

Regal Long Short Australian Equity Fund

SEPTEMBER 2021

The Regal Long Short Australian Equity Fund decreased -1.8% in September, outperforming the ASX 300 Accumulation Index by 0.1%. Since inception in March 2011, the Fund has generated 12.4% p.a. net of fees.¹

The Fund performed largely in line with the underlying benchmark this month, with top contributing sectors to performance coming from Financials, Energy and Communication Services, while Materials and Consumer Discretionary led declines. A continued overweight within the Fund to the Resources sector impacted returns this month, led primarily by overweights to boron nitride nanotube developer PPK Group (-22%), which declined after a number of months of very strong performance, alongside overweight positions in Bluescope Steel (-19%) and WA-based explorer Chalice Mining (-9%). The Fund did benefit, however, from a number of other positions in the sector, including overweight positions in Nevada-based lithium developer Ioneer (+15%), met coal producer Coronado Global Resources (+16%) and graphite developer Novonix (+47%).

Given the broadly weaker equity market environment this month, the short book delivered positive returns this month, driven by short positions across financial services, mining services and bulk commodity miners.

OUTLOOK

Global equity markets will likely remain constrained by ongoing volatility in global bond markets in the near-term. Widespread global vaccine initiatives, supportive fiscal stimulus packages and accommodative monetary policy settings continue to set a favourable backdrop for the prospects of increasing economic growth, albeit with a now heightened risk of future inflation and the end of a prolonged bull market in bonds. A rising bond yield environment creates valuation headwinds for higher growth and longer-duration equities, particularly following periods where growth assets have attracted excessive valuations and/or yields rise aggressively in a short period. Given the improving economic outlook, equities as a broader asset class will continue to remain well supported, however equity returns will be driven less by valuation multiple re-ratings and more by genuine earnings growth. We continue to favour long positions to companies demonstrating an ability to grow earnings regardless of the underlying cycle, alongside a continued overweight to the resources sector, which we believe is well placed to benefit from the recovery in global economic activity. Regal believes increased volatility and stock dispersion will provide multiple opportunities for active managers of capital and fundamental stock pickers.

SUMMARY DATA – SEPTEMBER 2021 (NET CHANGE FROM PREVIOUS PERIOD)

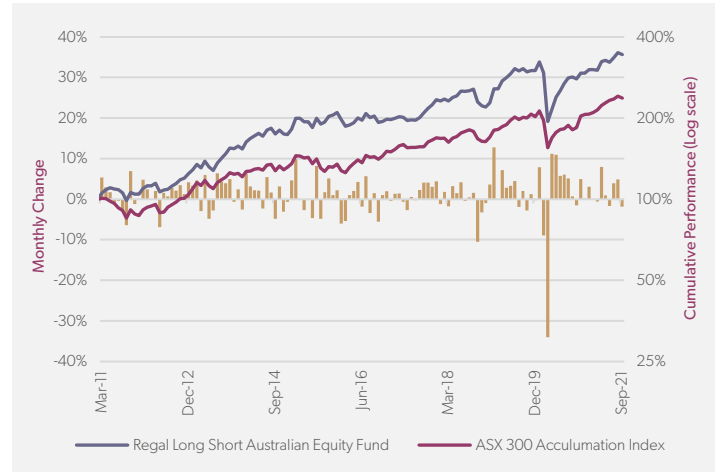
SECTOR	1MTH%	3MTH%	CYTD%	1YR%	3YR% PA	5YR% PA	INCEPTION% PA
Regal Long Short Australian Equity Fund	-1.81	6.94	17.24	21.32	10.33	11.06	12.38
S&P/ASX 300 Accum. Index	-1.89	1.79	15.00	30.86	9.87	10.52	8.49
Excess return	0.08	5.16	2.24	-9.55	0.46	0.55	3.89

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

FUND INFORMATION

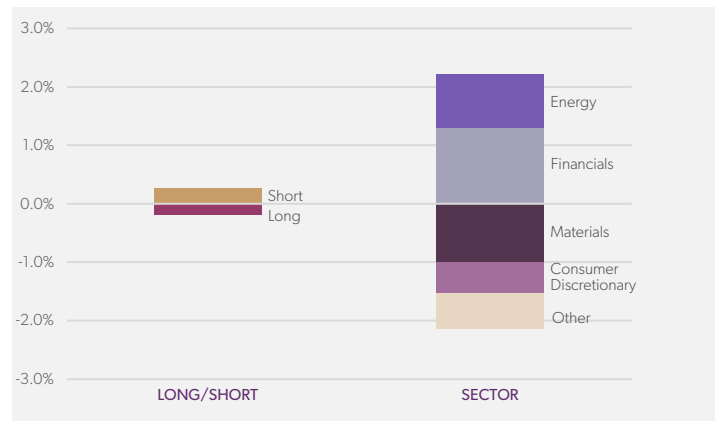
Name	Regal Long Short Australian Equity Fund	Minimum Investment	A\$25,000
Structure	Unit Trust	Subscription Frequency	Daily
APIR Code	AMR0006AU	Redemption Frequency	Daily
Inception	14th March 2011	Registry	Boardroom Pty Limited
Management Fee	1.00%	Auditor	PricewaterhouseCoopers
Performance Fee	20% above ASX/S&P 300 acc.	Responsible Entity	Perpetual Trust Services Limited
High Water Mark	Yes	Investment Manager	Regal Funds Management Pty Ltd
Manager AUM	A\$2.9bn		

INVESTMENT PERFORMANCE



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ATTRIBUTION OF ALPHA FOR SEPTEMBER 2021



CONTACT INFORMATION

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Regal Long Short Australian Equity Fund

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.

FUND ADVISOR PROFILE

Regal was established in 2004 and is a hedge fund manager based in Sydney. Regal has been appointed Investment Manager of the Fund.

Philip King is the Chief Investment Officer at Regal and the portfolio manager for the Underlying Fund. Philip was a Hedge Fund Manager at DPFM in London for six years and before that was a sell side analyst with Macquarie Bank for five years. Prior to working at Macquarie Bank, Philip worked at KPMG for eight years.

FUND PERFORMANCE

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	YTD
2021	3.02	-0.08	-0.55	7.93	0.90	-1.66	3.90	4.83	-1.81				17.24
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	n/a	n/a	5.30	2.89	1.73	-1.16	-0.45	-2.62	-6.40	6.93	-1.23	0.07	4.47

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www.regalfm.com

Important Information

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 prepared by Regal Funds Management Pty Limited ABN 30 107 576 821 AFSL 277737 ("Regal") and 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"). 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.

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 Fund¹ and the Underlying Fund²:

RG240 DISCLOSURE		
VALUATION & FUND CHANGES	FUND	UNDERLYING FUND
Current total net asset value ³	\$26M	\$125M
Withdrawal value of a unit ³	\$1.3851	\$1.7017
Net return on assets after fees, costs and taxes (for September 2021) ⁴	-1.81%	-1.82%
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	UNDERLYING FUND
Long exposure	n/a	139%
Short exposure	n/a	-45%
Gross exposure	n/a	184%
Net exposure	n/a	94%

1. Regal Long Short Australian Equity Fund
2. Regal Australian Long Short Equity Fund
3. As at 30 September 2021. Net Asset Value equals assets less liabilities rounded to the nearest million and is assessed after any applicable distribution.
4. Returns are inclusive of any applicable distributions, net of fees and net of taxes applicable to the Fund and the Underlying Fund.