

Regal Long Short Australian Equity Fund

AUGUST 2023

The Regal Long Short Australian Equity Fund decreased -0.4% in August compared to a decrease of -0.8% for the ASX 300 Accumulation Index.

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. 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%. Australian equities outperformed global peers, the ASX 200 declining -1.4% and ASX Small Ordinaries Index retreating -1.6%, 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.

By sector, Information Technology, Utilities and Energy contributed positively, with key contributors including overweight positions in location-based app provider Life360 (+21%), following a strong company update and upgrade to earnings for CY2023, and an overweight position in gold assaying technology provider Chryso Corporation (+27%), following the company reporting another strong quarter of growth and confirmation the business has exceeded its FY23 Prospectus targets for both revenue and EBITDA. Key detractors to performance this month included an overweight position in small business lender Judo Capital (-33%), following the company providing a weaker earnings update, and a long position in eye-focused biotech Opthea (-25%).

OUTLOOK

Global equity markets have experienced a strong start to the calendar year, as market participants embrace the possibility of a near-term peak in long term interest rates alongside largely better-than-expected global economic activity. US equity markets have remained particularly well-supported, driven by outsized returns across larger-cap technology companies with exposure to the rapidly evolving AI thematic and increasing signs of a sustainable recovery in US corporate earnings and business conditions. Looking forward, it's likely the Australian equity market will underperform global counterparts in aggregate, particularly across the large cap equity index that remains heavily exposed to the domestic economy. After a lengthy period of capital outflows and sustained valuation de-rating, growth focused Australian smaller companies appear increasingly attractive at current levels, particularly those with the ability to generate earnings growth regardless of the underlying economic cycle. Additionally, an overweight is retained to the metals and mining sector, particularly towards businesses exposed to the production of minerals critical to the global energy transition.

FUND PERFORMANCE % – AUGUST 2023 (NET CHANGE FROM PREVIOUS PERIOD)¹

| | 1 mth | 3 mth | 6 mth | 1 yr | 3yr pa | 5yr pa | Inception pa |
|--|-------|-------|-------|-------|--------|--------|--------------|
| Regal Long Short Australian Equity Fund | -0.40 | 7.67 | 4.45 | 3.84 | 10.76 | 8.70 | 11.34 |
| S&P/ASX 300 Accumulation Index | -0.76 | 3.88 | 2.87 | 8.96 | 10.51 | 6.99 | 7.72 |
| Excess return | 0.36 | 3.79 | 1.58 | -5.12 | 0.25 | 1.71 | 3.61 |

Performance figures are net of all fees and costs and assumes reinvestment of distributions.

FUND PERFORMANCE (%)¹

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD |
|-------------|-------|-------|--------|-------|-------|--------|-------|-------|-------|--------|-------|-------|-------|
| 2023 | 5.57 | -3.45 | -1.49 | 0.43 | -1.94 | 6.87 | 1.16 | -0.40 | | | | | 6.47 |
| 2022 | -7.17 | 0.64 | 8.44 | 1.78 | -3.13 | -12.59 | 5.70 | 8.88 | -3.22 | 5.42 | 1.61 | -5.91 | -2.11 |
| 2021 | 3.02 | -0.08 | -0.55 | 7.93 | 0.90 | -1.66 | 3.90 | 4.83 | -1.81 | 1.31 | 1.86 | 3.45 | 25.15 |
| 2020 | 7.83 | -8.98 | -34.06 | 11.16 | 10.91 | 5.72 | 6.03 | 5.13 | 0.66 | -1.53 | 4.95 | 0.13 | -2.06 |
| 2019 | 3.59 | 12.77 | 0.00 | 7.15 | 2.79 | 3.30 | 4.51 | -1.90 | 2.06 | -2.83 | 1.26 | -0.23 | 36.52 |
| 2018 | -1.21 | 1.80 | -1.75 | 3.19 | 1.44 | 4.19 | -0.41 | 0.48 | 1.58 | -10.51 | -3.28 | -1.01 | -6.15 |
| 2017 | -0.40 | 1.28 | 1.37 | -0.67 | -2.68 | 0.51 | -0.24 | 2.25 | 4.09 | 4.08 | 3.02 | 4.39 | 18.06 |
| 2016 | -5.99 | -5.42 | 1.03 | 2.04 | 4.23 | -1.87 | 5.69 | -3.39 | 1.44 | -5.53 | 0.99 | 1.98 | -5.53 |
| 2015 | 4.65 | 9.86 | -0.10 | -2.75 | -0.21 | -4.69 | 8.21 | -4.82 | 1.71 | 5.13 | 1.02 | 2.22 | 20.81 |
| 2014 | -2.57 | 6.39 | 3.10 | 2.17 | 2.07 | -2.31 | 5.38 | 1.65 | -4.81 | 3.16 | -3.09 | -0.64 | 10.28 |
| 2013 | 3.31 | 4.61 | -2.97 | 6.00 | -4.88 | -2.77 | 6.35 | 4.29 | 3.92 | 4.91 | -0.64 | 2.39 | 26.44 |
| 2012 | 4.82 | 2.42 | -0.03 | 2.02 | -6.92 | 1.58 | 0.66 | 2.71 | 2.07 | 3.48 | 1.20 | 4.12 | 19.13 |
| 2011 | | | 5.30 | 2.89 | 1.73 | -1.16 | -0.45 | -2.62 | -6.40 | 6.93 | -1.23 | 0.07 | 4.47 |

¹ Past performance is not a reliable indicator of future performance. Performance figures are net of all fees and costs and assumes reinvestment of distributions.

FUND INFORMATION

| | |
|--------------------|---|
| Name | Regal Long Short Australian Equity Fund |
| Structure | Australian Unit Trust |
| Inception | 14th March 2011 |
| Management Fee | 1.00% |
| Benchmark | S&P/ASX 300 Accumulation Index |
| Performance Fee | 20% above Benchmark |
| High Water Mark | Yes |
| APIR Code | AMR0006AU |
| Minimum Investment | A\$25,000 |
| Subscriptions | Daily |
| Redemptions | Daily |
| Registry | Boardroom Pty Ltd |
| Auditor | PricewaterhouseCoopers |
| Responsible Entity | Perpetual Trust Services Limited |
| Investment Manager | Regal Funds Management Pty Ltd |
| Unit Price | \$1.21 |

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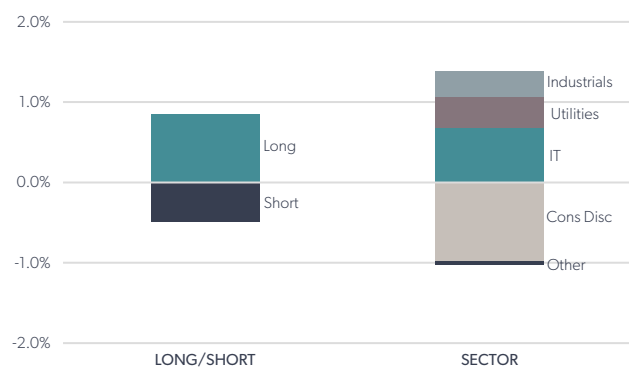
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ATTRIBUTION OF ALPHA FOR AUGUST 2023



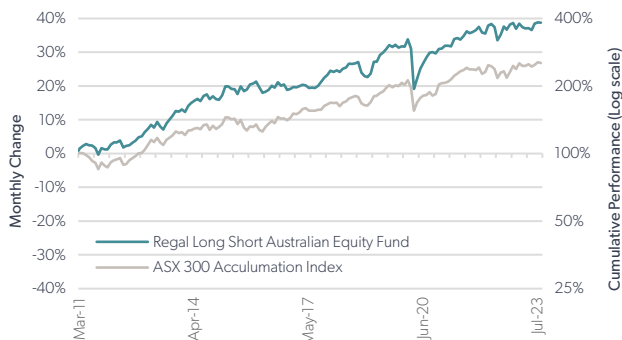
STRATEGY

The Regal Long Short Australian Equity Fund (the “Fund”) aims to outperform the S&P/ASX 300 accumulation index net of fees over a rolling five-year basis by investing in the Regal Australian Long Short Equity Fund (the “Underlying Fund”). The Fund is suitable for investors with an investment horizon of five years or more. The Underlying Fund aims to have a tracking error of 4 – 8%.

Regal Funds Management Pty Limited (“Regal” or the “Manager”) selects stocks for the Underlying Fund primarily using a Four Step Stock Selection Process. To value shares, companies are researched from a fundamental perspective to derive their intrinsic value. The Manager incorporates key insights from different styles of investing (e.g. fundamental, market driven, technical) to determine position weightings. The Underlying Fund is also able to take advantage of the Manager’s expertise and systems to apply a process called ‘short selling’ which allows the Underlying Fund to express negative views on stocks which are expected to underperform.

As per the Fund’s [TMD](#), this product is suitable for consumers with a high or very high risk/return profile.

INVESTMENT PERFORMANCE¹



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

Investors should use only the official website addresses and contact details shown above in relation to investments in Regal Funds. Investors should be wary of fraudulent websites which may be operating illegally to impersonate Regal. Regal does not accept credit cards and does not offer investment plans with guaranteed returns.

This fact sheet is issued by Perpetual Trust Services Limited ABN 48 000 142 049, AFSL 236648 (“PTSL”) as responsible entity of, and issuer of units in, the Regal Long Short Australian Equity Fund ARSN 149 722 654 (“Fund”), provided by Regal Partners Marketing Services Pty Limited ACN 637 448 072 (“Regal Partners Marketing”), a corporate authorised representative of Attunga Capital Pty Limited ABN 96 117 683 093, AFSL 297385 (“Attunga”). Regal Partners Marketing and Attunga are subsidiaries of Regal Funds Management Pty Limited (ACN 107 576 821), the investment manager of the Fund.

The Fund implements its investment strategy indirectly by investing in an unregistered unit trust named the Regal Australian Long Short Equity Fund (“Underlying Fund”), the trustee and investment manager of which is Regal. References to the Fund include the Underlying Fund for investment purposes. This fact sheet is provided for general information purposes only and is not to be construed as solicitation of an offer to buy or sell any financial product. Accordingly, reliance should not be placed on this document as the basis for making an investment, financial or other decisions. This information does not take into account your investment objectives, particular needs or financial situation. Whilst every effort is taken to ensure the information in this document is accurate, its accuracy, reliability or completeness is not guaranteed.

A Product Disclosure Statement (PDS) and target market determination can be obtained by visiting our website www.regalfm.com. You should obtain the PDS for the Fund and consider the risks and disclosures for your circumstances before deciding whether to acquire, or continue to hold, an interest in the Fund. Initial Applications for units in the Fund can only be made pursuant to the application form attached to the PDS. Performance figures assume reinvestment of income. To comply with IFSA Standards, performance figures calculated after 1 January 2011 are calculated using exit prices net of fees and expenses based on monthly hard close valuations. No allowance has been made for entry fees or taxes. Neither PTSL or Regal guarantee repayment of capital or any particular rate of return from the Fund. Statements of fact in this report have been obtained from and are based upon sources that PTSL and Regal believes to be reliable. Neither PTSL or Regal give any representation or warranty as to the reliability or accuracy of the information contained in this report. All opinions and estimates included in this report constitute PTSL and Regal’s judgement as at the date of this communication and are subject to change without notice.

¹ Past performance is not an indicator of future returns. Performance figures are net of all fees and costs and assumes reinvestment of distributions.

ABOUT REGAL FUNDS MANAGEMENT

Regal Funds Management (Regal) was established in 2004 and is a multi-award winning business of ‘Regal Partners Limited’ (ASX:RPL), an ASX listed alternatives investment manager providing investors with access to a diverse range of strategies covering long / short equities, private markets, real and natural assets and capital solutions.

Regal manages investments for a large number of institutions, wealthy families, charities and individuals across Australia, the Americas, Europe and Asia across offices in Sydney, Singapore and New York. With a heritage in long / short investing and fundamental research, strategies typically utilise a research-driven, bottom-up investment selection process, drawing on the significant investment experience of a team of portfolio managers, analysts and dedicated industry sector specialists. When coupled with its extensive corporate networks, buying power and experience investing across events and asset price dislocations, Regal aims to identify and exploit both short and long-term investment opportunities to the benefit of its investors.

RG240 DISCLOSURE

In accordance with ASIC’s Disclosure Benchmarks and our commitment to keep you informed, the table below sets out the information as required on a monthly basis. Where required, the report discloses this information for both the Fund² and the Underlying Fund:³

| Valuation & Fund changes | Fund ² | Underlying Fund ³ |
|---|-------------------|------------------------------|
| Current total net asset value ⁴ | \$15M | \$134M |
| Withdrawal value of a unit ⁴ | \$1.2056 | \$1.5381 |
| Net return on assets after fees, costs and taxes (for August 2023) ⁵ | -0.40% | -0.43% |
| Changes to key service providers | Nil | Nil |
| Changes to individuals playing a key role in investment decisions | Nil | Nil |
| Material changes to the risk profile or investment strategy | Nil | Nil |

| Exposures | Fund ² | Underlying Fund ³ |
|----------------|-------------------|------------------------------|
| Long exposure | n/a | 149% |
| Short exposure | n/a | -50% |
| Gross exposure | n/a | 199% |
| Net exposure | n/a | 99% |

² Regal Long Short Australian Equity Fund

³ Regal Australian Long Short Equity Fund

⁴ As at 31 August. Net Asset Value equals assets less liabilities rounded to the nearest million and is assessed after any applicable distribution.

⁵ Returns are inclusive of any applicable distributions, net of fees and net of taxes applicable to the Fund and the Underlying Fund. Past performance is not a reliable indicator of future performance.