager") investment philosophy is grounded in the belief that a diversified portfolio of assets, using a range of investment strategies and backed by long-term capital, is key to achieving superior risk-adjusted returns over the long-term.

The RF1 portfolio is constructed by the Manager using multiple investment strategies managed by it. The Manager may adjust the Portfolio's strategy allocations depending on prevailing market conditions or other factors it considers relevant at the time in order to achieve RF1's investment objectives.

## FUND ADVISOR PROFILE

Regal is RF1's investment manager. Regal is a multi-award winning investment management business, four times awarded alternative investment management firm of the year<sup>6</sup>.

Part of ASX-listed 'Regal Partners Limited' (ASX:RPL), Regal Funds sits alongside VGI Partners, Kilter Rural and Attunga Capital, managing capital across a diverse range of alternative investment strategies covering long / short equities, private markets, real and natural assets, and capital solutions.

With a large team of approximately 100, including over 45 investment professionals, located in offices across Sydney, Melbourne, Singapore and New York, RPL manages capital on behalf of institutions, family offices, charities, wealth advisory groups and private investors across Australia, Europe and the US. Combining deep industry experience, extensive networks and multi-award winning performance track records, Regal seeks to be the leading provider of alternative investment strategies in Australia and Asia.

<sup>6</sup> Australian Alternative Investment Manager of the Year, awarded at the Annual AIMA 'Hedge Funds Rock' Awards in 2019, 2016, 2014, 2011.

## CONTACT

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