

## Regal Investment Fund (ASX: RF1)

**REGAL**  
FUNDS MANAGEMENT



**Equity Trustees**  
Responsible entity

### DECEMBER 2021

The Regal Investment Fund Net Asset Value (NAV) increased by 1.6% to \$3.90 in December. Since inception on 17 June 2019, the Fund has generated 36.4% p.a. net of fees<sup>1</sup>.

Increasingly hawkish commentary from the US Federal Reserve and confirmation of an accelerated tapering in their bond purchase program saw US bond yields again rise in December, driving further rotation within equity markets away from growth assets and toward more cyclical and value sectors. US 10-Year yields finished the year at 1.5%, a long way from the 0.9% at the beginning of 2021. Capital rotations away from higher-growth and longer duration equities saw US tech names underperform, the NASDAQ rising 0.7% for the month to conclude the year 21.4%. Australian equities underperformed global peers, the ASX 200 rising 2.6% in December, finishing the year 2.5% below its high water mark reached in August. For the CY21, the ASX 200 rose 13.0%.

The Regal Investment Fund delivered a positive absolute return in December, led by positive contributions from the Global Alpha and Market Neutral strategies, offset by a softer month of performance in the Emerging Companies strategy. Pleasingly for both Market Neutral and Global Alpha, positive attribution was delivered across both the long and the short book, reflecting continued opportunities we are seeing on the short side across a range of sectors. Within Market Neutral, long positions in Quebec-based iron ore miner Champion Iron (+21%) and stainless steel supplier Vulcan Steel (+19%) underpinned performance. A number of short positions within the healthcare sector also contributed strongly to returns. Global alpha, the Fund's systematic and discretionary trading strategy, delivered positive returns across a number of short term tactical positions in Australia, Hong Kong and the US.

The Australian Long Short strategy delivered positive performance this month, with positive contributions from a number of positions across the resources sector. An overweight position in electronic property settlement provider PEXA (+13%) also contributed well to returns, with the business seeing increased interest following positive broker research initiations and broader M&A activity within the platform facilitation space. The Emerging Companies strategy proved the largest detractor to returns this month, driven primarily by declines in bitcoin miner Iris Energy and Mawson Infrastructure.

**Please be aware that Equity Trustees are also pleased to also confirm that RF1 has paid a \$0.10 per unit distribution for the year ended 31 December, 2021. For additional information, please refer to the ASX announcement [here](#).**

### RF1 SUMMARY DATA (as at 31 December 2021)

<b>RF1 ASX Closing Price</b>	<b>\$4.04</b>
<b>RF1 NAV</b>	<b>\$3.90</b>
<b>Premium / (Discount)</b>	<b>+3.59%</b>

<sup>1</sup> Past performance is not a reliable indicator of future performance.

### PERFORMANCE DATA (NET)

PERFORMANCE	1 MTH %	3 MTH %	6 MTH %	1 YR %	2 YRS %P.A	INCEPTION %P.A.
<b>Regal Investment Fund</b>	<b>1.6</b>	<b>3.2</b>	<b>15.2</b>	<b>36.7</b>	<b>41.4</b>	<b>36.4</b>

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.

### KEY FUND INFORMATION

Name	Regal Investment Fund	Monthly NAV (per unit)	A\$3.90
ASX Code	RF1	RF1 NAV	A\$670m
Structure	Listed Investment Trust	Units on Issue	171,928,982 units
Listing Date	17 June 2019	Distribution Frequency	Semi-annual
Management Fee	1.5% (plus GST)	Responsible Entity	Equity Trustees Limited
Performance Fee	20% above RBA Cash Rate	Investment Manager	Regal Funds Management Pty Ltd
High Water Mark	Yes	Fund Administrator	HSBC

Note: Performance figures are net of all fees unless otherwise stated. All numbers are as at 31 December 2021.

### RF1 FUND PERFORMANCE

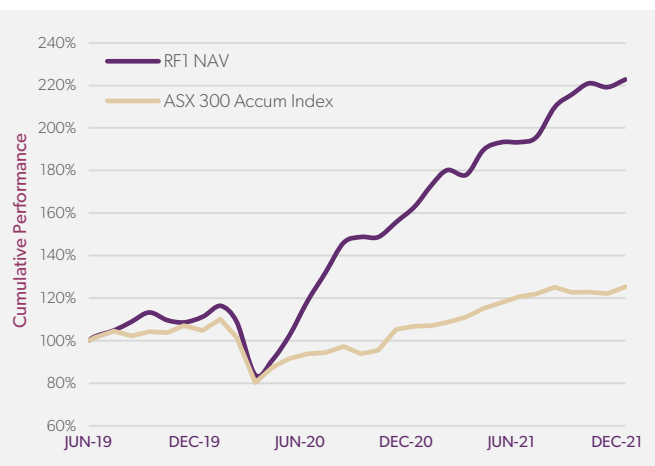


Chart represents cumulative performance of RF1 NAV since inception on 17 June 2019. Net of fees and costs. Performance figures assume reinvestment of income. Past performance is not a reliable indicator of future performance.

### UNDERLYING STRATEGY PERFORMANCE (GROSS)

STRATEGY	1 MONTH %	12 MONTHS %	INCEPTION %P.A.
Market Neutral Strategy	4.2%	35.8%	24.7%
Long Short Equity Strategy	3.4%	27.0%	21.3%
Small Companies Strategy	0.5%	73.0%	52.9%
Emerging Companies Strategy	-1.2%	42.6%	67.1%
Global Alpha Strategy	12.4%	93.3%	99.3%
Long Short Health Care Strategy	2.9%	12.7%	13.8%
<b>TOTAL RF1 (NET)</b>	<b>1.6%</b>	<b>36.7%</b>	<b>36.4%</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.

### CONTACT INFORMATION

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## STRATEGY

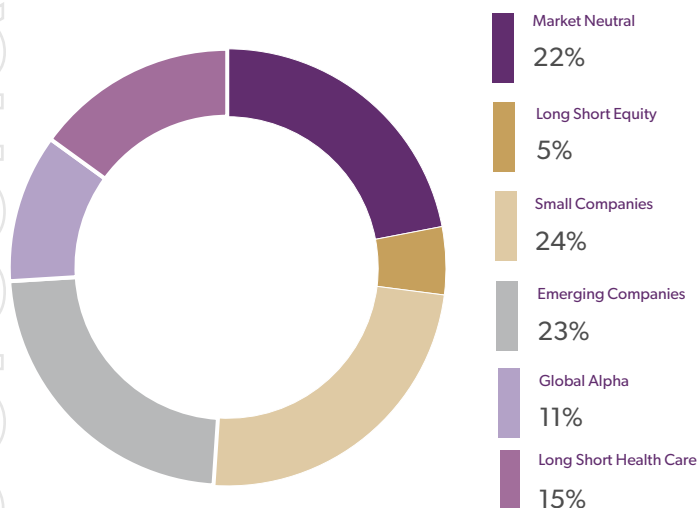
The investment objective of RF1 is to provide investors with exposure to a selection of alternative investment strategies with the aim of producing attractive risk-adjusted absolute returns over a period of more than five years with limited correlation to equity markets. Regal Funds Management Pty Limited's ("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.

The current exposure ranges for the Strategies are below<sup>1</sup>:

MARKET NEUTRAL	LONG SHORT EQUITY	SMALL COMPANIES	EMERGING COMPANIES <sup>2</sup>	GLOBAL ALPHA	LONG SHORT HEALTHCARE
0% - 50%	0% - 25%	0% - 25%	0% - 25%	0% - 25%	0% - 25%

## CURRENT EXPOSURE BY STRATEGY (NAV)



## FUND PERFORMANCE (NAV)

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2021	6.16	4.22	-1.22	6.65	1.83	0.02	1.21	7.27	2.86	2.39	-0.79	1.57	<b>36.72</b>
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	<b>46.31</b>
2019	n/a	n/a	n/a	n/a	n/a	2.06	2.82	3.91	4.00	-3.22	-0.93	2.41	<b>11.36</b>

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

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

Equity Trustees Limited ("Equity Trustees") (ABN 46 004 031 298), AFSL 240975, is the Responsible Entity for the Regal Investment Fund and has authorised the issue of this newsletter. Equity Trustees is a subsidiary of EQT Holdings Limited (ABN 22 607 797 615), a publicly listed company on the Australian Securities Exchange (ASX: EQT). Regal Funds Management Pty Ltd ABN 30 107 576 821 AFSL 277737 ("Regal") is the investment manager for the Fund.

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<sup>1</sup> Ranges permitted by the Investment Guidelines. The Fund portfolio will be constructed using multiple Regal Investment Strategies and these Strategies are not necessarily limited to the current Investment Strategies.

<sup>2</sup> Applicable at the time of investment

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