

## Regal Long Short Australian Equity Fund

MARCH 2023<sup>1</sup>

The Regal Long Short Australian Equity Fund decreased -1.5% in March compared to a decrease of -0.2% for the ASX 300 Accumulation Index.

March was a tumultuous and volatile month for markets, characterised by large bond market swings, multiple bank collapses and a step-up in the M&A cycle. Monthly performances from major equity market indices (e.g., S&P 500 +3.5%, the NASDAQ +6.7% and the ASX200 -1.1%) largely belied the drama that unfolded during the month, with US bond yields staging their largest monthly decline since October 1987 in response to global banking worries and the collapse of both SVB Financial Group and Credit Suisse. Amid the increased volatility, markets saw a flight to defensives with the gold price moving higher and large caps outperforming, while technology companies benefitted from lower bond yields.

Key positive contributors included long positions in Neuren Pharmaceuticals (+84%) on FDA approval for the company's Daybue treatment for Rett Syndrome, and infrastructure service provider Ventia Services (+11%) as a result of ongoing positive momentum after recently delivering a strong result and the clearing of pre-IPO sellers after lock-up expiry.

The key detractors to performance included weaker performance in some key overweight small caps (albeit on limited news flow) as well as some short positions in mining stocks involved in decarbonisation.

## OUTLOOK

Near-term movements in global equity markets, and capital markets more broadly, continue to remain highly correlated to interest rate expectations and the subsequent short-term movements in global bond markets. While substantial inflationary pressures continue to pervade many global economies, a demonstrable tightening in monetary policy from the majority of developed market central banks has delivered some relief to rising input costs and reduced overall demand growth. While global economies have remained relatively resilient through this tightening process, it is likely that the future months will see a further cooling in growth, with the potential for recessionary outcomes in a number of larger global economies. Equity markets, however, have largely begun to factor in this slowdown, with the expectation for future degradation in corporate earnings now increasingly reflected in the compression of price/earnings (PE) multiples, particularly across more cyclically-exposed industries. While equity market valuations remain fair at current levels, a significant dispersion continues to exist between the still-elevated PE multiples of growth and technology companies, while resources and value/cyclical companies currently trade at cyclical lows. Bond yields will likely continue to place pressure on the valuation of higher-growth and longer-duration companies, while elevated commodity price inflation and ongoing supply challenges continue to provide an attractive environment for mining and energy companies.

## 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
<b>Unit Price</b>	<b>\$1.22</b>

**Boardroom Pty Ltd**  
GPO Box 3993  
Sydney NSW 2001, Australia

1300 737 760  
regal.funds@boardroomlimited.com.au

**Regal Funds Management Pty Ltd**  
Level 47, Gateway, 1 Macquarie Place  
Sydney NSW 2000, Australia

+612 8197 4333  
investorrelations@regalfm.com

[Subscribe](#)

FUND PERFORMANCE % – MARCH 2023 (NET CHANGE FROM PREVIOUS PERIOD)<sup>1</sup>

	1 mth	3 mth	CYTD	1 yr	3yr pa	5yr pa	Inception pa
<b>Regal Long Short Australian Equity Fund</b>	-1.49	0.41	0.41	-2.86	23.02	9.34	11.21
S&P/ASX 300 Accumulation Index	-0.24	3.33	3.33	-0.57	16.59	8.64	7.72
Excess return	-1.25	-2.92	-2.92	-2.29	6.43	0.70	3.48

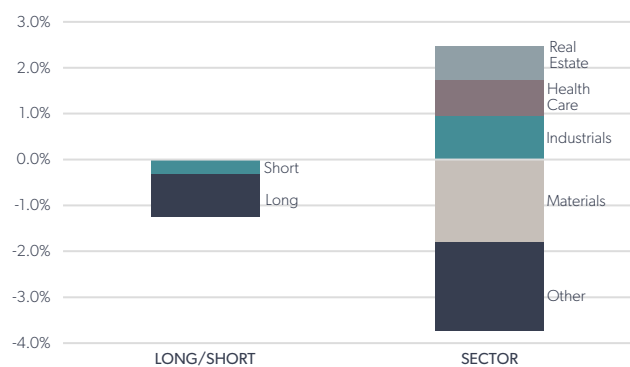
Performance figures are net of all fees and costs and assumes reinvestment of distributions.

FUND PERFORMANCE<sup>1</sup>

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

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

## ATTRIBUTION OF RETURNS FOR MARCH 2023



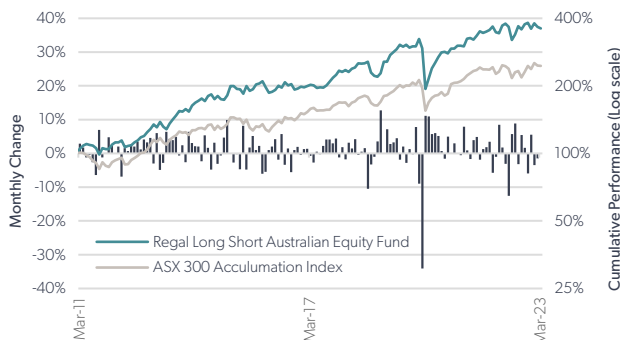
## STRATEGY

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 PERFORMANCE<sup>1</sup>



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").

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](http://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.

## 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 Fund<sup>2</sup> and the Underlying Fund:<sup>3</sup>

Valuation & Fund changes	Fund <sup>2</sup>	Underlying Fund <sup>3</sup>
Current total net asset value <sup>4</sup>	\$15M	\$149M
Withdrawal value of a unit <sup>4</sup>	\$1.2159	\$1.5509
Net return on assets after fees, costs and taxes (for March 2023) <sup>5</sup>	-1.49%	-1.49%
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 <sup>2</sup>	Underlying Fund <sup>3</sup>
Long exposure	n/a	141%
Short exposure	n/a	-48%
Gross exposure	n/a	189%
Net exposure	n/a	94%

<sup>2</sup> Regal Long Short Australian Equity Fund

<sup>3</sup> Regal Australian Long Short Equity Fund

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

<sup>5</sup> 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.

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