

Regal Long Short Australian Equity Fund

JULY 2023

The Regal Long Short Australian Equity Fund increased 1.2% in July compared to an increase of 2.9% for the ASX 300 Accumulation Index.

Global equity markets experienced another positive month of performances in July, as market participants embraced further indications that the US economy remains on-track for a 'soft landing', while Asia-focused investors mulled the possibility of a pending Chinese government stimulus package. Key inflation data again edged lower across a number of larger developed economies in July, whilst US markets took additional comfort from noticeably upbeat commentary from the 2Q US corporate earnings season, where 80% of companies reporting in July beat actual EPS estimates. US equity indices continued their climb higher, with the S&P 500 rising 3.1% in July, recording its fifth consecutive month of positive performance and longest monthly winning streak in two years. Australian equities remained well supported, albeit again underperforming their global counterparts, with the ASX 200 rising +2.9%, while ASX Small Ordinaries increased +3.5%.

By sector, Financials, Communication Services, and Materials were the strongest contributors, while Consumer Discretionary, Industrials and Real Estate contributed negatively. Positive contributors included overweight positions in payments technology business Tyro Payments (+22%), Australian energy major Woodside Petroleum (+10%) and connectivity business Superloop (+15%).

While Materials were a positive overall contributor, an overweight position in bulk commodity producers Bowen Coking Coal (-31%) detracted from returns in July, following weaker spot commodity prices over the month. Other negative contributors included overweight positions in infrastructure maintenance services business Ventia Services Group (-4%), global equities asset manager Platinum Asset Management (-9%) and aged care operator Estia Health (-6%).

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 underperforms 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 % – JULY 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	1.16	6.01	1.26	13.52	12.77	8.90	11.45
S&P/ASX 300 Accumulation Index	2.89	2.03	1.02	11.09	11.91	7.46	7.84
Excess return	-1.74	3.98	0.24	2.43	0.86	1.44	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						6.90
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

Boardroom Pty Ltd
GPO Box 3993
Sydney NSW 2001, Australia

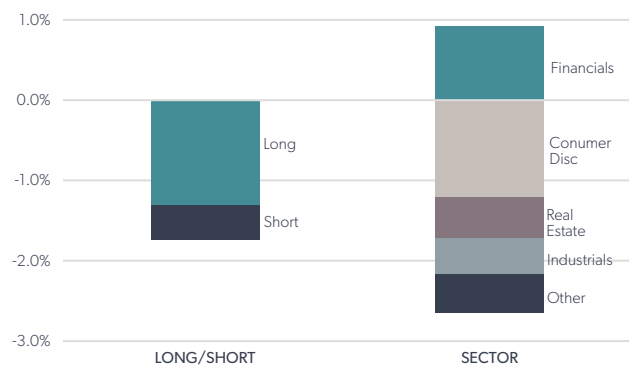
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ATTRIBUTION OF ALPHA FOR JULY 2023



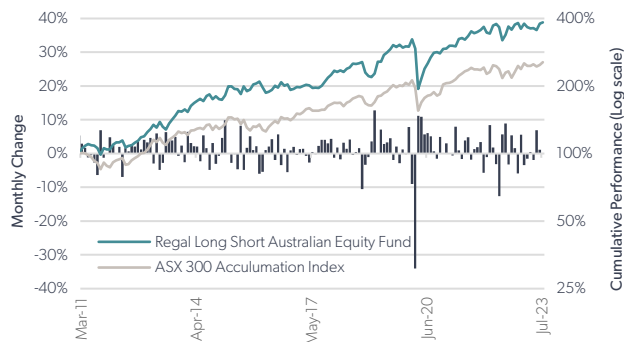
STRATEGY

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	\$1.2105	\$1.5447
Net return on assets after fees, costs and taxes (for July 2023) ⁵	1.16%	1.20%
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	145%
Short exposure	n/a	-54%
Gross exposure	n/a	199%
Net exposure	n/a	91%

² Regal Long Short Australian Equity Fund

³ Regal Australian Long Short Equity Fund

⁴ As at 31 July. 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.