

**FEBRUARY 2023<sup>1</sup>**

The Regal Investment Fund Net Asset Value (“NAV”) decreased by -3.4% to \$2.80 in February. Since inception on 17 June 2019, the Fund has generated 18.8% p.a. net of fees.<sup>1</sup>

Global equity markets struggled to maintain their initially buoyant start to the calendar year, as rising global bond yields and expectations for further interest rate rises quickly suppressed January’s early optimism. A rapid change in market expectations for the US Federal Reserve’s interest rate path drove the bulk of the moves, as US 1-Year Treasury bond yields breached 5% for the first time in 16 years and 10-year yields approached 4%, their highest level since November 2022. While equity markets initially remained buoyant through the month, a raft of stronger-than-expected US macro data releases quickly reignited concerns that terminal rates may head higher than anticipated. The S&P 500 subsequently concluded the month -2.6%, while the tech-heavy NASDAQ contracted -1.1%. The Australian market was not immune, the ASX 200 declining -2.9%, led by the ASX 200 Materials index falling -8%, while the ASX Small Ordinaries Index contracted -3.7%.

By strategy, the Global Alpha Strategy contributed positively to returns while the Long Short Health Care Strategy, the Water Strategy and the Resources Royalties Strategy remained flat. The main detractors in February came from the Small Companies Strategy and Emerging Companies Strategy, detracting -9% and 1% respectively over the month. Key holdings that drove this performance were exposures across smaller cap resources holdings.

By way of update, it gives us great pleasure to invite ASX:RF1 investors, our adviser partners and interested parties to join Phil King, Chief Investment Officer of Regal Funds Management, for an RF1 Investor Webinar in the last week of March. More information and details on how to register will be released shortly.

Finally, as foreshadowed at RF1’s capital raise in December 2022, RF1 allocated a small amount of capital to the Regal Private Credit Opportunities Fund on 1 March 2023 given the prospect for attractive risk adjusted returns from Private Credit and the complementary qualities of the Private Credit Strategy to the other investment strategies within RF1.

<sup>1</sup> Performance figures are net of all fees unless otherwise stated. All numbers are as at 28 February 2023. Performance figures are net of fees and costs and assume reinvestment of income.

**PERFORMANCE DATA % (NET)**

Performance	1 mth	3 mth	6 mth	1 yr	2 yrs pa	3 yrs pa	Inception pa
Regal Investment Fund	-3.38	-4.18	-7.20	-8.10	2.84	20.48	18.78

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.

**PERFORMANCE BY MONTH % (NET)**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2023	3.33	-3.38											-0.16
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

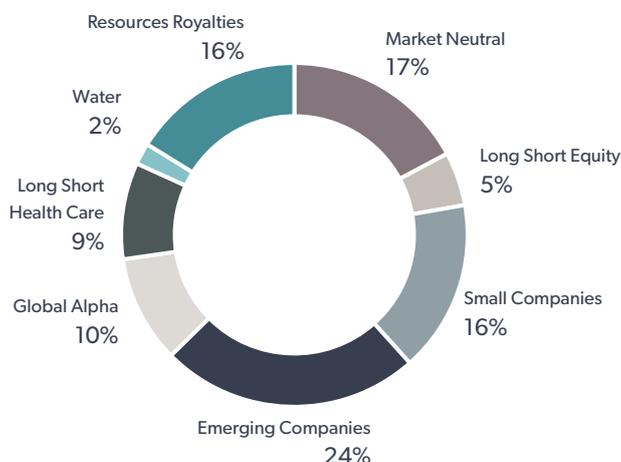
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**FUND INFORMATION**

Name	Regal Investment Fund
ASX Code	RF1
ASX Closing Price	\$2.71
Monthly NAV (per unit)	\$2.80
Premium/(Discount)	(3.21%)
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\$590m
Units on Issue	210,703,428 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 28 February 2023.

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



<sup>2</sup> As at 28 February 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

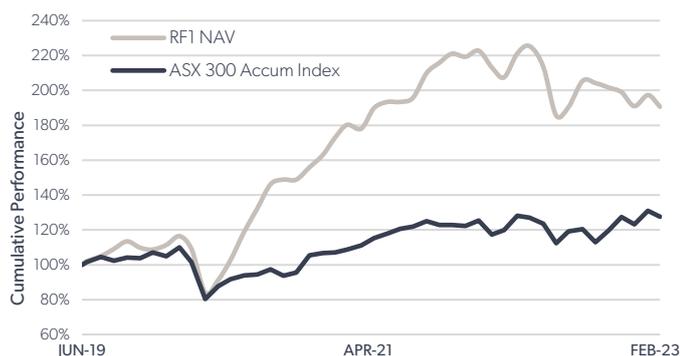


Chart represents cumulative performance of RF1 NAV since inception on 17 June 2019. Net of fees and costs. Performance figures assume reinvestment of income. Past performance is not a reliable indicator of future performance.

## UNDERLYING STRATEGY PERFORMANCE (GROSS)

Strategy	1 month %	12 months %	Inception % pa
Market Neutral Strategy	-4.3	1.2	18.5
Long Short Equity Strategy	-4.3	9.9	14.9
Small Companies Strategy	-9.3	-13.5	19.1
Emerging Companies Strategy	-1.1	-9.9	36.8
Global Alpha Strategy	2.2	10.2	66.6
Long Short Health Care Strategy	0.5	1.2	7.1
Water Strategy <sup>3</sup>	-0.1	-	-
Resources Royalties Strategy <sup>4</sup>	0.4	-	-
<b>Total RF1 (net)</b>	<b>-3.4</b>	<b>-8.1</b>	<b>18.8</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.

<sup>4</sup> Resources Royalties commenced 18 October 2022.

## BALANCE SHEET EXPOSURES (% OF NAV)

Sector	Long	Short	Net	Gross
Communication Services	7	-2	5	9
Consumer Discretionary	10	-11	-1	21
Consumer Staples	3	-2	1	6
Energy	13	-2	11	15
Financials	17	-10	7	26
Health Care	19	-13	6	32
Industrials	8	-6	3	14
Information Technology	11	-6	5	18
Materials	33	-11	22	45
Real Estate	7	-6	1	13
Utilities	6	0	6	6
<b>Total (Listed Positions)</b>	<b>135</b>	<b>-70</b>	<b>65</b>	<b>204</b>
<b>Total (Non Listed Positions)</b>	<b>43</b>	<b>-1</b>	<b>42</b>	<b>45</b>
<b>Total</b>	<b>178</b>	<b>-71</b>	<b>107</b>	<b>249</b>

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## 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>5</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 a leading provider of alternative investment strategies in Australia and Asia.

<sup>5</sup> Australian Alternative Investment Manager of the Year, awarded at the Annual AIMA 'Hedge Funds Rock' Awards in 2019, 2016, 2014, 2011.

## CONTACT

Regal Funds Management Pty Ltd

+61 2 8197 4333  
info@regalfm.com

Link Market Services Limited (Registry Provider)

+61 1800 221 227  
regalfund@linkmarketservices.com.au

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