

September 23, 2021

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For any questions on RF1, please reach out to the registry, Link Market Services: [regalfund@linkmarketservices.com.au](mailto: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

September 2021

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## Investment Team — Speakers



**Phil King**

Chief Investment  
Officer



**Brendan  
O'Connor**

Chief Executive  
Officer



**Craig Collie**

Portfolio Manager  
Head of Healthcare



**Campbell  
Chambers**

Portfolio Manger  
Head of Aus. Trading



# 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 A\$3.0bn, 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

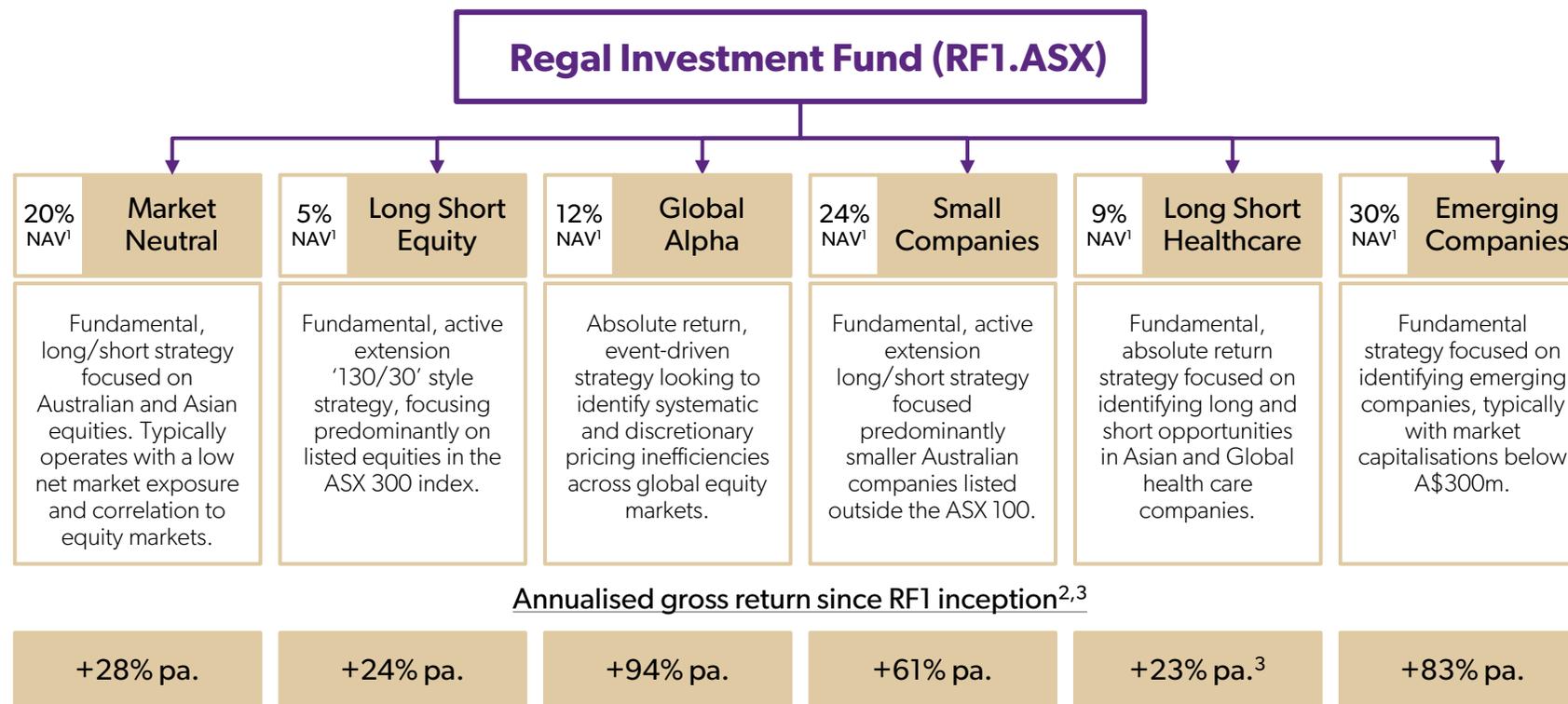
## FOCUS

- 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 17 September 2021

# The Regal Investment Fund (RF1)

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Source: Regal, Bloomberg as at 17 September 2021

Note: (1) Strategy weight within RF1 as a percentage of total Fund NAV – as at 17 September 2021; (2) net of all fees; (3) from 17 June listing date to 17 September 2021;

(3) 7 September 2020 inception date of Strategy.

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## RFI Investment Performance



### RFI Performance Since Inception

Fund performance	3 Month <sup>4</sup>	6 Month <sup>5</sup>	1 Year <sup>6</sup>	2 Year pa. <sup>7</sup>	Since Inception pa. <sup>8</sup>	Total Return Since Inception <sup>8</sup>
<b>Regal Investment Fund<sup>1,2</sup></b>	<b>+8.5%</b>	<b>+21.5%</b>	<b>+48.4%</b>	<b>38.7%</b>	<b>+40.9%</b>	<b>+116.2%</b>
S&P/ASX 300 Total Return Index <sup>3</sup>	+2.9%	+11.8%	+31.4%	+9.3%	+10.0%	+23.9%

Source: Regal, Bloomberg as at 17 September 2021

Note: (1) net of all fees; (2) calculated using reported NAV from the date which is closest, but less than, the relevant starting date. Adjusted for historical distributions. (3) gross of fees; (4) calculated from 11 June 2021; (5) calculated from 12 March 2021; (6) calculated from 11 September 2020; (7) calculated from 13 September 2019; (8) calculated from 17 June 2019 listing date to 17 September 2021.

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.

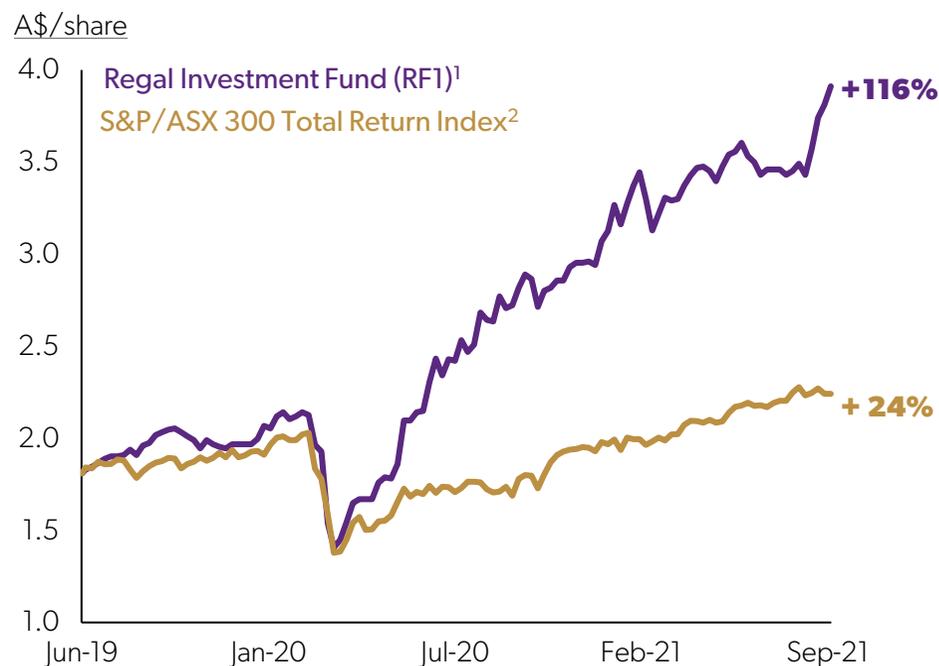
# RF1 Investment Highlights



## RF1 Overview

- **Performance** – Since inception in June 2019, RF1 has generated total unitholder return of 116%, including cash distributions totalling \$1.29 per unit.
- **Team** – Highly experienced investment team consisting of 23 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** – 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 17 September 2021

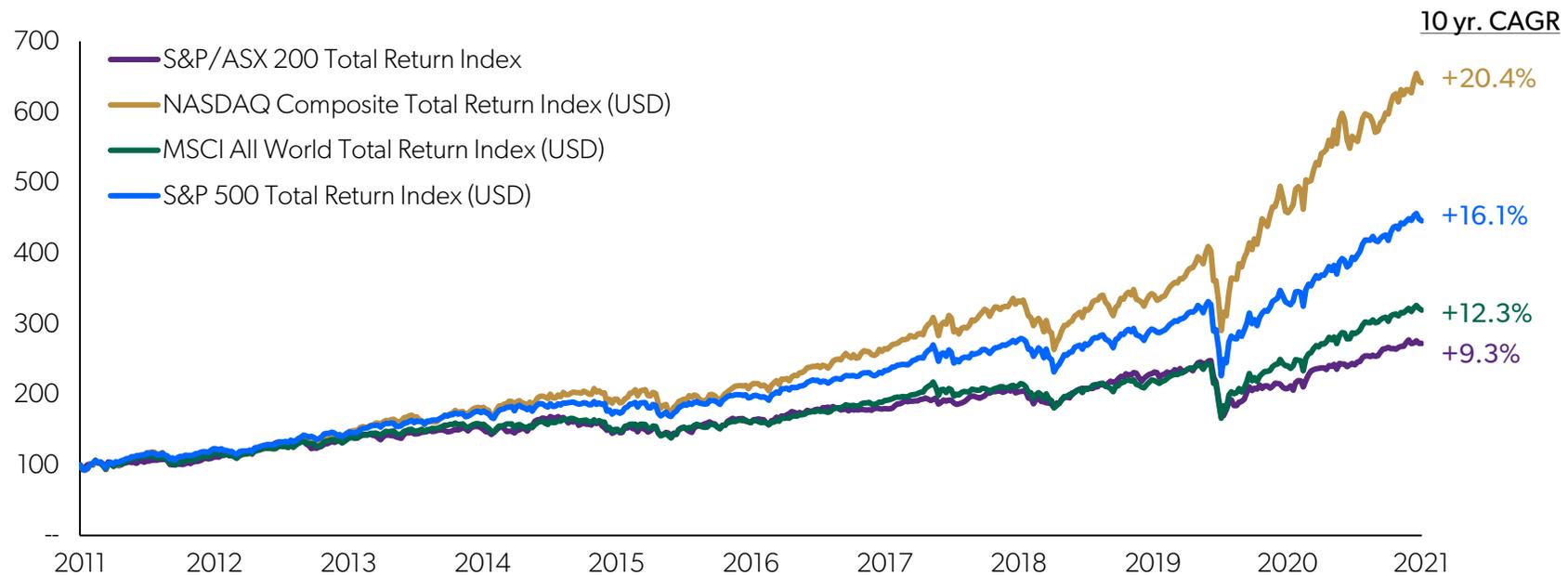
Note: (1) net of all fees; (2) gross of fees.

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## Equities Set New All Time Highs

Australia has significantly underperformed the US stock market

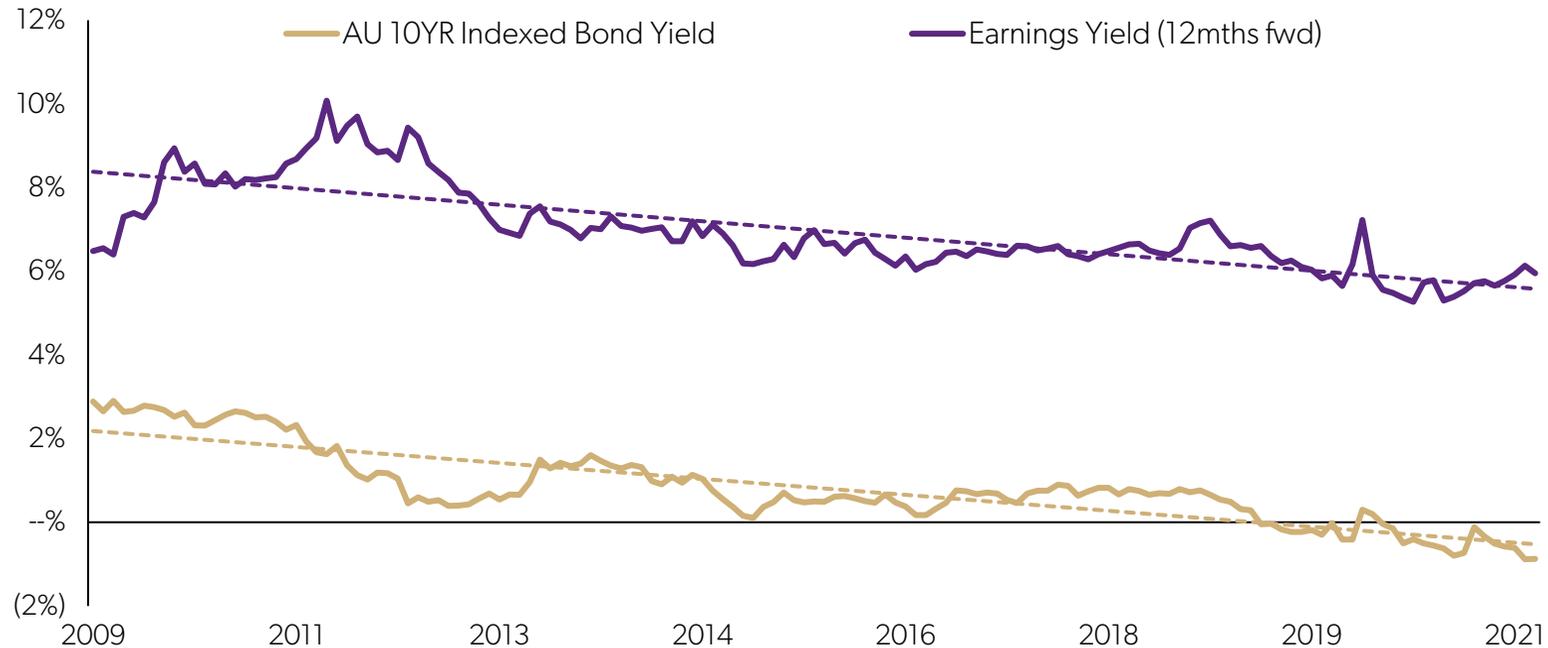
Australia, US and Global stock market indices last 10 years — rebased to 100



Source: Regal, Bloomberg as at 19 September 2021

## Equities Still Attractive v. Bonds

### Equity yield v. real bond yield



Source: Goldman Sachs as at September 2021

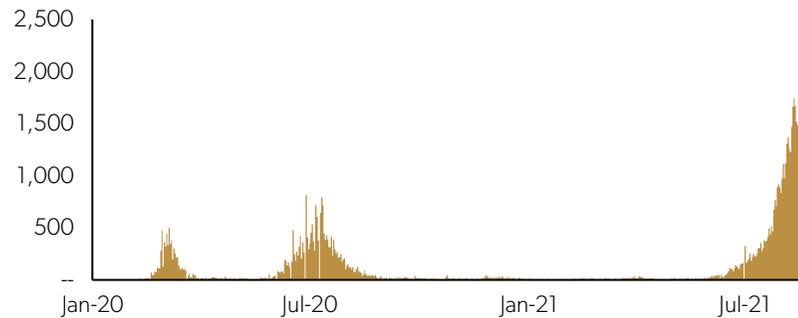
Note:

1. Monthly data series.

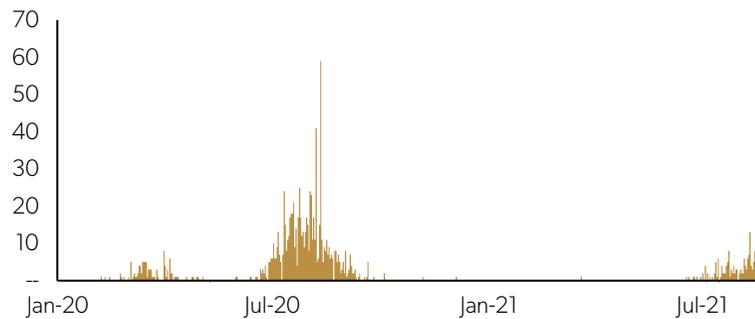
# The Path Out Of The Pandemic

## Australian experience

### Daily cases

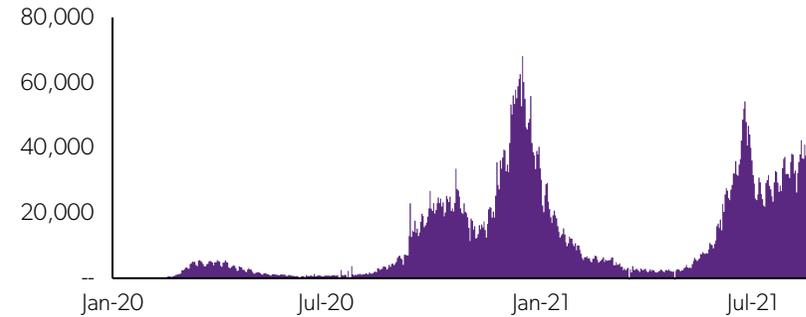


### Daily deaths

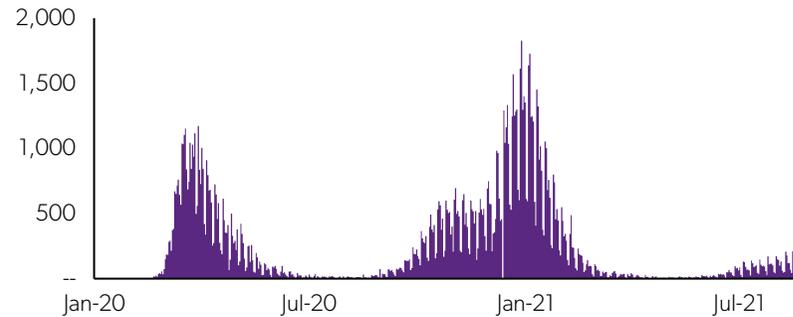


## United Kingdom experience

### Daily cases



### Daily deaths



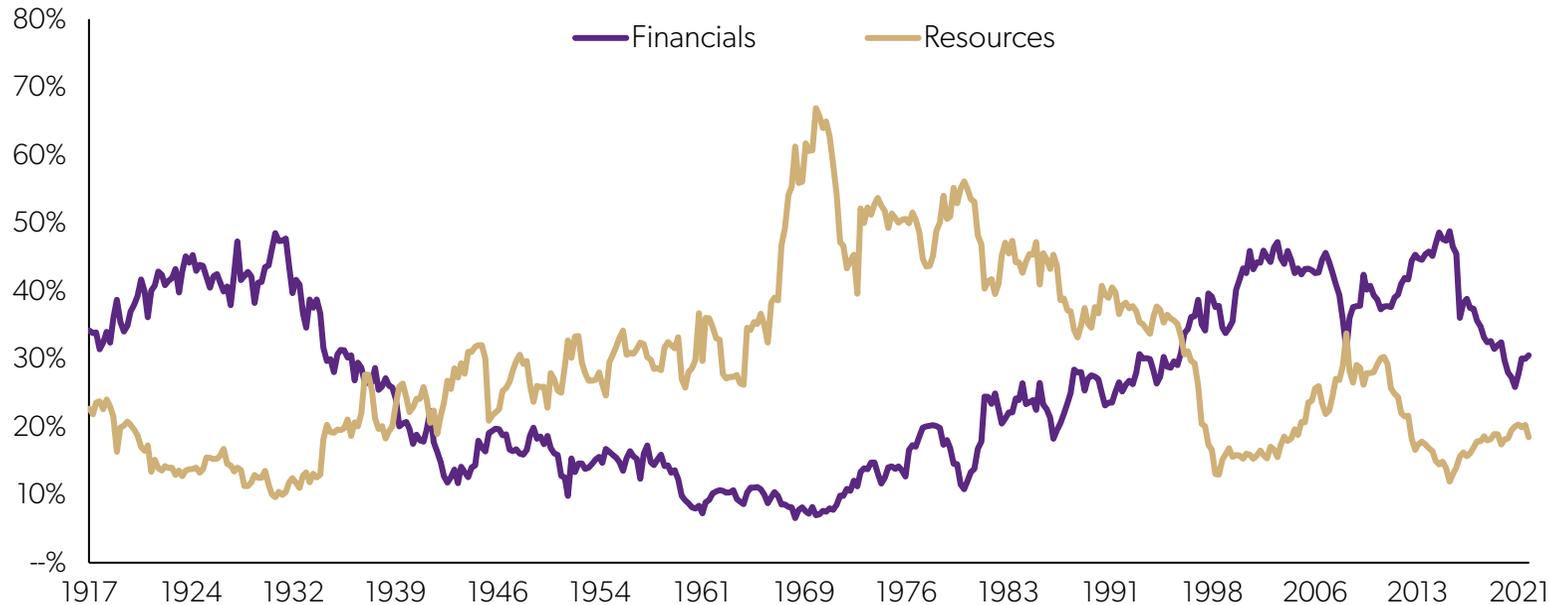
Source: Bloomberg as at 12 September 2021

## Changing Market Leadership

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Resources are poised to retake Australian stock market leadership

Market capitalization by sector — share of total index



Source: RBA, ASX, Bloomberg as at September 2021

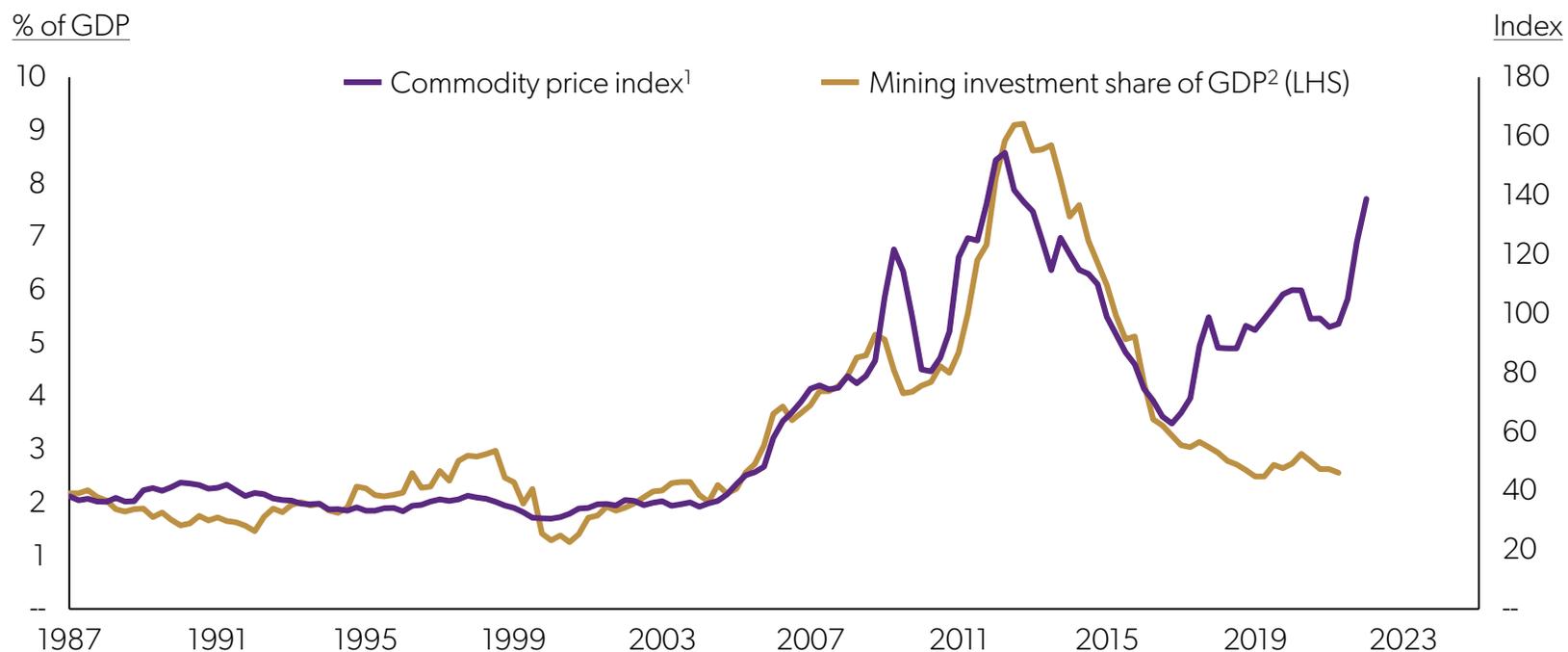
Note:

1. Quarterly data series.

# Mining Investment Has Lagged



## Mining investment and commodity prices



Source: Broker Research, Bloomberg as at September 2021

Note:

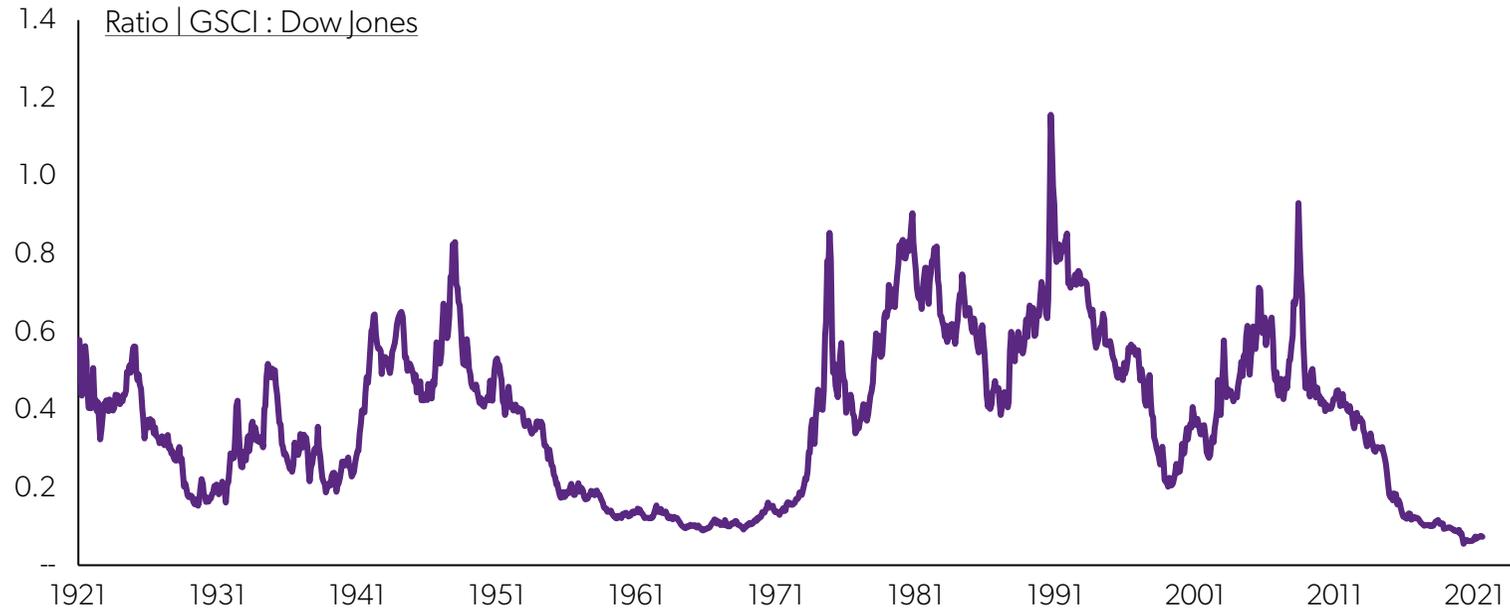
1. RBA non-rural commodity index (sdr terms) — leading by 3 quarters
2. Annual data interpolated using quarterly new capital expenditure data.

# 100 Years Of Commodity Valuation



Commodity prices are at their cheapest level relative to stocks in over 100 years

## Goldman Sachs Commodity Index ('GSCI') v. Dow Jones Index



Source: Goldman; Bloomberg as at September 2021

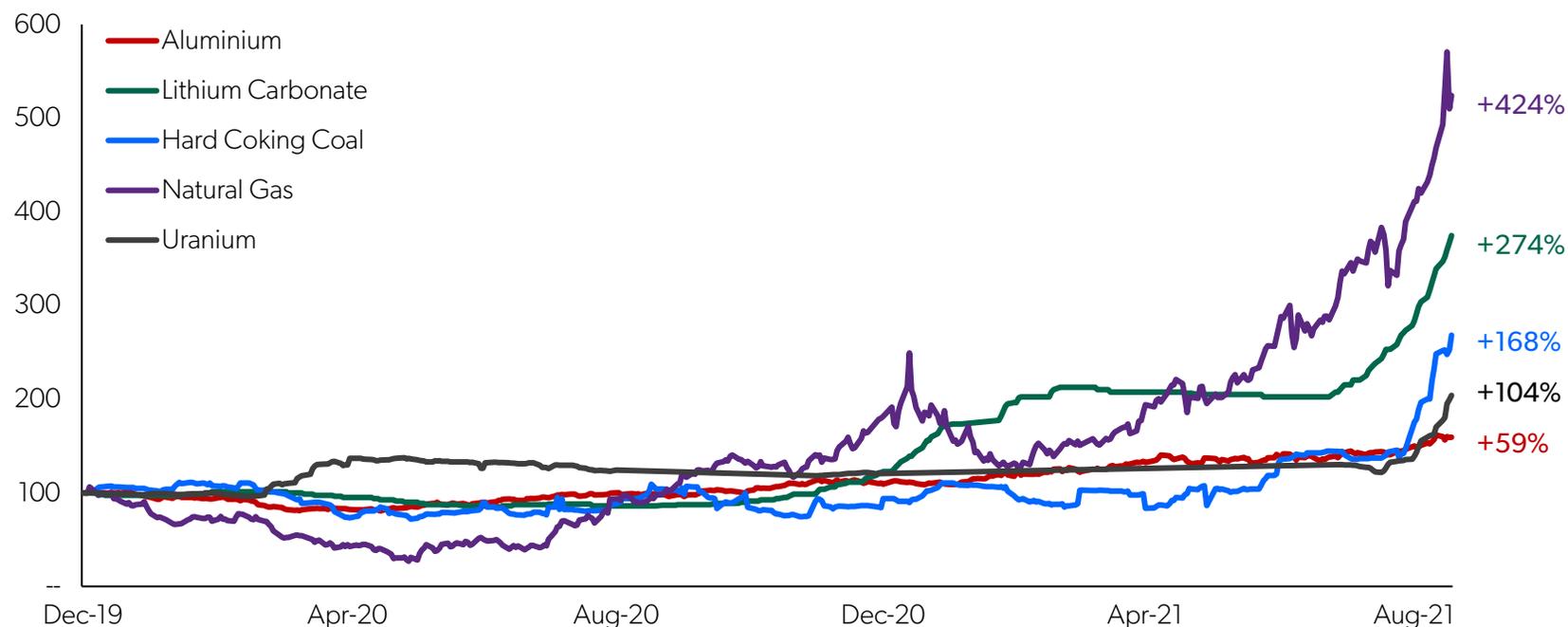
Note:

1. GSCI from 1971 onwards, AQR Database used prior to 1971 as a proxy for commodity returns

# Commodity Prices Squeeze

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## Commodity prices since beginning of 2020 — indexed to 100



Source: Broker Research, Bloomberg as at September 2021

Note:

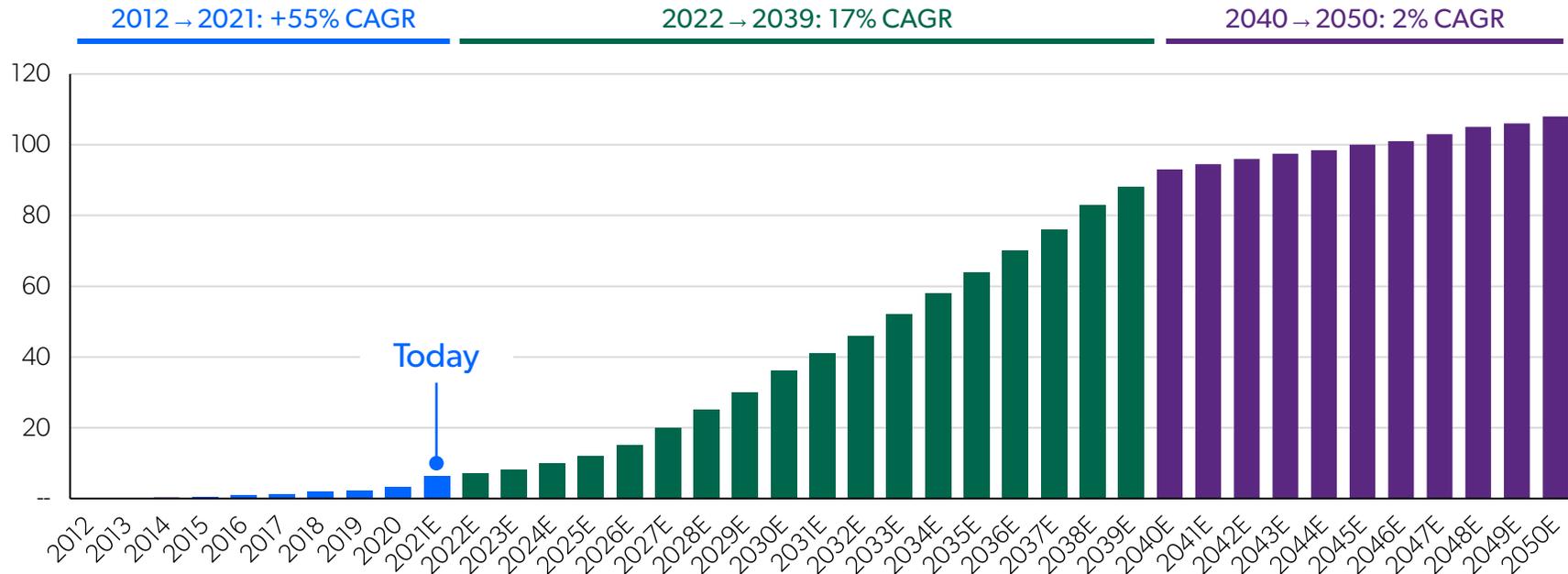
1. 100 = December 2019
2. Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance of the Fund's performance

## Electric Vehicles Sales To Accelerate



Electric Vehicles sales are projected to increase to more than 90m by 2040

Battery Electric Vehicles sales globally, million vehicles



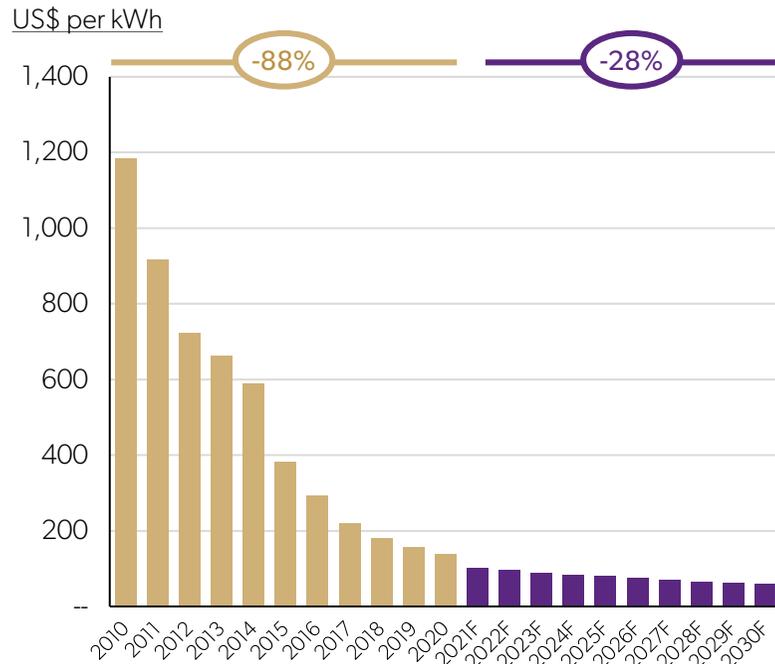
Source: Morgan Stanley, EVvolumes.com as at September 2021

# Global Battery Market To Triple Over Next 10 Years



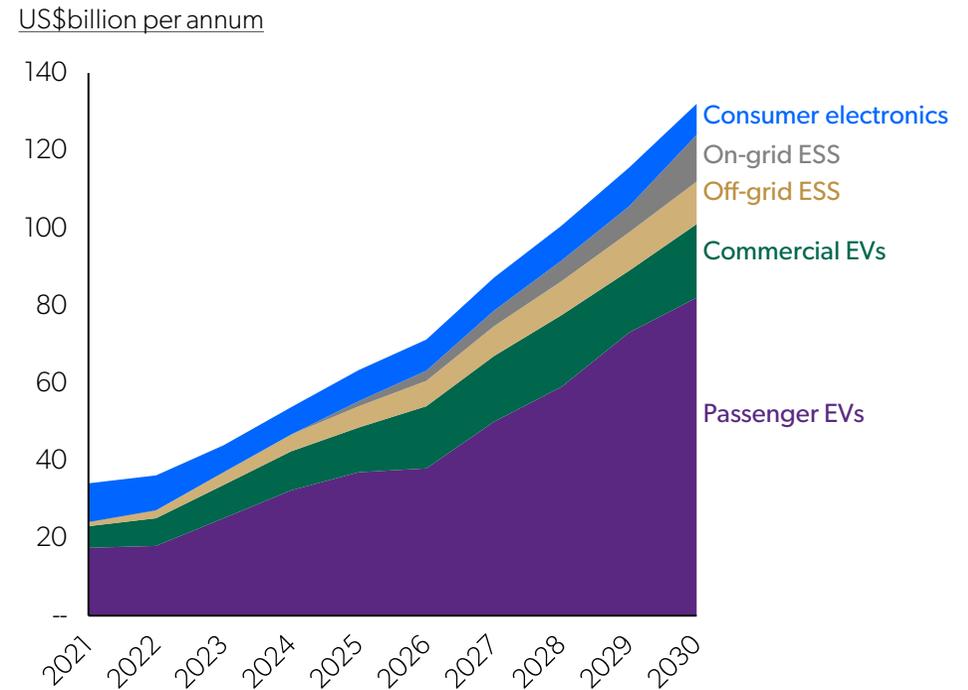
Falling battery prices has accelerated adoption and market growth

## Price for lithium-ion battery packs



Source: Accenture; Bloomberg

## Global battery market size projection

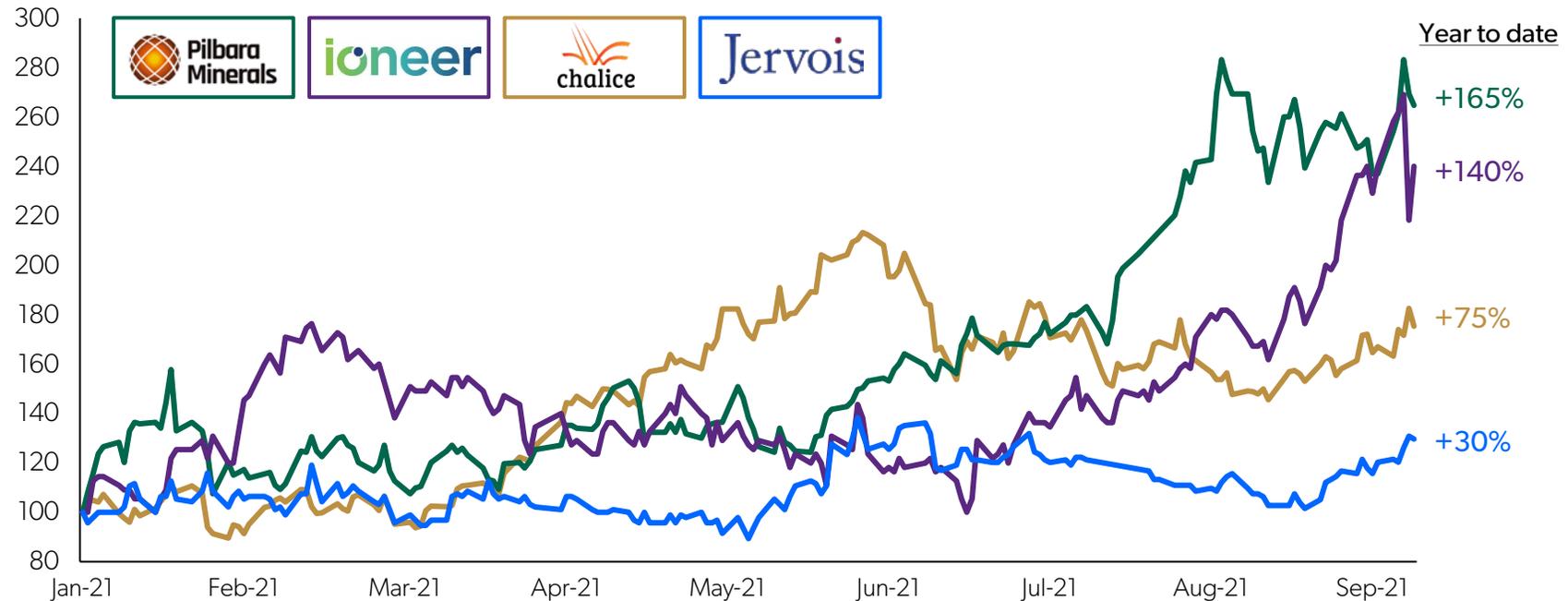


Source: Accenture; Roskill (2020) Lithium-ion Batteries: Outlook to 2029; International Renewable Energy Agency

## A Strong Year For Green Metals

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### Mining-focused industries — share price performance 2021, rebased to 100



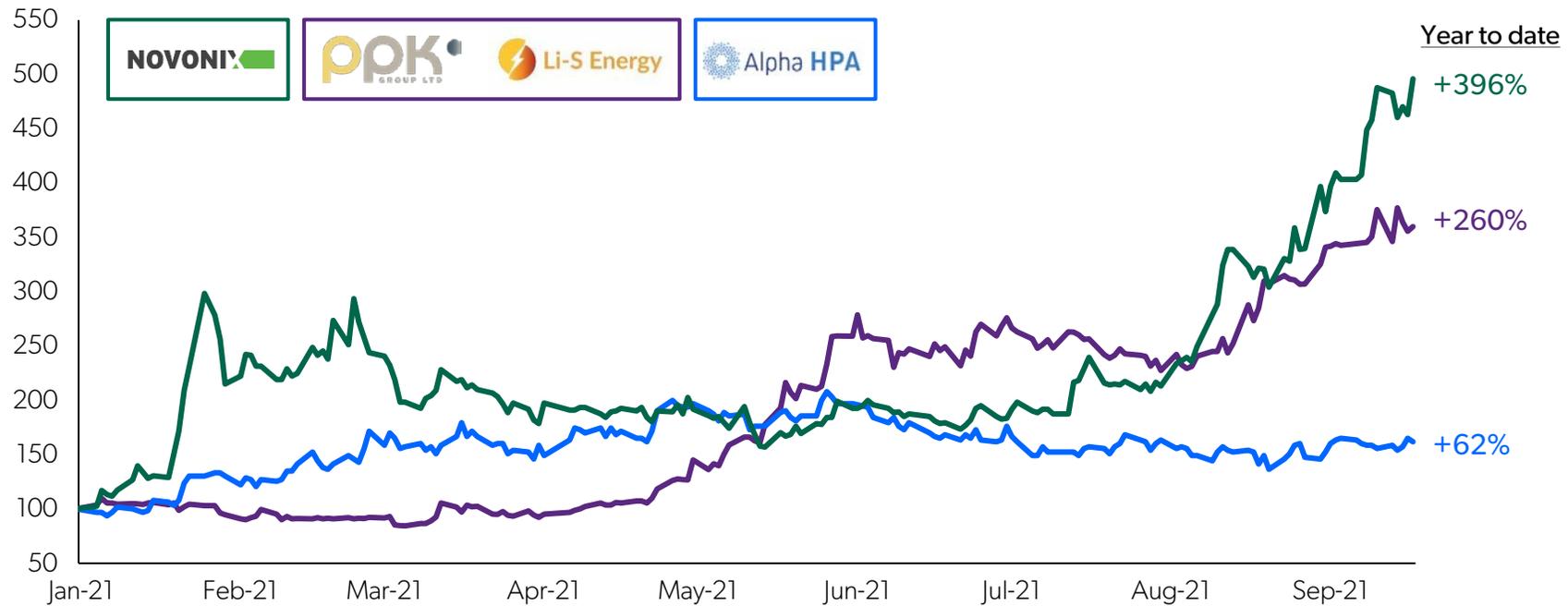
Source: Regal, Bloomberg as at 17 September 2021

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## A Strong Year For Battery Technology

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Battery-focused industries — share price performance 2021, rebased to 100



Source: Regal, Bloomberg as at September 2021

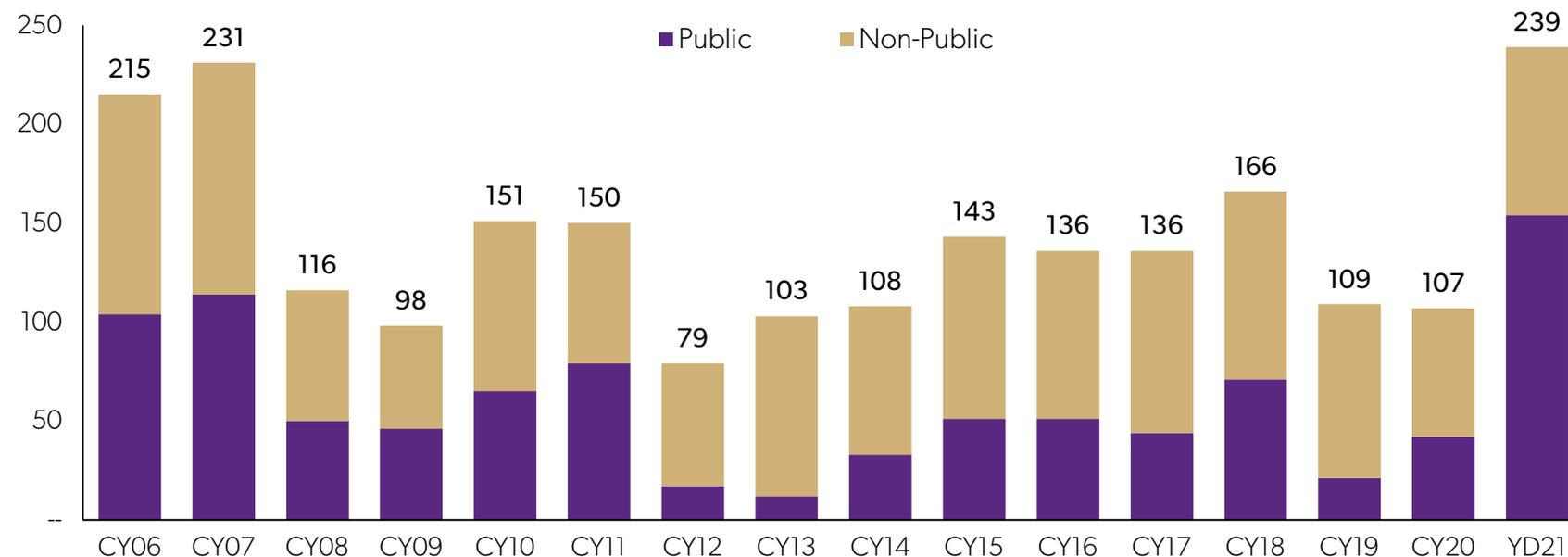
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## Increasing M&A and Corporate Activity



Boom in M&A and corporate activity an ongoing tailwind

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



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

## Small Cap Tech Acquisitions

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### Share price return since beginning of 2019 — rebased to 100



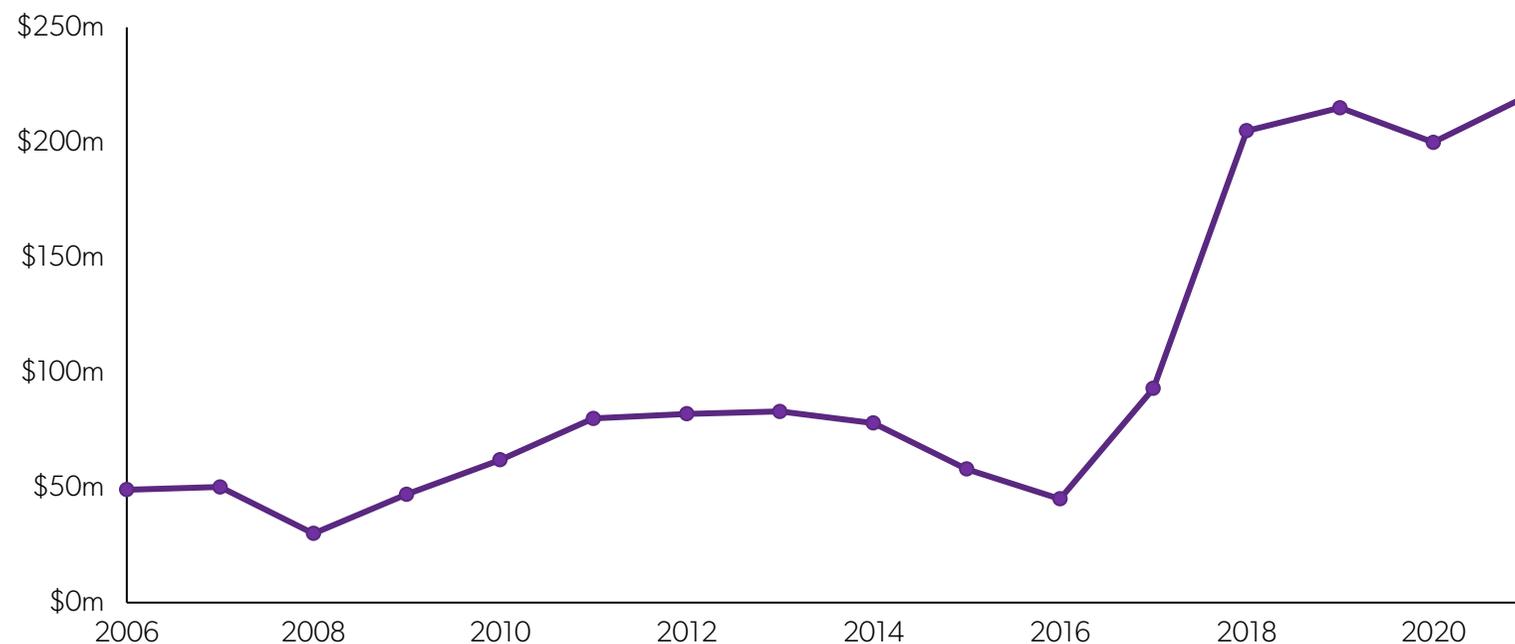
Source: Regal; Bloomberg as at September 2021

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## Private Market Deals



### Capital raised prior to IPO for VC-backed companies



Source: Goldman, as at July 2021

## Opportunities In Emerging Companies

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### Successful pre IPO investments in RF1



### Select pre IPO investments in RF1 coming to market



Source: Regal as at 20 September 2021

Note: This is a selection of pre IPO investments made by the Regal Emerging Companies Fund III. This is not a comprehensive list of pre IPO investments made by the Regal Emerging Companies Fund III. Past performance is not a reliable indicator of future performance.

## Small Caps Shine In Low Growth Market



### ASX200 Index (top 10 companies)

	Revenue CAGR (FY19 – FY23)
CSL Ltd (CSL)	8%
Wesfarmers (WES)	6%
Rio Tinto (RIO)	5%
BHP Ltd (BHP)	4%
Macquarie Group (MQG)	3%
NAB Ltd (NAB)	0%
Woolworth (WOW)	(0%)
CBA Ltd (CBA)	(1%)
Westpac (WBC)	(1%)
ANZ Ltd (ANZ)	(2%)

### Select Regal Small Caps

	Revenue CAGR (FY19 – FY23)
PointsBet (PBH)	120%
Zip Co (ZIP)	83%
Immutep Ltd (IMM)	78%
Spirit Technology (ST1)	76%
Orocobre (ORE)	63%
Life360 (360)	57%
Megaport (MP1)	55%
Bigtincan (BTH)	54%
Temple & Webster (TPW)	54%
City Chic (CCX)	28%

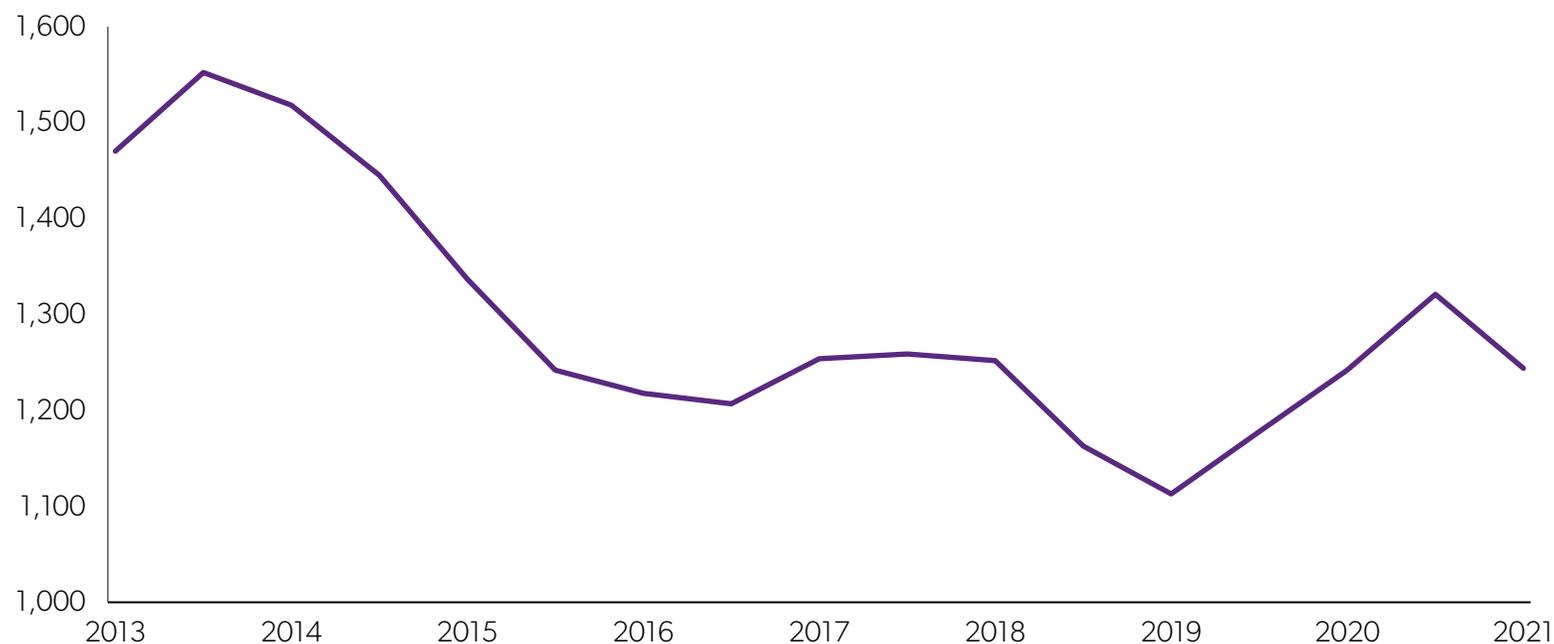
Source: Bloomberg as at September 2021, calendarised to a June year end.

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## Broker Research Coverage In Decline



### Total number of Australian sell-side earnings estimates

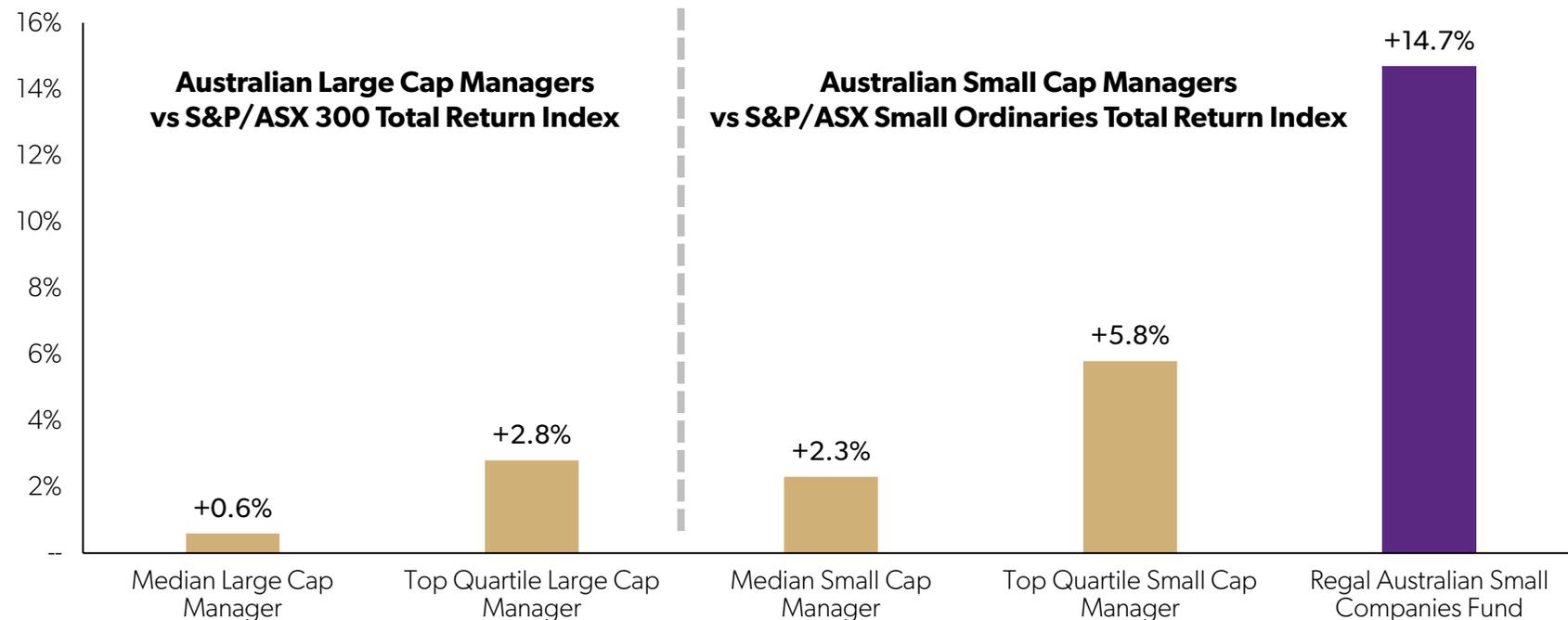


Source: Bloomberg, Broker research as at September 2021

# Active Management Adds Alpha In Small Caps



## Australian Fund Manager Outperformance Per Annum vs Benchmark — 5 years to August 2021<sup>1</sup>



Source: Mercer Survey – Australian Large Cap Shares & Australian Small Companies (August 2021)

Note:

1. S&P/ASX 300 Total Return Index returned +10.8% per annum for the five years to 30 August 2021. S&P/ASX Small Ordinaries Total Return Index returned +10.6% per annum for the five years to August 2021.
2. Returns shown are gross of all fees, as per Mercer data.
3. 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 Portfolio or any one of the strategies.

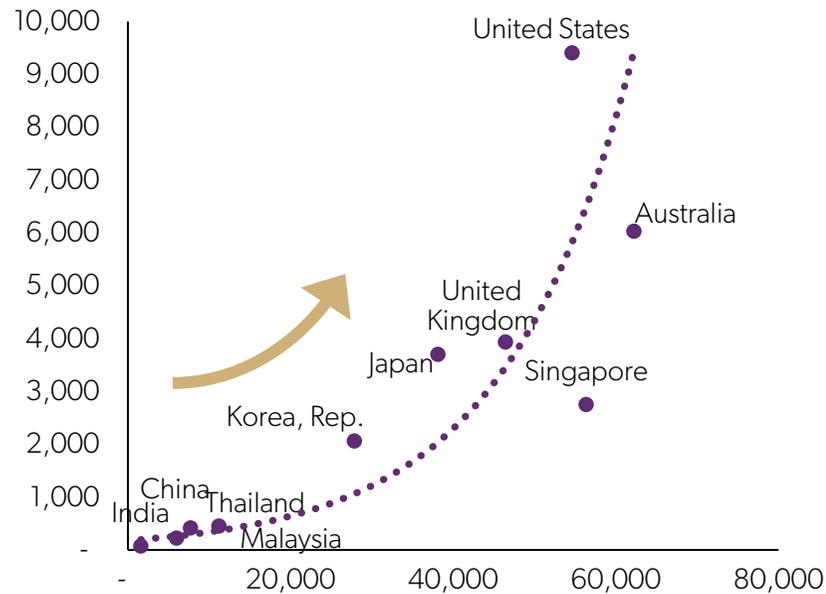
# Excellent Opportunities in Asian Health Care Stocks

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Health care spend in Asia is set to continue to grow at a multiple of GDP, fueled by economic growth and a population which is aging more rapidly than in the West<sup>1</sup>.

## Asia health spend to continue its exponential growth

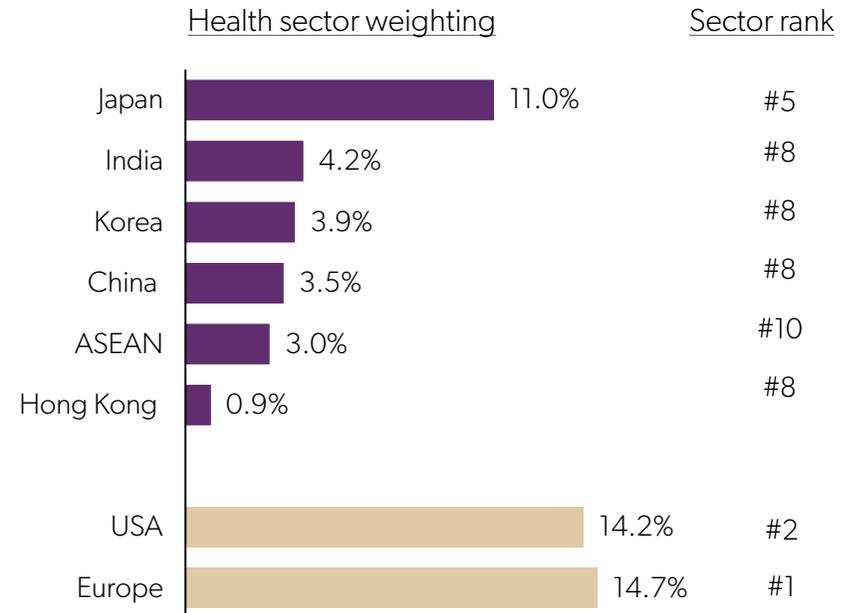
Health care spend per capita



Source: World Bank

Note: (1) Asia to add 235m additional people aged >60 by 2023, vs only 35m for US and EU. Source UN World Aging and population report

## Asia health care is an emerging and inefficient sector

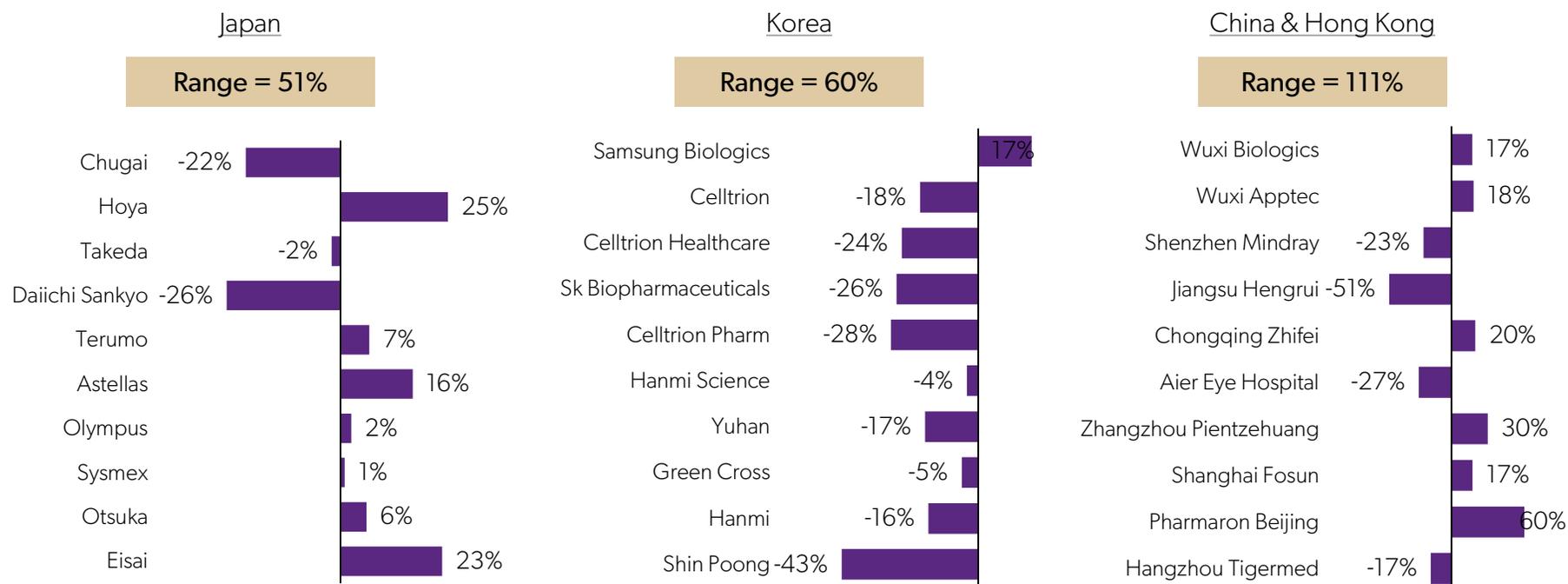


Source: MSCI Korea, MSCI ASEAN, MSCI India, STOXX 600, HIS (Siblis), MSCI China, S&P/Topix150

# Wide Dispersion Equals More Opportunity For Alpha



## Healthcare sector performance — 2021 year to date

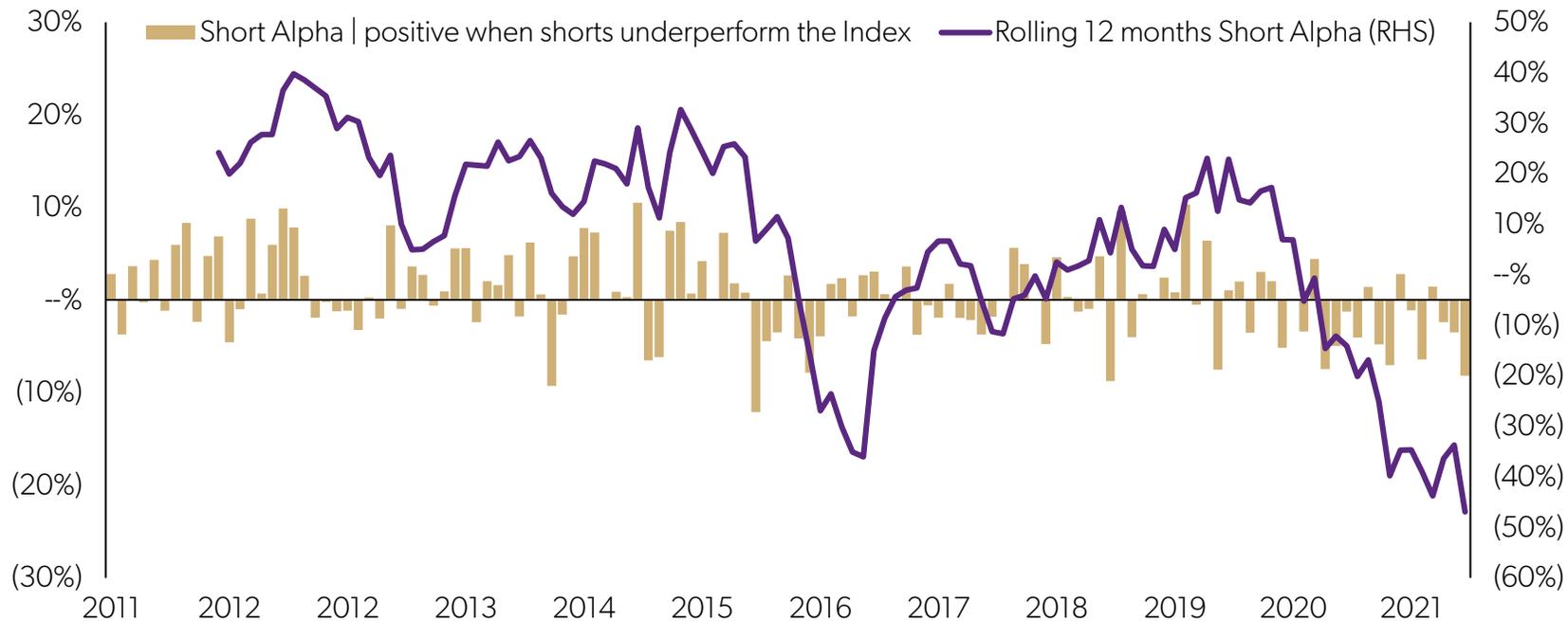


Source: Bloomberg. Includes 10 largest health companies, above \$2bn market capitalisation. Measures 2021 calendar price performance ex-dividends to August 2021

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# Shorting Bear Market

## Performance of the Top 20 most shorted stocks<sup>1</sup> in the S&P/ASX 200 Index



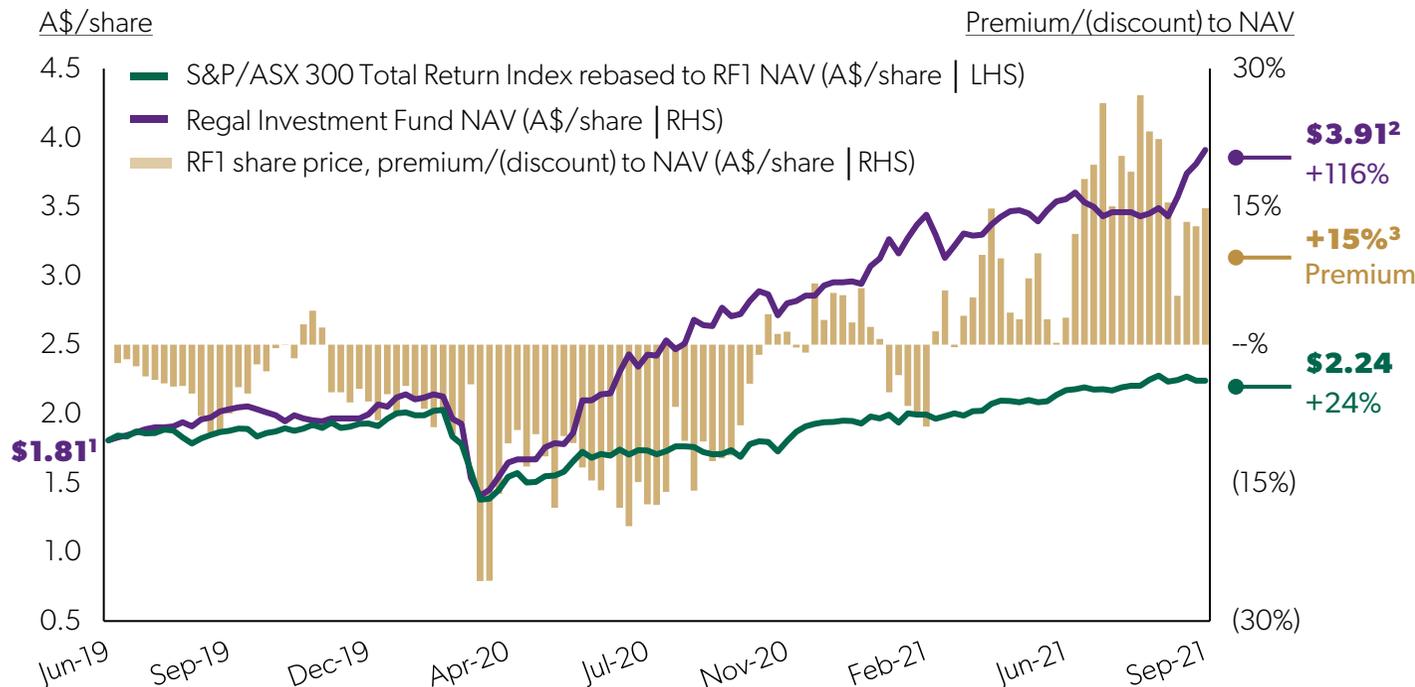
Source: Regal, Bloomberg as at 31 August 2021

Note: (1) as reflected in the Citi Aust Most Shorted Index

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# Delivering Unitholder Value

## RF1 NAV and share price premium – adjusted for distributions



- Top quartile returns<sup>4</sup>
- Significant staff ownership
- Accretive share buy-back
- Investor roadshows

Source: Regal, Bloomberg as at 17 September 2021

Note: (1) Adjusted to reflect lower capital base due to distributions since inception, (2) net of all fees; (3) based on a \$4.49 share price and \$3.91 NAV, rounded-up to the nearest percent; (4) Bell Potter Research, June 2021. 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



**Phil King**

Chief Investment  
Officer



**Brendan  
O'Connor**

Chief Executive  
Officer



**Craig Collie**

Portfolio Manager  
Head of Healthcare



**Campbell  
Chambers**

Portfolio Manger  
Head of Aus. Trading



# APPENDIX

## RF1 Strategy Returns



### Performance since listing

Fund performance	2019 <sup>3</sup>	2020	2021 <sup>4</sup>	Annualised Since Inception <sup>5</sup>
<b>Regal Investment Fund<sup>1</sup></b>	<b>+11%</b>	<b>+47%</b>	<b>+33%</b>	<b>+43%</b>
S&P/ASX 300 Total Return Index <sup>2</sup>	+5%	+2%	+16%	+10%

Strategy performance within RF1 <sup>2</sup>	2019 <sup>3</sup>	2020	2021 <sup>4</sup>	Annualised Since Inception <sup>5</sup>
Market Neutral	+6%	+22%	+34%	+27%
Aus. Long Short Equity	+6%	+21%	+25%	+24%
Aus. Small Companies	+22%	+40%	+70%	+60%
Emerging Companies	+35%	+83%	+59%	+84%
Long Short Health Care <sup>6</sup>	n/a	+5%	+18%	+18%
Global Alpha	+34%	+125%	+49%	+100%

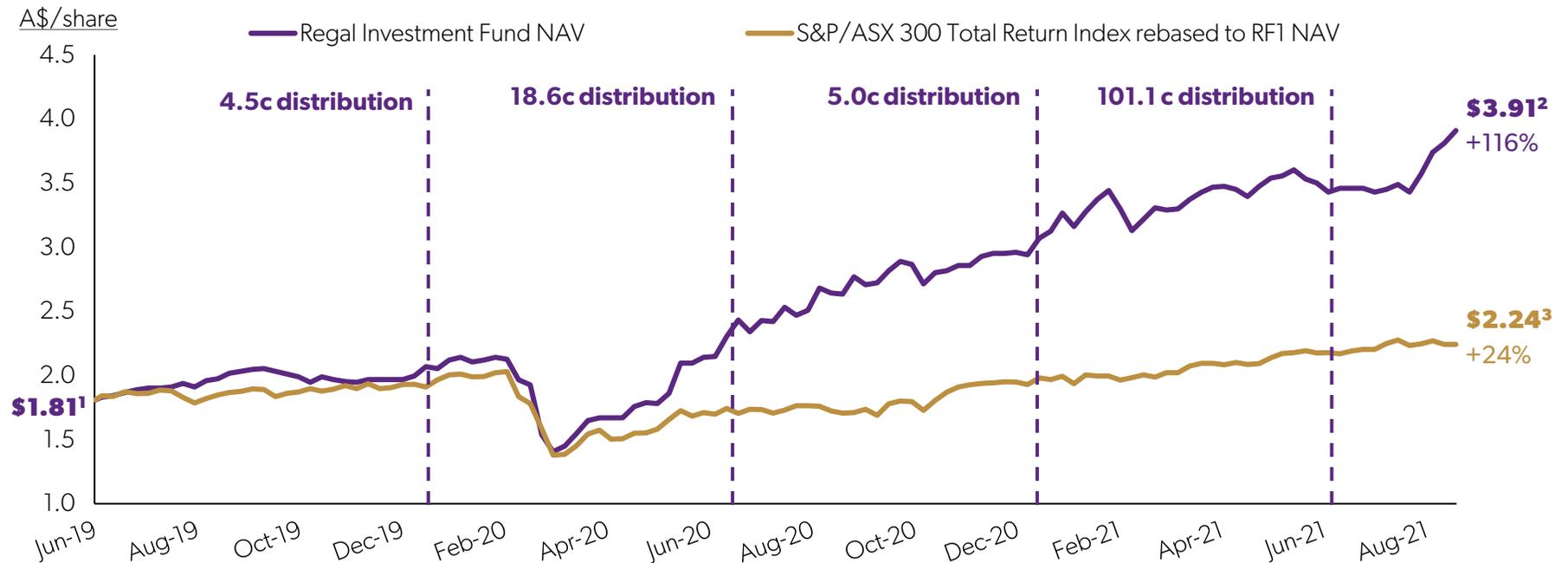
Source: Regal, Bloomberg as at 17 September 2021

Note: (1) net of all fees; (2) gross of fees; (3) from 17 June listing date to 31 December 2019; (4) calendar year to 17 September 2021; (5) from 17 June listing date to 17 September 2021; (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.

# Distribution History



## Regal Investment Fund – net asset value



Source: Regal, Bloomberg as at 17 September 2021

Note: (1) adjusted to reflect lower capital base due to distributions since inception; (2) net of all fees; (3) gross of fees.

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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](mailto:regalfund@linkmarketservices.com.au)

Alternatively, please visit the manager's website:  
[www.regalfm.com](http://www.regalfm.com)

Thank you again for your continued support