

Regal Investment Fund (ASX:RF1)

AUGUST 2023

The Regal Investment Fund Net Asset Value (“NAV”) increased by 0.2% to \$2.94 in August. Since inception on 17 June 2019, the Fund has generated 18.5% p.a. net of fees.¹

Global equity markets were weaker through August, ending a five-month run of positive performances for most major developed global equity indices. Continued strength in US Treasury yields provided the greatest impediment to further stock gains over the month, as the global benchmark for risk-free rates, the US 10-Year Treasury yield, rose to its highest level since 2007. Similar expansion in global bond yields occurred across the majority of global developed markets, with UK 10-year gilts reaching their highest level since 2008, while German Bunds surpassed their 2011 highs. A rising bond yield environment has historically produced near-term headwinds for longer-duration assets and growth type equities, with the tech-heavy NASDAQ subsequently experiencing its largest monthly loss for 2023, declining -2.2%. US equities were broadly weaker, the S&P 500 declining -1.8%, while Asian equities experienced further declines in the wake of a further deterioration in the economic outlook for China. Australian equities outperformed global peers, the ASX 200 declining -1.4% and ASX Small Ordinaries Index retreating -1.3%, as domestic investors digested a volatile semi-annual corporate reporting period, characterised by further evidence of rising domestic cost pressures, a weakening local consumer and rising interest expenses.

Performance from underlying strategies this month was largely flat, with the largest positive attribution coming from the Resources Royalties and Health Care strategies. The Health Care positive contributors on the long side included Eli Lilly (+22%) and Novo Nordisk (17%), which rallied after a double-blind late-stage trial data showed that Novo’s obesity drug Wegovy reduced the risk of major cardiovascular events such as heart attacks or strokes by 20%.

Main detractors this month stemmed from the Market Neutral strategy with a long position in eye-focused biotech Opthea (-25%), following the company announcing a \$90m capital raising to continue advancing the development of its wet age-related macular degeneration drug OPT-302 and in a small business lender Judo Capital (-33%) following the release of weaker earnings.

PERFORMANCE DATA % (NET)¹

Performance	1 mth	3 mth	6 mth	1 yr	2 yrs pa	3 yrs pa	4 yrs pa	Inception pa
Regal Investment Fund	0.2	6.9	7.7	-0.0	-1.1	12.0	17.2	18.5

¹ 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	0.34	5.44	1.23	0.15					7.56
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

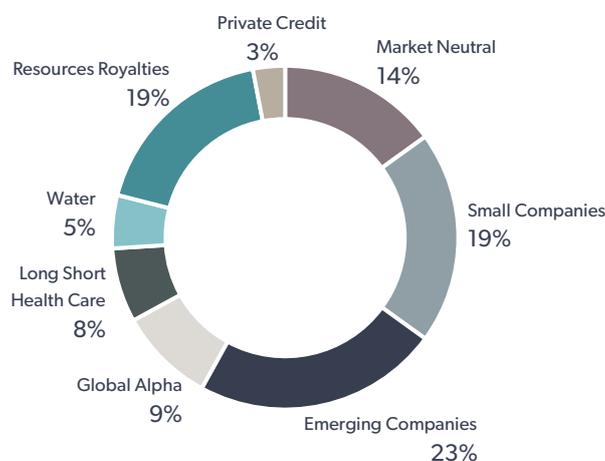
Past performance is not a reliable indicator of future performance. Performance figures are net of fees and costs and assume reinvestment of distributions.

FUND INFORMATION

Name	Regal Investment Fund
ASX Code	RF1
ASX Closing Price	\$2.92
Monthly NAV	\$2.94
Premium/(Discount)	-0.54%
Structure	Listed Investment Trust
Listing Date	17 June 2019
Management Fee	1.5% (plus GST)
Performance Fee	20% (plus GST) above RBA Cash Rate
High Water Mark	Yes
Fund Size	A\$597m
Units on Issue	203,350,468 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 31 August 2023.

EXPOSURE BY STRATEGY (NAV)²



² As at 31 August 2023. The Fund portfolio will be constructed using multiple Regal Investment Strategies and these Strategies are not necessarily limited to the current Investment Strategies.

RF1 PERFORMANCE

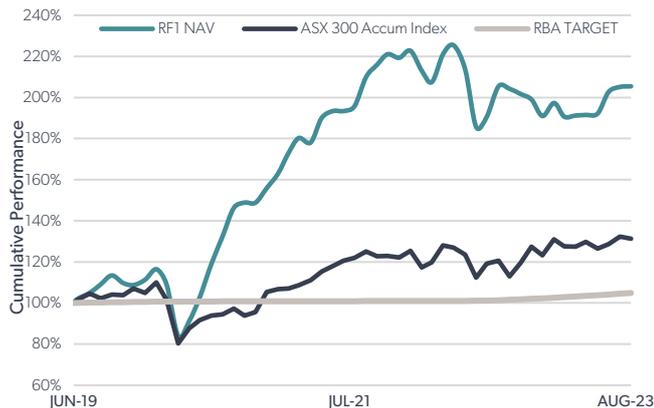


Chart represents cumulative performance of RF1 NAV since inception on 17 June 2019. Net of fees and costs. Performance figures assume reinvestment of income. Past performance is not a reliable indicator of future performance.

UNDERLYING STRATEGY PERFORMANCE (GROSS)

Strategy	1 month %	12 months %	Inception % pa
Market Neutral Strategy	-0.9	-20.5	13.3
Small Companies Strategy	-0.2	40.7	24.7
Emerging Companies Strategy	0.4	-10.1	54.8
Global Alpha Strategy	1.3	10.2	62.6
Long Short Health Care Strategy	1.7	6.1	7.9
Water Strategy	0.1	-1.0	-1.1
Resources Royalties Strategy	1.3	-	16.8 ³
Private Credit Strategy	0.8	-	4.7 ⁴
Total RF1 (net)	0.2	0.0	18.5

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.

³ Resources Royalties Strategy commenced 17 October 2022. Performance since inception not annualised.

⁴ Private Credit commenced 1 March 2023. Performance since inception not annualised.

BALANCE SHEET EXPOSURES (% OF NAV)

Sector	Long	Short	Net	Gross
Communication Services	6	-3	3	9
Consumer Discretionary	11	-12	-1	24
Consumer Staples	6	-4	2	11
Diversified	0	0	0	1
Energy	5	-3	2	9
Financials	21	-13	8	33
Health Care	17	-15	2	31
Industrials	14	-8	6	21
Information Technology	15	-12	3	27
Materials	28	-10	18	38
Real Estate	4	-3	1	7
Utilities	1	-1	0	3
Total (Listed Positions)	128	-84	44	213
Total (Non Listed Positions)	41	0	41	41
Total	169	-84	85	254

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Note: Performance figures are net of all fees unless otherwise stated. All numbers are as at 31 August 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 year⁶.

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.

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

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A copy of the PDS is available at www.regalfm.com/RF1