

Regal Long Short Australian Equity Fund

SEPTEMBER 2022

The Regal Long Short Australian Equity Fund returned -3.2% in September, compared to a decrease of -6.3% for the ASX 300 Accumulation Index.

The month of September has developed a reputation for delivering challenging periods for global equity markets, with September 2022 adding further weight to the claim. Continued fears surrounding the rise in global inflation, alongside increasingly hawkish commentary from the US Federal Reserve, saw US equity markets experience their worst September performance since 2008, with the S&P 500 declining -9.3% and the tech-heavy NASDAQ contracting -10.5%. While still weaker in an absolute sense, Australian equities outperformed the bulk of developed market peers, the ASX 200 declining -7.3%, taking CYTD returns to -13.0%.

Although a negative absolute return for the month of September, positive alpha was delivered across both the long book and the short book. A continued overweight within the Fund to the Resources sector has been a strong source of alpha in recent months and this continued in September.

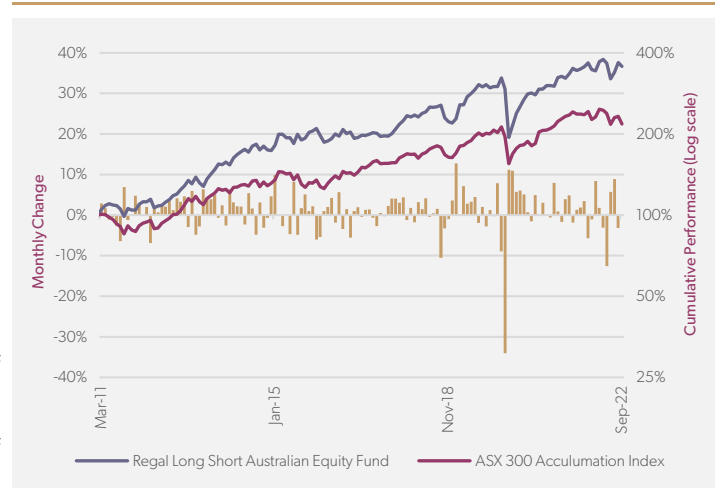
Key contributors to returns included a long position in Terracom (+13%) alongside short positions in select lithium producers, coupled by a range of short positions across the consumer discretionary sector.

Key detractors included an overweight position in registry business Link Administration Holdings (-32%) and in sales enablement software provider Bigtincan (-23%).

OUTLOOK

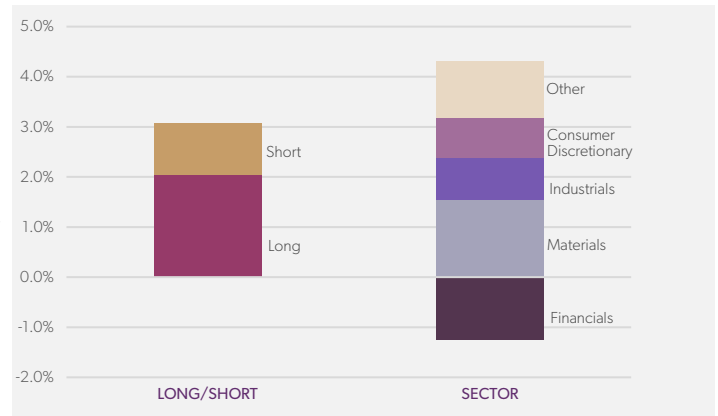
Rising global inflationary pressures and an increasingly hawkish US Federal Reserve have combined to drive significant price dislocations across a number of asset classes through 2022. Within equity markets, rising bond yields have created valuation headwinds for unprofitable growth businesses and companies with a longer duration to first cashflow. While global economies have remained largely resilient through the equity market sell-off, it is likely that the months ahead may prove more challenging, as increasing cost pressures, tight supply chains and the rising cost of debt inevitably begins to erode economic growth rates. Rising levels of inflation and ongoing structural supply challenges have, however, continued to create a supportive environment for a number of global commodity markets, with increasingly attractive supply/demand fundamentals. Companies engaged in the extraction of these commodities will likely continue to benefit from sustained higher prices, with overweights currently held across bulk material, energy and precious metals producers

INVESTMENT PERFORMANCE



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

ATTRIBUTION OF ALPHA FOR SEPTEMBER 2022



SUMMARY DATA – SEPTEMBER 2022 (NET CHANGE FROM PREVIOUS PERIOD)

SECTOR	1 MTH %	3 MTH %	CYTD %	1 YR %	3YR % PA	5YR % PA	INCEPTION % PA
Regal Long Short Australian Equity Fund	-3.22	11.39	-2.86	3.70	5.34	11.29	11.60
S&P/ASX 300 Accum. Index	-6.29	0.45	-9.98	-8.00	2.73	6.83	6.96
Excess return	3.07	10.93	7.12	11.69	2.61	4.46	4.65

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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

CONTACT INFORMATION

Registry	Boardroom Pty Ltd
Address	GPO Box 3993 Sydney NSW 2001 Australia
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Email	regal.funds@boardroomlimited.com.au

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.

As per the Fund's TMD, this product is suitable for consumers with a high or very high risk/return profile.

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
2022	-7.17	0.64	8.44	1.78	-3.13	-12.59	5.70	8.88	-3.22				-2.86
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	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 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 Fund:²

RG240 DISCLOSURE		
VALUATION & FUND CHANGES	FUND	UNDERLYING FUND
Current total net asset value ³	\$16M	\$136M
Withdrawal value of a unit ³	\$1.2016	\$1.5548
Net return on assets after fees, costs and taxes (for September 2022) ⁴	-3.22%	-2.43%
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	UNDERLYING FUND
Long exposure	n/a	141%
Short exposure	n/a	-47%
Gross exposure	n/a	188%
Net exposure	n/a	94%

1. Regal Long Short Australian Equity Fund
2. Regal Australian Long Short Equity Fund
3. As at 30 September. 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. Past performance is not a reliable indicator of future performance.