Regal Investment Fund

Product Disclosure Statement

Offer of up to 200,000,000 fully paid ordinary Units at a Subscription Price of $2.50 per Unit to raise a maximum of $500,000,000.

Responsible Entity
Equity Trustees Limited
ACN 004 031 298
AFSL 240975

Investment Manager
Regal Funds Management Pty Limited

AFSL 277737

Lead Arranger and Joint Lead Manager

AFSL 230686

Joint Lead Managers:

AFSL 243480

AFSL 338885

AFSL 235410

AFSL 233741

AFSL 237121

AFSL 236048

AFSL 247083

AFSL 238383

Co-Managers:

AFSL 245421

CN 646979

AFSL 239052

IMPORTANT NOTICES

OFFER

Regal Investment Fund is an Australian registered managed investment scheme (ARSN 632 283 384) (**Fund**).

The Offer contained in this product disclosure statement (**PDS**) is an invitation to acquire Units in the Fund.

RESPONSIBLE ENTITY

Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975) is the responsible entity of the Fund (**Responsible Entity**) and is the issuer of this PDS. The Fund is a newly constituted managed investment scheme structured as a unit trust, which has been registered with ASIC.

This document is a product disclosure statement for the purposes of Part 7.9 of the Corporations Act and has been issued by the Responsible Entity in respect of the offer as described in this PDS (**Offer**).

The Responsible Entity has entered into an Investment Management Agreement with Regal Funds Management Pty Ltd (ACN 107 576 821, AFSL 277737) (**Manager**) authorising the Manager to provide investment services to the Fund, pursuant to the terms of the Investment Management Agreement. See Section 13.1 of this PDS for further information on the Investment Management Agreement.

LODGEMENT AND LISTING

This PDS is dated 8 April 2019 and a copy of this PDS was lodged with ASIC on that date. The Responsible Entity will apply to ASX for admission of the Fund to the Official List and for quotation of its Units on ASX within seven days after the date of this PDS. Neither ASIC, ASX or their officers take any responsibility for the contents of this PDS or for the merits of the investment in which this PDS relates.

NOTE TO APPLICANTS

The information in this PDS is not personal financial product advice and does not take into account your investment objectives, financial situation or particular needs. This PDS should not be construed as financial, taxation, legal or other advice.

This PDS is important and should be read in its entirety prior to deciding whether to invest in the Units. There are risks associated with an investment in the Units which must be regarded as a speculative investment. Some of the risks that should be considered are set out in Section 9. You should carefully consider these risks in light of your personal circumstances (including financial and tax issues). There may also be risks in addition to these that should be considered in light of your personal circumstances.

If you do not fully understand this PDS or are in doubt as to how to deal with it, you should seek professional guidance from your stockbroker, lawyer, accountant or other professional adviser before deciding whether to invest in the Units.

Except as required by law, and only to the extent so required, no person named in this PDS warrants or guarantees the Fund's performance, the repayment of capital, or any return on investment made pursuant to this PDS.

The Lead Arranger, Joint Lead Managers and the Co-Managers will together manage the Offer on behalf of the Responsible Entity. The Lead Arranger and Joint Lead Manager is National Australia Bank Limited (**Lead Arranger**). The Joint Lead Managers are Bell Potter Securities Limited, Evans Dixon Corporate Advisory Pty Limited, Morgans Financial Limited, Morgan Stanley Australia Securities Limited, Ord Minnett Limited, Shaw and Partners Limited, Taylor Collison Limited and Wilsons Corporate Finance Limited (**Joint Lead Managers**). The Co-Managers are Baillieu Ltd, First NZ Capital Securities Limited and Patersons Securities Limited (**Co-Managers**). The Lead Arranger, Joint Lead Managers and Co-Managers are entitled to fees from the Manager as set out in Section 13.3.

The Lead Arranger, Joint Lead Managers and Co-Managers do not guarantee the success or performance of the Fund or the returns (if any) to be received by investors. Except to the extent provided by law none of the Lead Arranger, Joint Lead Managers or the Co-Managers is responsible for, or has caused the issue of, this PDS.

NO OFFER WHERE OFFER WOULD BE ILLEGAL

This PDS does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Units in any jurisdiction outside Australia or New Zealand. Important information specific to New Zealand and other foreign investors is provided at Section 12.13 of this PDS.

The distribution of this PDS outside Australia and New Zealand may be restricted by law. Persons who come into possession of this PDS outside Australia or New Zealand should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Unless otherwise agreed with the Responsible Entity, any person applying for Units in the Offer shall by virtue of such application be deemed to represent that they are not in a jurisdiction which does not permit the making of an offer or invitation as detailed in this PDS, and are not acting for the account or benefit of a person within such jurisdiction.

None of the Responsible Entity, the Manager, the Lead Arranger, the Joint Lead Managers, the Co-Managers, nor any of their respective directors, officers, employees, consultants, agents, partners or advisers accepts any liability or responsibility to determine whether a person is able to participate in the Offer.

FINANCIAL INFORMATION AND AMOUNTS

The unaudited Pro Forma Historical Statements of Financial Position are presented in Australian dollars and have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards (**AAS**).

DISCLAIMER

No person is authorised by the Responsible Entity, the Manager, the Lead Arranger, the Joint Lead Managers or the Co-Managers to give any information or make any representation in connection with the Offer that is not contained in the PDS. Any information or representation not contained in this PDS may not be relied on as having been authorised by the Responsible Entity, its Directors or any other person in connection with the Offer.

This PDS contains forward-looking statements concerning the Fund's business, operations, financial performance and condition as well as the Manager's plans, objectives and expectations for the Fund's business, operations, financial performance and condition. Any statements contained in this PDS that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates, forecasts and projections about the Fund's business and the market in which the Fund will invest, and the Responsible Entity's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Responsible Entity's control. As a result, any or all of the forward-looking statements in this PDS may turn out to be inaccurate. Factors that may cause such differences or make such statements inaccurate include, but are not limited to, the risk factors described in Section 9.

Potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements.

These forward-looking statements speak only as at the date of this PDS. Unless required by law, the Responsible Entity does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Responsible Entity describes in the reports to be filed from time to time with ASX after the date of this PDS.

Some numerical figures included in this PDS have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

EXPOSURE PERIOD

The Corporations Act prohibits the Responsible Entity from processing Applications under the Offer in the seven-day period after the date of lodgement of the PDS with ASIC. This period may be extended by ASIC for a further period of up to seven days. The purpose of the Exposure Period is to enable this PDS to be examined by ASIC and market participants prior to the raising of funds under the Offer. This PDS will be made generally available to Australian and New Zealand during the Exposure Period, without the Application Form, by being posted on the following website: www.regalfm.com.

Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on any Applications received during the Exposure Period.

NO COOLING OFF RIGHTS

Cooling-off rights do not apply to an investment in the Units pursuant to the Offer. This means that you will be unable to withdraw your Application once it has been accepted.

RIGHTS AND OBLIGATIONS ATTACHED TO THE UNITS

Details of the rights and obligations attached to each Unit are set out in Section 15.2 and in the Constitution, a copy of which is available on the website www.regalfm.com or, during the Offer Period, by calling the Fund's Offer Information Line (see details below).

ELECTRONIC PDS

This PDS will be made available in electronic form on the following website: www.regalfm.com.

The Offer constituted by this PDS in electronic form is available only to persons receiving this PDS in electronic form within Australia or New Zealand. Persons who access the electronic version of this PDS should ensure that they download and read the entire PDS. If unsure about the completeness of this PDS received electronically, or a print out of it, you should contact the Responsible Entity. A paper copy of this PDS will be available for Australia and New Zealand residents free of charge by contacting the Fund's Offer Information Line.

If you have any questions, please contact the Fund's Offer Information Line on 1800 221 227 between 8:30am to 5:30pm (Sydney time), Monday to Friday, or email regalfund@linkmarketservices.com.au.

APPLICATION FORM

Applications for the Units under this PDS may only be made on either a printed copy of the Application Form attached to or accompanying this PDS or via the electronic Application Form attached to the electronic version of this PDS, available at www.regalfm.com. The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to a hard copy of the PDS or the complete and unaltered electronic version of the PDS. The Responsible Entity is entitled to refuse Applications for the Units under this PDS if it believes that the Applicant did not receive the Offer in Australia or New Zealand.

WEBSITE

Any references to documents included on the Fund's website are provided for convenience only, and none of the documents or other information on the Fund's website, or any other website referred to in this PDS, is incorporated in this PDS by reference.

UPDATED INFORMATION

Information regarding the Offer may need to be updated from time to time. Any updated information about the Offer that is considered as not materially adverse to investors will be made available on the following website: www.regalfm.com. The Responsible Entity will provide a copy of the updated information free of charge to any investor who requests a copy by contacting the Fund's Offer Information Line on 1800 221 227 between 8.30am and 5.30pm (Sydney time), Monday to Friday or via email at regalfund@linkmarketservices.com.au during the Offer Period.

In accordance with its obligations under the Corporations Act, the Responsible Entity may issue a supplementary PDS to supplement any relevant information not disclosed in this PDS. You should read any supplementary disclosures made in conjunction with this PDS prior to making any investment decision.

PRIVACY

The Responsible Entity will collect, hold, use and disclose personal information provided by investors to allow it to process your Application, service your needs as a Unitholder, provide facilities and services that you request and carry out appropriate administration of your investment. This means that the Responsible Entity will need to collect your personal information (for example, your name, address and details of the Units that you hold). In most cases, your personal information will be collected directly from you although we may also collect your personal information from third parties such as your broker. Under the Corporations Act some of this information must be included in the Fund's Unitholder registers, which will be accessible by the public. If you do not provide us with your relevant personal information, the Responsible Entity may not be able to properly administer your investment.

Privacy laws apply to the handling of personal information and the Responsible Entity will only use or disclose your personal information for the purposes for which it was collected, other related purposes and as permitted or required by law. If you do not wish to provide this information, the Responsible Entity and the Unit Registry may not be able to process your Application.

The Responsible Entity may also share your personal information with its service providers or others who provide services on its behalf, some of which may be located outside of Australia.

Each investor acknowledges that in connection with the services provided by the Fund, their personal data may be transferred or stored in various jurisdictions in which such service providers have a presence, including to jurisdictions that may not offer a level of personal data protection equivalent to the investor's country of residence. Each investor also acknowledges that the service providers may disclose the investor's personal data to each other, to any other service provider to the Fund or to any regulatory body in any applicable jurisdiction to which any of the service providers may be subject. This includes copies of the investor's Application Form and any information concerning the investor in their respective possession, whether provided by the Applicant or otherwise, including details of the investor's holdings in the Fund, historical and pending transactions in the Units and the values thereof, and any such disclosure, use, storage or transfer shall not be treated as a breach of any restriction upon the disclosure, use, storage or transfer of information imposed on any such person by law or otherwise.

For more details on how the Responsible Entity collects, stores, uses and discloses your information, please read the Responsible Entity's Privacy Policy located at www.regalfm.com. Alternatively, you can contact the Responsible Entity's Privacy Officer by telephone on +61 3 8623 5000 or by email at privacy@eqt.com.au and the Responsible Entity will send you a copy of its Privacy Policy free of charge. It is recommended that you obtain a copy of this Privacy Policy and read it carefully before making an investment decision.

By completing an Application Form or authorising a broker to do so on your behalf, or by providing the Responsible Entity with your personal information, you agree to this information being collected, held, used and disclosed as set out in this PDS and the Responsible Entity's Privacy Policy.

The Manager may also collect, use and disclose your personal information provided to the Manager by the Responsible Entity, for investor relations purposes in accordance with its privacy policy. The Responsible Entity's privacy policy is located at www.regalfm.com.

The Responsible Entity's Privacy Policy also contains information about how you can access and seek correction of your personal information, complain about a breach by the Responsible Entity of the Australian privacy laws, and how the Responsible Entity will deal with your complaint.

DEFINITIONS AND ABBREVIATIONS

Defined terms and abbreviations used in this PDS are explained in Section 16.

References to this PDS to currency are to Australian dollars unless otherwise indicated.

Photographs and diagrams used in this PDS that do not have descriptions are for illustrative purposes only and should not be interpreted to mean that any person in them endorses this PDS or its contents or that the assets shown in them are owned by the Fund.

TIME

All references to time in this PDS refer to Sydney time unless stated otherwise.

DATA

All data contained in charts, graphs and tables is based on information available as at the date of this PDS unless otherwise stated.

CONTENTS

Important Dates

Lodgement of the PDS with ASIC	8 April 2019
Offer opens	29 April 2019
Broker Firm Offer closes	24 May 2019
General Offer closes	29 May 2019
Settlement	7 June 2019
Expected date for allotment of Units	11 June 2019
Expected date for dispatch of holding statements	11 June 2019
Trading of Units commences on the ASX (on a normal settlement basis)	17 June 2019

The above timetable is indicative only. The Responsible Entity reserves the right to vary the dates and times set out above subject to the Corporations Act and other applicable law. In particular, the Responsible Entity reserves the right to close the Offer early, extend the Closing Date or accept late Applications. Investors who wish to submit an Application are encouraged to do so as soon as practicable after the Offer opens.

Key Offer Statistics

Fund	Regal Investment Fund (ARSN 632 283 384)
Proposed ASX Code	RF1
Units offered	Ordinary
Subscription Price per Unit	$2.50
Minimum number of Units available under the Offer	40,000,000
Gross proceeds from the Offer based on the Minimum Subscription being raised under the Offer	$100,000,000
Number of Units available under the Offer based on the Maximum Subscription Amount being raised	200,000,000
Gross proceeds from the Offer based on the Maximum Subscription being raised under the Offer	$500,000,000
Pro forma NAV per Unit based on the Minimum Subscription being received	**$2.50**[1]
Pro forma NAV per Unit based on the Maximum Subscription being received	**$2.50**[2]

[1] The Manager has agreed to pay for all upfront establishment costs of the Offer in full out of its own pocket in order to ensure that the pro forma NAV backing per Unit at the beginning of the day on which trading of Units commences on the ASX is not less than $2.50. Please see Section 11 for more information on fees and costs.
[2] Ibid.

Letter to Investors

8 April 2019

Dear Investor,

We are pleased to offer you the opportunity to invest in the Regal Investment Fund (ARSN 632 283 384) (**Fund**), a newly established managed investment scheme registered with ASIC to be listed on the Australian Securities Exchange with the proposed ASX Code RF1. Equity Trustees Limited (ACN 004 031 298) (**Responsible Entity**) is the responsible entity of the Fund and Regal Funds Management Pty Ltd (ACN 107 576 821) (**Manager**) has been appointed as the investment manager of the Fund.

The Fund has been established to provide investors with exposure to a selection of alternative investment strategies[3] managed by Regal, with the aim of producing attractive risk adjusted absolute returns[4] over a period of more than five years with limited correlation[5] to equity markets.

Alternative investment strategies have been used by institutional investors, including endowments (large long term institutional investors typically established for a charitable purpose) for many years to generate absolute returns over the medium term regardless of movements in traditional financial assets such as listed equities or fixed income. Our aim is for the Fund to be the leading alternative investment vehicle listed on the Australian Securities Exchange.

The initial public offer of the Fund is for a minimum of $100 million and a maximum of $500 million (**Offer**). We will personally be investing in the Fund and the total investment from staff of Regal and associated entities will be over $20 million.

The Manager will pay the Fund's establishment costs, including the costs of the Offer out of its own pocket. There will be no charge back, loan or other recovery mechanisms utilised to reimburse the Manager for the fees and costs of the Offer. In terms of ongoing costs, the Manager has committed to pay a number of the Fund's ongoing operating costs that would normally be paid out of the assets of the Fund, including ASX listing fees, ASIC lodgement fees and any fees charged by the Fund's administrator. Investors should refer to Section 11 for further details on fees and other costs.

The Manager was founded in 2004 and specialises in providing alternative investment strategies with a primary focus on long/short investment strategies. Our core investment philosophy is grounded in the belief that a diversified portfolio of assets, using a range of investment strategies and backed by long-term capital, is key to achieving superior risk-adjusted returns over the long-term.

The Fund will provide investors with exposure to the Manager's investment expertise, including our 15 year track record of managing alternative investment strategies. The Manager's investment team members have, on average, over ten years' experience in financial markets both in Australia and overseas, with extensive experience of investing through many market cycles. Our team has experience

---

[3] As more fully explained in Section 2 of PDS alternative investment strategies include a broad range of strategies that typically involve investment manager skill in generating absolute returns that have low correlation to traditional asset classes. The Fund will provide exposure to alternative investment strategies implemented by a member of Regal (the Regal Investment Strategies). See Sections 3 to 5 for more information**.**

[4] For the purpose of the Fund's Investment Objective, risk adjusted absolute returns means positive returns that take account of risk, that are produced regardless of other factors and in both rising and falling markets.

[5] Correlation is a measure of the extent to which the value of one variable is related to the value of another variable. If a fund has returns with a low correlation to a particular market, this means that the returns provided by the fund are relatively independent of the returns provided by that market.

on the buy and sell side, fundamental investing, sales and research, long-side and hedge fund investing, as well as investment banking and capital markets.

The Fund may appeal to investors who are seeking risk adjusted absolute returns from alternative investment strategies to diversify their investment portfolio. Investors should regard any investment in the Fund as a long-term proposition and be aware that substantial fluctuations in the value of the portfolio may occur on a month to month basis over that period.

You should read this Product Disclosure Statement carefully as it contains detailed information about the Fund and the Offer. Like all investments, an investment in the Fund carries risk. Further details of the risks associated with an investment in the Fund are set out in Section 9. You should consider all risks carefully before making your investment decision and contact your professional adviser in determining if this is a suitable investment for you.

We invite you to become investors in the Fund. If you have any questions, please contact us on 1800 221 227 or email us at regalfund@linkmarketservices.com.au.

Philip King
Chief Investment Officer
Regal Funds Management

Brendan O'Connor
Chief Executive Officer
Regal Funds Management

1. Investment Overview

The information set out in this Section 1 is intended to be a summary only and should be read in conjunction with the more detailed information appearing elsewhere in this PDS. In deciding whether to apply for Units under the Offer, you should read this PDS carefully and in its entirety. If you are in doubt as to the course you should follow, please consult your professional advisers.

Question	Answer	More Information
1.1 ABOUT THE FUND		
What is the Fund?	The Fund is a newly constituted managed investment scheme, which has been registered with ASIC. Following completion of the Offer, it is proposed that the Fund will be listed on ASX as an investment entity and trade under the ASX Code: RF1.	Section 3
What are the key benefits of the Fund?	➢ The Fund provides investors with exposure to a selection of alternative investment strategies, with the aim of producing attractive risk adjusted absolute returns over a period of more than five years with limited correlation to equity markets. ➢ The Fund's structure as a listed registered managed investment scheme allows investors to access an investment management capability typically only available to wholesale investors. ➢ The Fund will also provide investors with exposure to the Manager's investment expertise and the opportunity to capitalise on the Manager's 15 year multi award winning track record of managing alternative investment strategies through multiple market cycles[6]. ➢ The Portfolio will be constructed by the Manager and will comply with the Fund's Investment Guidelines (these guidelines are set out in Section 3.5). What makes the Fund different is the Manager's ability to use different combinations of multiple alternative investment strategies implemented by a member of Regal (each a **Regal Investment Strategy**) over the life of the Fund. See Section 3.1 for details.	Section 3
Who is the Responsible Entity of the Fund, and the issuer of the Units and this PDS?	Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975) is the Responsible Entity of the Fund and the issuer of the Units and this PDS. The Responsible Entity holds an AFSL that permits it to act as Responsible Entity of the Fund. The Responsible Entity is a provider of specialist trustee services to private clients, corporates, superannuation funds, responsible entity services and services as a trustee of management investment schemes. The current Directors of the Responsible Entity are: ➢ Philip D Gentry – Executive Director (Chairman) ➢ Harvey H Kalman – Executive Director ➢ Michael (Mick) J O'Brien – Executive Director ➢ Ian C Westley – Executive Director	Section 6
Who is the Manager of the Fund?	Regal Funds Management Pty Limited (ACN 107 576 821) is the manager of the Fund. It operates under an Australian Financial Services Licence (AFSL 277737).	Section 4

[6] A market cycle is the period beginning with either the high or low point for a financial market followed by a corresponding low or high point, as the case may be, and then ending when the market next achieves or exceeds the initial high or low point.

Question	Answer	More Information
	The Manager is a member of an international investment management group, with funds under management of over $1.6 billion as at 31 March 2019. The Manager and Regal Asia employ a team of over 40 people, including 24 investment professionals across its different investment strategies.	
What experience does the Manager have?	The Manager was founded in 2004 and specialises in managing alternative investment strategies with a primary focus on long/short investment strategies. The Manager has been investing in alternatives since 2004 and possesses a 15 year award winning track record of managing alternative investment strategies. The Manager's Investment Team members have, on average, over ten years' experience in financial markets both in Australia and overseas, with extensive experience of investing through multiple market cycles. The Investment Team has experience on the buy and sell side, fundamental investing, sales and research, long-side and hedge fund investing, as well as investment banking and capital markets. The Manager performs investment management and investment advisory services for a number of Australian unit trusts and international investment companies. In this capacity, the Manager manages capital for a range of clients including private banks, financial planning groups, asset consultants, offshore pension funds, family offices and high net worth individuals.	Section 4.1
What is the Investment Objective of the Fund?	The Fund's Investment Objective is to provide investors with exposure to a selection of alternative investment strategies managed by Regal, with the aim of producing attractive risk adjusted absolute returns over a period of more than five years with limited correlation to equity markets. The Fund may not be successful in meeting its Investment Objective.	Section 3.2
How will the Fund's Portfolio be constructed?	The Fund's Portfolio will be constructed using multiple Regal Investment Strategies. The Manager will select multiple Regal Investment Strategies and determine the relative weight given to each Regal Investment Strategy at any given time. The allocation of capital to each of the Regal Investment Strategies is not fixed and may change from time to time. For these reasons, the performance of the Fund will not necessarily be similar to the historic performance of any of the Regal Funds (please see Section 5). The Manager has determined that the Initial Portfolio will be allocated across the Initial Regal Investment Strategies in accordance with the table in Section 3.4. After the Initial Portfolio has been constructed, the Manager may introduce new Regal Investment Strategies and reduce (or increase) the Fund's exposure to one or more of the Initial Regal Investment Strategies in accordance with the Investment Guidelines. Any new strategy will be required to comply with the Fund's Investment Guidelines and be a complementary addition to the Portfolio. The Manager will exercise these discretions taking into consideration, amongst other things, the prevailing market conditions and the Fund's Investment Objective (as set out in Section 3.2 below). See Section 4.5 below for further details on how the Manager will allocate the Portfolio between the Regal Investment Strategies. The Manager will keep Unitholders informed regarding the allocation between the Regal Investment Strategies (see Section 3.12).	Section 5
What are the Regal Investment Strategies?	The Regal Investment Strategies are alternative investment strategies that are implemented by a member of Regal. The Regal Investment Strategies include but are not limited to the five investment strategies that the Manager will use to construct the Initial Portfolio:	Sections 4.4 and 5

Question	Answer	More Information
	➢ Market Neutral Strategy: This strategy is a high conviction, fundamental strategy that seeks to maximise returns with moderate risk and little correlation to the broader equity markets. See Section 5.2 for further details. ➢ Global Alpha Strategy: This strategy aims to deliver consistent, positive returns with relatively low levels of volatility and regardless of movements in the underlying equity markets. See Section 5.3 for further details. ➢ Australian Small Companies Strategy: This strategy focuses on generating positive returns and gaining exposure using a long/short approach to allow investors to benefit from both to the rise and fall in value of selected small cap listed entities in Australia. See Section 5.4 for further details. ➢ Australian Long Short Equity Strategy: This strategy aims to outperform the S&P/ASX 300 Accumulation Index over a rolling five year period and focuses on generating positive returns by gaining exposure to the rise and fall in value of listed equities in Australia. See Section 5.5 for further details. ➢ Emerging Companies Strategy: This strategy aims to generate positive returns by gaining exposure to selected unlisted companies that are looking to list on a stock exchange in the short to medium term, unlisted expansion capital and listed Microcap Companies. See Section 5.6 for further details.	
Who will manage the Portfolio and implement the Regal Investment Strategies?	The Manager will have ultimate responsibility for the Fund's Portfolio. The Manager has appointed an Investment Committee who will be responsible for determining the capital allocated to each Regal Investment Strategy, ensuring that the Portfolio complies with the Fund's Investment Guidelines and managing the Portfolio's exposure to markets, Derivatives and cash. The Investment Committee is comprised of Philip King (Chief Investment Officer), Deepan Pavendranathan (Head of Events and Trading), Jovita Khilnani (Portfolio Manager), Todd Guyot (Portfolio Manager) and Brendan O'Connor (CEO). See Section 4.9 for information regarding the Investment Committee. Members of Regal's Investment Team will be responsible for implementing the Regal Investment Strategies selected by the Fund's Investment Committee from time to time. At present the Investment Team consists of 24 full time highly experienced investment professionals with diverse expertise across different markets. See Section 5 for details of the key Investment Team members responsible for implementing each of the Initial Regal Investment Strategies. The Investment Team is supported in an operational capacity by Regal's business management team.	Sections 4.8 and 4.9
What are the key risks associated with the Investment Strategy and an investment in the Fund?	The Fund's investment activities will expose it to a variety of risks. The key risks identified by the Fund include: ➢ *Investment risk*: The success and profitability of the Fund will largely depend upon the ability of Regal, its Investment Committee and Investment Team, to make investment decisions which generate a positive return for the Fund. This includes the Manager selecting Regal Investment Strategies from time to time and the Investment Team members that are responsible for each selected Regal Investment Strategy making investment decisions. Given that the Fund has been newly established, there is no historical performance of the Fund. The historical performance of the Regal Investment Strategies does not represent the future behaviour of the Fund or the Regal Investment Strategies.	Investors should read these risks together with the other risks described in Section 9

Question	Answer	More Information
	➢ *Manager risk:* The Fund's performance depends on the expertise and investment decisions of Regal and the continuation of the services and skills of Regal's employees and officers, including the Investment Committee and the Investment Team. There is a risk that they will not be able to achieve the Fund's Investment Objective, that its opinion about the intrinsic worth of a company or Position is incorrect, or that the market will continue to undervalue Long Positions or overvalue Short Positions. Further, there is a risk that the Manager may be removed as Manager of the Fund. Should the Manager become unable to perform investment management services for the Fund, or should a member of Regal cease to implement one or more Regal Investment Strategies selected by the Manager from time to time, the Fund's investment activities may be disrupted and its performance negatively impacted. If a Regal Investment Strategy or the Fund does not perform well, there is no ability to remove the Manager for this reason. ➢ *Regulatory matters risk:* The Manager has an established regulatory compliance and governance framework. The Manager monitors compliance with existing regulations, the political and regulatory environment and its adherence to internal processes. From time to time, the Manager becomes subject to regulatory investigations. The inherent uncertainty of the investigative processes may have an effect on the Manager's operational or financial position, through demands on management time and increased costs. Such investigations may result in administrative actions or legal proceedings against the Manager or its key persons. Such actions or proceedings, if successful, could attract fines and civil and criminal liability and amendments or cancelation of its AFSL. There is also the risk that the Manager's reputation may suffer due to the profile of, and public scrutiny surrounding, any regulatory investigation, regardless of the outcome. ➢ *Key Man risk:* The Responsible Entity has no right to terminate the Investment Management Agreement in the event of a change of control of the Manager or in the event of a material change to the composition of the Investment Committee or the Investment Team. For example, the Responsible Entity cannot terminate the Investment Management Agreement if Philip King steps down from the Investment Committee, resigns from the Manager or is no longer able to provide financial services advice as a result of any regulatory or administrative action. The Manager will seek to mitigate this risk by ensuring that the depth of experience across the Investment Team is such that the departure of one or more of the portfolio managers, including Philip King, does not impact its ability to manage the Fund or implement a Regal Investment Strategy. ➢ *Leverage risk:* Leverage increases the level of net gearing and gross gearing of the Portfolio and can magnify gains and losses within the Portfolio. This may give rise to the possibility that Positions may have to be liquidated at a loss to meet a margin call and not at a time of the Manager's choosing. In case of a sudden drop in value of the Fund's Positions, the Fund might not be able to liquidate Positions quickly enough to repay its borrowings, further magnifying losses incurred by the Fund. The Manager can employ leverage on behalf of the Fund using a combination of Short Selling, Derivatives and other facilities including margin borrowing provided by the Prime Broker(s). The Manager has adopted the leverage policy at Section 3.5(a). Net gearing (i.e. the market value of Long Positions less the market value of the Short Positions) will be a maximum of 150% but the Manager expects that net gearing will typically be between 0% and 100% of the Fund's NAV. For example, the Manager's net gearing could be 0% of the Fund's NAV if the market value of the Long Positions is equal to the market value of the Short Positions. Gross gearing (i.e. the sum of the market values of Long Positions plus the market value of Short Positions) will be a maximum of 300% and the Manager expects that	

Question	Answer	More Information
	gross gearing will typically be between 200% and 300% of the Fund's NAV. ➢ Derivative risk: The Fund can invest in Derivatives for hedging and non-hedging purposes. Investments in Derivatives may cause losses associated with the value of the Derivative failing to move in line with the underlying Position. Derivative transactions may be highly volatile and can create investment leverage, which could cause the Fund to lose more than the amount initially contributed to the transaction. Generally, Over-the-counter Derivative transactions carry greater counterparty risk than Exchange Traded Derivatives (i.e. where the counterparty to the transaction is the exchange's clearing house). Trading in Over-the-counter Derivatives will generally require the lodgement of Collateral or credit support, such as a margin or guarantee with the counterparty, which in turn gives rise to counterparty risk. To mitigate counterparty risks in Over-the-counter Derivative transactions, the Manager will deal with counterparties that are institutions subject to prudential supervision. Further, all of the Fund's Derivatives counterparties must have, in the Manager's reasonable opinion, sufficient expertise and experience in trading such financial instruments. ➢ *Short Selling risk:* There are inherent risks associated with Short Selling. Short Selling involves borrowing Securities which are then sold. If the price of the Securities falls then the Fund can buy those Securities at a lower price for a profit. The Fund pays a stock loan fee to the lender of those Securities. Short Selling can be seen as a form of leverage and may magnify the gains and losses achieved in the Portfolio. While Short Selling may be used to manage certain risk exposures in the Portfolio and increase returns, it may significantly increase adverse impacts on its returns. Short Selling exposes the Portfolio to the risk that investment flexibility could be restrained by the need to provide Collateral to the Securities lender and that Positions may have to be liquidated at a loss and not at a time of the Manager's choosing. ➢ *Hedging risk:* The Manager may employ hedging techniques designed to minimise fluctuations in the value of the Portfolio, by offsetting the risk of adverse movements in Securities, currency exchange rates and, potentially, interest rates. While such transactions may reduce certain risks, they may entail certain other risks and can also limit potential gains. Therefore, while the Fund may benefit from the use of these hedging techniques, unanticipated changes in currency exchange rates, interest rates or the prices of the Portfolio's investments may result in a poorer overall performance of the Fund than if it had not entered into such hedging transactions. ➢ *Liquidity risk:* The Fund is exposed to liquidity risk in relation to the investments within its Portfolio. If a Position cannot be bought or sold quickly enough to minimise potential loss the Fund may have difficulty satisfying commitments associated with financial instruments. Unlisted investments made by the Fund are illiquid, as there is no established secondary market for unlisted Positions. Listed investments (such as listed microcap Securities) can also suffer from a lack of liquidity. Where the liquidity of a particular market or Position is restricted, it can affect the performance of the Fund. Lack of liquidity or market depth can affect the valuation of the Fund's Positions, as it looks to both realise Positions at quoted prices and the ability of the Fund to exit a Position in a timely manner if required (for example in order to meet a margin call). ➢ *Market impact risk:* One of the key benefits of the Fund is the Manager's ability to manage multiple Regal Investment Strategies. As a result, the capital of the Fund will be invested alongside other funds using the strategies selected by the Manager from time to time on a proportionate basis in accordance with Regal's trade allocation policy (see Section 4.5 for details). As a result the Manager will make simultaneous identical transactions. There is a risk that simultaneous transactions could decrease the prices received or increase the prices required to be paid	

Question	Answer	More Information
	by the Fund, respectively. In addition, purchase and sale transactions (including swaps) may be effected between the Fund and other clients for cash consideration at an appropriate market price of the particular Securities. ➢ *Portfolio turnover risk:* There is no limitation on the length of time Securities must be held, directly or indirectly, by the Fund prior to being sold. Higher portfolio turnover rates involve correspondingly higher transaction costs, which are borne directly or indirectly by the Fund. In addition, the Fund may realise significant short-term and long-term capital gains or losses. ➢ *Interest rate risk:* Interest rate movements may adversely affect the value of the Fund through their effect on the price of a Security and the cost of borrowing. ➢ *Foreign issuer and market risk:* Investments in foreign companies, particularly those in Emerging or Frontier Markets, may be exposed to a higher degree of sovereign, political, economic, market and corporate governance risks than domestic investments. ➢ *Currency risk:* Investing in Positions denominated in a foreign currency creates an exposure to foreign currency fluctuations, which can change the value of the Portfolio's Positions measured in Australian dollars. The Manager may seek to manage its foreign currency risk by hedging in Australian dollars when net exposure to a currency exceeds 5% of its NAV. ➢ *Market risk:* The Portfolio will be exposed to market risk as the value of the Fund's Portfolio can fluctuate as a result of market conditions including factors such as economic conditions, interest rates, regulations, sentiment and geopolitical events as well as environmental, social and technological changes. In addition, as the Fund will be listed on ASX, the Units will be exposed to market risks and as a result, the Unit price may trade at a discount or a premium to its NAV. ➢ *Concentration risk:* Concentration risk may be present in a portfolio where exposures to individual Positions, Sectors or Geographies is high. Portfolios with high investment concentration can exhibit higher levels of volatility. To help manage this risk, the Fund's Investment Guidelines provide limits on single Security Position exposures, net exposure to any single Sector and net exposure to Emerging Markets and Frontier Markets. ➢ *Equity risk:* There is a risk that Positions will fall in value over short or extended periods of time. Security markets tend to move in cycles, and individual Security prices may fluctuate and underperform other asset classes over extended periods of time. Unitholders in the Fund are exposed to this risk both through their holdings in Units in the Fund as well as through the Fund's Portfolio. ➢ *Collateral and Counterparty risk:* The Fund uses the services of prime brokers to facilitate the lending of Securities to short sell. Until the Fund returns a borrowed Security, it will be required to maintain assets with the Prime Broker as Collateral. As such, the Fund may be exposed to certain risks in respect of that Collateral including the risk of loss of Collateral caused by the counterparty defaulting on its financial obligations either because they become insolvent or cannot otherwise meet their obligations to the Fund. In addition, the Fund outsources key operational functions to third parties including investment management, custody, execution, administration and valuation to a number of third party service providers. There is a risk that third party service providers may intentionally or unintentionally breach their obligations to the Responsible Entity (such as a counterparty defaulting under a Derivatives contract) or provide services below standards which are expected, causing loss.	

Question	Answer	More Information
	➢ *Compensation fee structure risk:* The Manager will receive compensation based on the Portfolio's performance. Performance Fee arrangements may create an incentive for the Manager to make investments that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the Portfolio. ➢ *Fund risk:* The Fund is a new entity with no operating history and no proven track record. Whilst the Fund's Portfolio will be constructed using the Regal Investment Strategies, this does not mean that the Fund's performance will be similar or mirror the historic performance of any of the individual Regal Funds. You should bear the above risks in mind when considering whether to participate in the Offer. You are strongly advised to consider any investment in the Fund as a long–term proposition (five years or more) and to be aware that, as with any investment, substantial fluctuations in the value of your investment may occur over that period and beyond. While it is impractical to identify every conceivable risk relevant to an investment in the Fund, the significant risks that might affect your investment are listed in more detail in Section 9.	
What is the timeframe for Portfolio construction?	The Manager intends to deploy capital as quickly as practicable within a few months but this will ultimately be at the discretion of the Manager. The pace of the Fund's capital deployment will be dependent on market conditions at the time of investment. The Manager estimates that it may take up to 3 months from Listing to construct the Initial Portfolio.	Section 3.4
How long should investments in the Fund be held?	Prospective investors are advised to regard any investment in the Fund as a long-term proposition of over 5 years.	Section 9
What is the benefit of a listed investment trust compared to a listed investment company?	Under an investment trust structure, all earnings, are typically distributed to investors on a pre-tax basis. This is similar to most managed fund or exchange traded fund structures. Under a company structure, as in a listed investment company, earnings would typically be taxed at the company tax rate and resulting franking credits may be distributed to investors via dividends.	
1.2 FINANCIAL INFORMATION AND DISTRIBUTION		
What is the financial position of the Fund?	The Fund has no performance history as it is yet to commence trading. Pro forma historical statements of the Fund's financial positions are outlined in Section 7.	Section 7
Will the Fund be leveraged?	Leverage is created when the Portfolio's gross gearing (i.e. the sum of the market value of Long Positions plus the market value of Short Positions) is greater than the amount of investors' capital. Debt finance as well as Derivatives and Short Selling can create leverage within the Portfolio. The Manager can employ leverage on behalf of the Fund using a combination of Short Selling, Derivatives and other loan finance facilities provided by the Fund's Prime Brokers. With the exception of Derivatives (see Derivative policy in Section 3.5(b)), the Manager will only employ leverage on behalf of the Fund to implement the relevant Regal Investment Strategies. Leverage can increase the level of net gearing (i.e. the market value of Long Positions less the market value of Short Positions) and gross gearing of the Portfolio and can magnify gains but can also magnify losses within the	Sections 3.5(a) and 9

Question	Answer	More Information
	Portfolio. With a view to managing this risk, net gearing will not exceed 150% of the Fund's NAV and gross gearing will not exceed a maximum of 300% of the Fund's NAV. When leverage is used, the Fund's Prime Broker will hold assets of the Fund as Collateral. As such, the Fund may be exposed to certain risks in respect of that Collateral including the risk of loss of Collateral caused by the counterparty defaulting on its financial obligations either because they become insolvent or cannot otherwise meet their obligations to the Fund.	
Will the Fund use hedging and/or Derivatives?	Yes - the Fund can invest in Derivatives, including options, futures, swaps and equivalent cash settled instruments, which are traded on an exchange or non-exchange traded Derivative instruments dealt on an Over-the-counter basis. The underlying instruments include, but are not limited to, Securities, financial indices, interest rates, foreign exchange rates, commodities or currencies. The Manager may use Derivatives for hedging and non-hedging purposes. The Fund's Derivative Positions will include Positions selected by the Regal Investment Strategies chosen by the Manager from time to time. In addition, the Manager may use Derivatives to manage risks within the Portfolio. For example, the Manager may use Derivatives to reduce exposure(s) to equity markets from time to time or hedge the Portfolio into Australian Dollars. See Section 3.5(d) for details of the Fund's currency risk management and hedging policy. To manage risks associated with Derivatives, the Manager will seek to deal with experienced counterparties that are subject to prudential supervision and will include the market value of Derivative Position exposures (other than Currency Derivatives) within the Manager's risk monitoring system. See Section 3.5(a) for details of the Fund's gross and net gearing limits.	Section 3.5(b)
Will the Fund hedge currency?	The Fund will invest in international investments. International investments create an exposure to foreign currency fluctuations which can change the value of the investments measured in the Portfolio's base currency (AUD). The Portfolio's exposure to foreign currency risks may be naturally hedged to the extent the value of assets (Long Positions) offsets the value of liabilities (Short Positions) denominated in each foreign currency within the Portfolio. If net exposure to a particular currency exceeds 5% of the Fund's NAV, the Manager will seek to manage the foreign currency risk in respect of that currency by hedging to the Fund's base currency. The Manager has the ability to manage the currency exposures of the Portfolio using foreign exchange forwards and contracts.	Section 3.5(d)
What is the Fund's distribution policy?	The Responsible Entity intends to distribute all distributable income annually but it may do so more frequently at its discretion.	Section 3.6
Are distributions guaranteed?	The Responsible Entity can provide no guarantee as to the extent of future distributions, as these will depend on a number of factors, including future earnings, financial conditions, future prospects and other factors the Responsible Entity deems relevant.	Section 3.6
Is there a distribution reinvestment plan?	A distribution reinvestment plan (**DRP**) will be established in respect of distributions made by the Fund. In respect of each distribution, the Responsible Entity may elect to offer or not offer the DRP. Under the DRP, Unitholders may elect to have all or part of their distributions reinvested in additional Units. The DRP will take account of the relationship between the prevailing market price of Units and the Net Asset Value per Unit (NAV Price) at the time each distribution is paid. Where the prevailing market price is higher than or equal to the NAV Price, distributions will be reinvested in newly issued Units.	Section 3.6

Question	Answer	More Information
	Where the prevailing market price is less than the NAV Price, distributions will be reinvested in existing Units purchased on-market. After the Offer Period, the DRP rules will be available at www.regalfm.com.	
Will there be a buy-back facility?	Following Listing, the Responsible Entity may, in consultation with the Manager, exercise its discretion to purchase Units on-market with a view to addressing any unsatisfied liquidity in the Units and/or any material discount in the price at which the Units may have been trading to the NAV per Unit. Any such buy-back will not exceed 10% of the smallest number of Units in the Fund during the 12 months prior to any buy-back, unless otherwise approved by resolution of Unitholders.	Section 3.9(b)
What is the Fund's valuation policy and custody arrangements?	The Fund's NAV will be valued by the Administrator (who is independent of the Responsible Entity and the Manager), using market accepted practices to accurately value each Position within the Portfolio. For further details on the valuation methodology, please refer to Sections 3.11 and 7. The Responsible Entity has delegated custody of the Fund's Portfolio to the initial Custodian in accordance with the terms of the Prime Broker Agreement (see Section 13.4 for a summary of this agreement). If and when further Prime Brokers are engaged by the Responsible Entity in respect of the Fund, custody of the Fund's Portfolio may be held across a number of Prime Brokers.	Sections 3.11 and 7
What fees will the Responsible Entity receive?	With effect from the issue of Units under the Offer, the Responsible Entity will be paid an ongoing Responsible Entity fee of 0.04% per annum (0.042% inclusive of GST less RITC) and will be entitled to reimbursement of certain expenses out of the Fund assets. This fee is expressed as a per annum percentage of the Fund's NAV (before the Management Fee and any accrued but unpaid Performance Fees). If the Fund's NAV exceeds $500 million, the Responsible Entity fee in respect of the amount by which the NAV exceeds $500 million will be 0.031% (0.031% inclusive of GST less RITC) (for the first $500 million of NAV, the Responsible Entity fee remains 0.04% per annum (0.042% inclusive of GST less RITC).	Sections 11
What is the Fund's Investment structure?	The Fund is a registered managed investment scheme domiciled in Australia and is to be listed on ASX. The Responsible Entity is responsible for overseeing the management and operation of the Fund. The Responsible Entity has appointed the Manager to provide investment management services to the Fund (see Section 13.1 for a summary of the Investment Management Agreement). Other services providers appointed by the Responsible Entity are set out in Section 3.10(b). The Manager has entered into an Investment Advisory Agreement with its wholly owned subsidiary, Regal Asia with respect to the investment of the assets of the Fund (see Section 13.2). Members of the Investment Team are employed across Regal and will implement the Regal Investment Strategies.	Sections 3.10, 5 and 13
Will any related party have a significant interest in the Fund?	Other than as disclosed in the PDS, there are no existing agreements or arrangements nor any currently proposed transactions in which the Responsible Entity was, or is to be, a participant and in which any Related Party of the Responsible Entity had or will have a direct or indirect interest in the Fund or the Offer. The Manager has entered into an Investment Advisory Agreement with its wholly owned subsidiary Regal Funds Management Asia Pte. Limited (**Regal Asia**). Regal Asia has been delegated certain investment management duties in relation to the Fund. For further details on the	Section 15.5

Question	Answer	More Information
	Investment Advisory Agreement, refer to Section 13.2. The Manager and Regal Asia are not Related Parties of the Responsible Entity. None of the Regal Funds are related to the Responsible Entity. As at the date of this PDS, other than Regal Asia, no service providers to the Fund are related to the Manager.	
What are the material contracts relating to the Offer?	➢ **Investment Management Agreement** between the Responsible Entity and the Manager. ➢ **Investment Advisory Agreement** between the Manager and its wholly owned subsidiary, Regal Asia. ➢ **Offer Management Agreement** between the Responsible Entity, the Manager, the Lead Arranger and the Joint Lead Managers in relation to the Offer. ➢ **Prime Broker Agreement** between the Responsible Entity and the Initial Prime Broker and Custodian in relation to the Fund. From time to time the Responsible Entity may engage additional service providers, including without limitation, Prime Brokers.	Section 13
What are the key terms of the Investment Management Agreement?	The Manager will be responsible for managing the Fund in accordance with the Investment Management Agreement. Unless terminated earlier, the Investment Management Agreement provides for the appointment of the Manager for an initial term of five years. The Responsible Entity will apply for ASX approval to extend the term to ten years. Upon the expiry of the initial term unless terminated earlier, the Investment Management Agreement will continue until terminated by the parties. Under the Investment Management Agreement, the Manager will be entitled certain fees (see below). Under the Investment Management Agreement the Manager have agreed to pay out of its own pocket certain but not all of the Fund's operating expenses (including fees payable in respect of the Fund to ASX, ASIC, or other regulatory body, the Fund's Unit Registry, fees associated with compliance of the Listing Rules, CHESS fees and fees payable in respect of valuations). See Section 13.1 and 11.3(g) for further details. .	Section 13.1
What fees will the Manager receive?	Under the Investment Management Agreement, the Manager is entitled to receive: ➢ a Management Fee totalling 1.50% per annum (or 1.54% inclusive of GST less RITC) of the Fund's NAV (before the Management Fees and accrued but unpaid Performance Fees). The Management Fee is calculated and accrued at least monthly and are payable monthly in arrears by the Fund; and ➢ a Performance Fee of 20% (plus GST) of the Portfolio's outperformance above the RBA cash rate, subject to a high water mark. The details of the calculation methodology for the Performance Fee are contained in Section 11. The first performance period in respect of which a Performance Fee may be payable in respect of the Fund ends on 31 December 2019. The Manager may also be entitled to further fees payable out of the Fund assets in certain circumstances, as summarised below: ➢ If the Investment Management Agreement is terminated after the initial term by Unitholders passing a resolution to remove the Manager, the Manager is entitled to receive a termination fee equal to the aggregate value of the Management Fees and Performance Fees calculated over a 12 month period ending on the termination date. No termination fee is payable if the Investment Management Agreement is terminated for	Section 11

Question	Answer	More Information
	cause (see 'Termination by Responsible Entity' events at Section 13.1); ➢ if the Responsible Entity determines to conduct a buy-back or a return of capital without obtaining the Manager's consent within 2 years of Listing, the Manager is entitled to receive a fee equal to two times the total of all Management Fees and Performance Fees calculated over a 12 month period ending on the record date for the buy-back or capital return. Refer to Section 11 for further details on fees and other costs of the Fund.	
1.3 ABOUT THE OFFER		
What is the Offer?	The Responsible Entity is offering Units for subscription to raise a minimum of $100,000,000 and a maximum of $500,000,000 for the Fund. The Offer comprises the General Offer and the Broker Firm Offer and is open to investors who have a registered address in Australia and New Zealand. In addition, Institutional Applicants with a registered address in Hong Kong and Singapore may be able to participate in the Broker Firm Offer. Restrictions apply to investors located in Hong Kong and Singapore (see Section 12.13). An investor who has been offered a firm allocation by a Broker will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. Investors should contact their Broker to determine whether they may be allocated Units under the Broker Firm Offer.	Sections 12.1 and 12.2
What do Applicants pay when applying under the Offer?	All Applicants under the Offer will pay a Subscription Price of $2.50 per Unit.	Section 12.1
What is the expected NAV per Unit on Allotment Date	The NAV per Unit on the Allotment Date is expected to be $2.50 per Unit. The expected NAV per Unit is equal to the Subscription Price because the Fund's establishment costs, including the costs of the Offer, will be paid upfront by the Manager.	Section 7
Is there a minimum amount of Units which I must apply for under the Offer?	Yes. Each Applicant must subscribe for a minimum of 2,000 Units (i.e. a minimum subscription amount of $5,000). Applications in excess of the minimum number of Units must be in multiples of 500 Units.	Section 12.3
Who are the Joint Lead Managers and Co-Managers to the Offer?	The Lead Arranger is National Australia Bank Limited. The Joint Lead Managers to the Offer are Bell Potter Securities Limited, Evans Dixon Corporate Advisory Pty Limited, Morgans Financial Limited, Morgan Stanley Australia Securities Limited, Ord Minnett Limited, Shaw and Partners Limited, Taylor Collison Limited and Wilsons Corporate Finance Limited. The Co-Managers to the Offer are Baillieu Ltd, First NZ Capital Securities Limited and Patersons Securities Limited.	Sections 12.4 and 13.3
Who can apply under the Offer?	Applicants with a registered address in Australia and New Zealand can apply under the General Offer. The Broker Firm Offer is open to persons who have received a firm allocation from their Broker and: (a) who are Retail Applicants who have a registered address in	Sections 12.1 and 12.13

Question	Answer	More Information
	Australia or New Zealand; or (b) who are Institutional Applicants who have a registered address Australia, New Zealand, Hong Kong or Singapore. Restrictions apply to investors located in Hong Kong and Singapore (see Section 12.13).	
How do I apply for Units under the Offer?	In order to apply for Units under the General Offer, Applicants must complete the General Offer Application Form that forms part of, is attached to, or accompanies this PDS or a printed copy of the General Offer Application Form attached to the electronic version of the PDS. The General Offer Application Form must be completed in accordance with the instructions on the reverse side of the General Offer Application Form. If Applicants are applying for Units under the Broker Firm Offer, Applicants should complete and lodge their Broker Firm Offer Application Form with the Broker from whom they received their firm allocation. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to Applicants by their Broker and the instructions set out on the reverse of the Broker Firm Offer Application Form.	Sections 12.5 and 12.6
What is the allocation policy under the Offer?	The basis of allocation of Units under the Offer will be determined by the Responsible Entity in accordance with the allocation policy in Section 12.8. Certain Applicants nominated by the Responsible Entity may be given preference in allotment of Units. The General Offer will be capped at $50 million and will be allocated after applicants in the Broker Firm Offer. There is no guarantee on the number of Units available for allocation, if any, in the Broker Firm Offer or General Offer. The Responsible Entity reserves the right in its absolute discretion not to issue Units to Applicants under the General Offer and may reject or scale back Applications. For further details regarding the Responsible Entity's allocation policy, including how the Responsible Entity will scale back Applications, see Section 12.8.	Section 12.8
Will the Units be quoted?	The Responsible Entity will apply to the ASX within seven days of the date of this PDS for admission to the Official List and for quotation of the Units on the ASX.	Section 12.11
When can I sell my Units?	Subject to the ASX granting approval for the Fund to be admitted to the Official List (see Section 12.11), the Responsible Entity will issue the Units to successful Applicants as soon as practicable after the Closing Date. Allotment is expected to occur on 11 June 2019. Trading of the Units on ASX is expected to commence on 17 June 2019 on a normal T + 2 settlement basis. If Applicants sell their Units before receiving an initial holding statement, they do so at their own risk.	Section 12.10
Is there any brokerage, commission or stamp duty payable by Applicants?	No brokerage, commission or stamp duty should be payable by Applicants on the acquisition of Units under the Offer.	
What are the fees and costs of the Offer and who is paying them?	The costs of the Offer are those which are necessary for the Offer and include, without limitation: the fees paid to the Lead Arranger, the Joint Lead Managers; the registration, listing and admission fees; advertising, distribution, marketing and printing costs (including the costs incurred in connection with the Offer roadshow); legal and accounting. The Manager has agreed to pay for all the fees and costs of the Offer in full	See Section 11 for ongoing fees and costs relating to

Question	Answer	More Information
	out of its own pocket. There will be no charge back, loan or other recovery mechanisms utilised to reimburse the Manager for the fees and costs of the Offer.	the Fund
What are the fees payable to the Joint Lead Managers, Co-Managers and Brokers?	Under the Offer Management Agreement, the Manager has agreed to pay certain fees to the Lead Arranger and Joint Lead Managers. The Lead Arranger will be paid an arranger fee equal to 0.25% (plus GST) of the total proceeds raised under the Broker Firm Offer. The Manager will pay a management fee equal to 1.20% (plus GST) of the total proceeds raised under the Broker Firm Offer as follows: (a) for Offer proceeds of up to $350 million, split evenly between the Joint Lead Managers that, together with their associated Brokers (excluding Co-Managers) raise $30 million or more under the Broker Firm Offer; (b) for Offer proceeds in excess of $350 million, proportionate to the Offer proceeds in excess of $38,888,889 raised by a Joint Lead Manager (together with its Brokers, excluding Co-Managers) and the Offer proceeds over $350 million. Joint Lead Managers that, together with their Brokers, (excluding Co-Managers) raise less than $38,888,889 will not be paid a fee in respect of Offer proceeds in excess of $350 million. In addition, the Manager will pay each Joint Lead Manager a Broker Firm selling fee of 1.50% (plus GST) of the total proceeds of the Broker Firm Offer raised by the relevant Joint Lead Manager, its associated Brokers and Co-Managers. The qualifying Joint Lead Managers will have sole responsibility to pay any commissions and fees payable to the Co-Managers, Brokers and non-qualifying Joint Lead Managers (being those Joint Lead Managers that, together with their associated Brokers, raise under $30 million). For further details regarding the fee arrangements, see Section 13.3.	Section 13.3
Is the Offer underwritten?	No.	Section 12.4
Is there a cooling-off period?	No.	
What are the tax implications of the Offer and an investment in the Fund?	Participation in the Offer and an investment in the Fund may have taxation implications for investors. These implications will differ depending on the individual circumstances of each investor.	Section 14
1.4 FURTHER INFORMATION		
Who do I contact if I have further queries	If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser. If you have queries about how to apply under the Offer or would like additional copies of this PDS, please go to the Fund's website www.regalfm.com, call the Fund's Offer Information Line on 1800 221 227 Monday to Friday between 8.30am and 5.30pm (Sydney time) or email regalfund@linkmarketservices.com.au.	Section 12.14

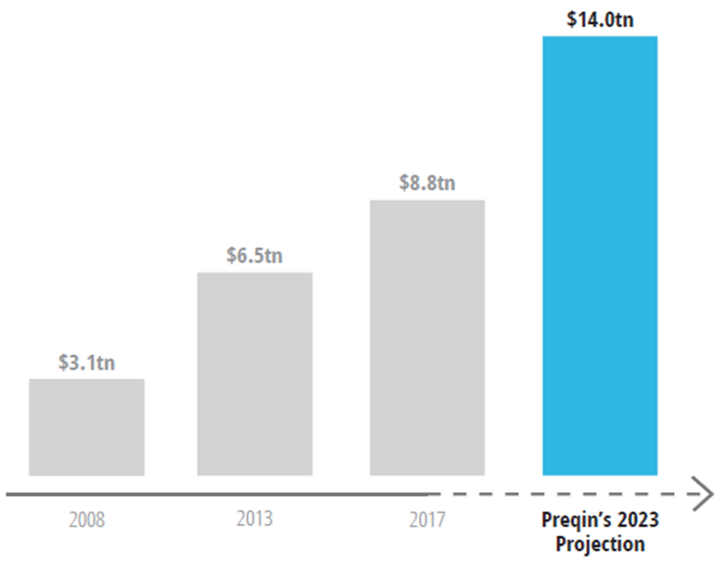
2. Alternative Investment Strategies

2.1. What are alternative investment strategies?

Alternative investments are assets that do not fall within traditional asset classes (being equities, fixed income and cash). Alternative investments typically have a low correlation[7] with these traditional asset classes which can make them useful for portfolio diversification.

Alternative investment strategies include a broad range of strategies that typically involve investment manager skill in generating absolute returns that have low correlation to traditional asset classes. Common alternative investment strategies include private equity, venture capital, real estate, infrastructure and hedge funds. Hedge funds, including equity long short strategies, can be effective at generating absolute returns that have a low correlation to equity markets and in doing so, assist in providing diversification in an investment portfolio. Absolute return strategies seek to provide positive returns regardless of any other factors.

The global alternative asset industry has experienced significant growth and global alternative assets under management have increased by more than three times over the past decade, totalling US$9.5 trillion as at June 2018. Further, Preqin Ltd, an international data and information provider to the global alternative asset industry, forecasts that global alternative assets under management could grow by approximately 8% per annum to $14.0 trillion in 2023, with those investors who have been able to access alternative assets looking to increase their allocations and a growing number of new investors expected to invest in alternatives each year.



Source: Preqin Ltd.

The Manager believes that this growth in investor sentiment towards the alternative asset industry may be driven by the following factors:

- In the Manager's view, it is unlikely that long only portfolios of fixed income and listed equities will be able to generate returns similar to that achieved over the past 20 years. Current prices for fixed income and listed equities are considered to be at elevated levels, driven by macroeconomic factors including declining interest rates and quantitative easing.

- Investors recognising that alternatives investment strategies can deliver good performance relative to traditional asset classes through all market conditions over the medium term.

[7] Correlation is a measure of the extent to which the value of one variable is related to the value of another variable. If a fund has returns with a low correlation to a particular market, this means that the returns provided by the fund are relatively independent of the returns provided by that market.

2.2. What are the benefits of including alternative investments strategies within a diversified portfolio?

When used carefully within a diversified portfolio, alternative investment strategies which aim to produce returns which have a low correlation to traditional asset classes can help to reduce the volatility of returns within the investment portfolio. That is because, if the alternative investment strategy is successful in producing absolute returns regardless of traditional market movements, it can help to reduce the risk within a portfolio by reducing overall portfolio volatility at times when traditional asset classes are highly volatile.

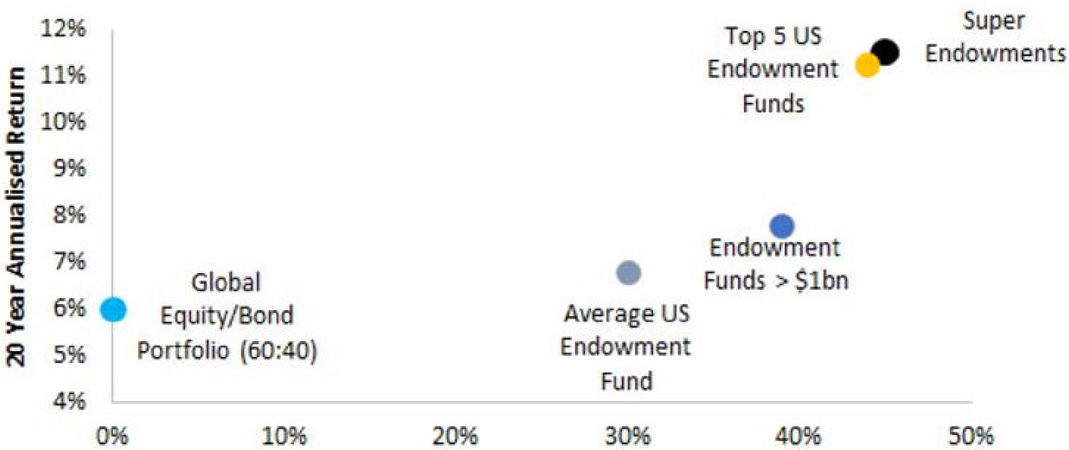
2.3. How are alternative investment strategies used?

Alternative investment strategies have been used by institutional investors, including endowments for many years to achieve absolute returns that are uncorrelated to equity markets and to diversify their investment portfolio. Endowments are large long term institutional investors which are usually established by not for profits to fund a charitable purpose. This approach to investing is based on the belief that risk adjusted returns can be improved by diversification across assets with varied correlations.

Globally, many endowments use alternative investment strategies to improve return potential and diversification in investment portfolios. In the 2018 financial year, the large US endowments (of over $1 billion) outperformed their smaller peers (endowments of under $25 million). It is interesting to note, that on average, these large US endowments have allocated a higher percentage of their respective portfolios to alternative assets than their smaller peers.

For illustration purposes, the chart below shows the 20 year annualised gross returns of a number of US endowment funds (y-axis) and sets out each endowment's allocations to alternative assets as at 30 June 2016 (x-axis). The chart also depicts the 20 year annualised gross returns of a "Global Equity/Bond Portfolio" (comprised of a 60% weighting to the MSCI World Total Return Index and a 40% weighting to the Barclays Global Aggregate Bond Index) with a zero allocation to alternative assets as at 30 June 2016.

Alternative Asset Class % Allocation



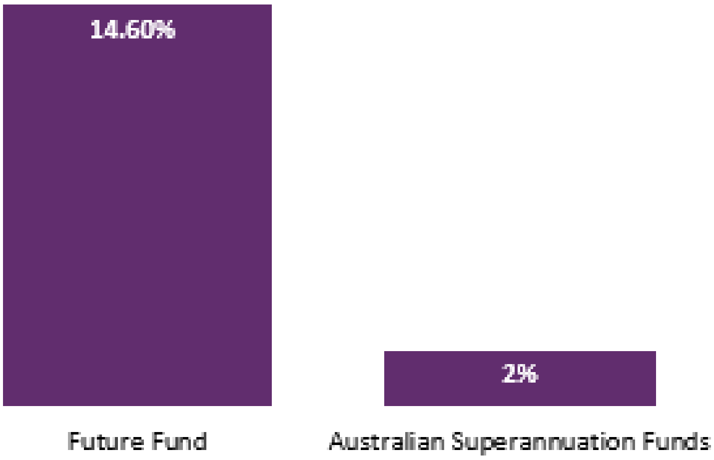
Notes:

1. Source: Investing like the Harvard and Yale Endowment Funds", 2017, Azlen and Zermati, Frontier Investment Management. The authors of this publication have not provided consent to the inclusion of references to this publication and material drawn from this publication.
2. The relative returns identified are not intended to be an indication of the future performance of the alternative asset strategies, the Fund, the Portfolio or the market.
3. Past performance is not a reliable indicator of future performance. The Fund and the US endowments in the chart will have different risk profiles. The performance of the Fund's Portfolio will be different to the gross performance represented in the chart.

In Australia, retail and self-managed superannuation investors may find it difficult to access alternative fund managers as they often have large minimum investment amounts (well in excess of the Fund's minimum application amount). For institutional investors however, alternative funds can be a key exposure within a balanced portfolio.

The chart below shows the Future Fund's percentage allocation to alternative assets versus the average percentage allocation to hedge funds by super funds with more than four members, as at 31 December 2018.

Portfolio allocation comparison



Sources: The Association of Superannuation Funds of Australia's December 2018 superannuation statistics showing asset allocation for funds with more than four members to hedge funds.
Future fund's quarterly portfolio update at 31 December 2018 showing asset allocation to alternative assets. The authors of these publications have not provided consent to the inclusion of references to these publications and material drawn from these publications.

2.4. How are alternative investment funds different to traditional asset classes?

Alternative investment funds can add diversification benefits and can help to smooth overall portfolio returns by providing a source of return which is different to that of traditional assets such as listed equities or fixed income.

They often aim to achieve this through: (a) hedging market exposures; (b) deploying trading techniques; (c) gaining exposure to a wider range of underlying assets and financial instruments; and (d) using leverage.

(a) Hedging Market Exposure

Alternative investment funds generally are able to use a wide range of investment strategies which are different to traditional investments such as equity portfolios and fixed income. In a typical equities hedge fund, the manager can take both long positions (by buying shares in a company that it believes to be undervalued) and short positions (by borrowing and selling shares in another company that is thought to be overvalued). In this way, the manager can seek to hedge the risk that its long positions will fall when the equities market is falling.

A typical long only manager only benefits when the shares it owns go up in value, but a hedge fund manager has the opportunity of being able to make profits from shares that go down as well as up in value.

This can help to produce returns which are independent of, or have a low correlation, to the equity market.

While traditional long only managers rely on their ability to be good "stock-pickers", they often do not have all the tools at their disposal that could help them decrease (or hedge) market risk in their portfolios. As a result, it may be more difficult for long only fund managers to generate positive returns when the broader equity market is falling because they have no way of benefiting from falling prices. That is, even high quality stocks can fall in value when the overall equity market is falling.

This also means that when the market performs strongly, those managers that have hedge market risk will have reduced their exposure to the market return and could underperform traditional 'long only' funds because of the reduced correlation to the market movement.

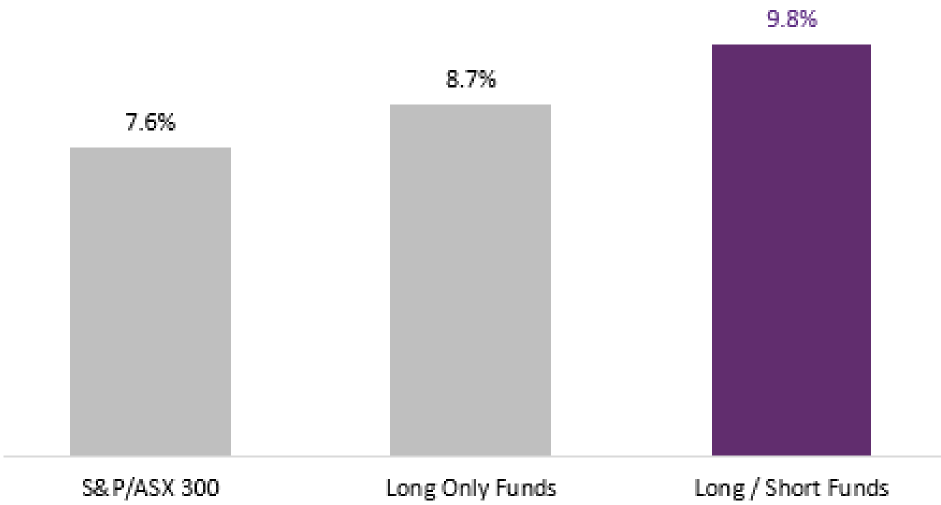
The ability to sell short as well as long also allows a hedge fund manager to hedge away certain other risks within the portfolio. For example, the manager might, through fundamental analysis, want to invest in a gold stock but may not like the outlook for the gold price. The manager can purchase this gold stock, and hedge it by short selling another gold stock, or basket of gold stocks, that can help reduce the exposure within the portfolio to adverse movements in the gold price.

In this way, long/short strategies are likely to be dependent on the fund manager's skill in choosing securities to buy and sell short. This is a key source of risk and return.

In a more extreme example, index funds that are designed to follow certain pre-set rules so that the fund's portfolio is constructed to match or track the components of an equities market index are fully exposed to market movements (with no stock-picking overlay) and will exhibit returns which are fully correlated with the relevant equities market index they are tracking. An investor who holds only index funds is fully exposed to the wider market movements within that index, which may go up or down.

As can be seen from the chart, the median performance of a long only manager has outperformed the index by 1.12% over the last eight years, but the median performance of a long short manager has outperformed by twice this, by 2.2%, in the same time period.

Annualised gross median returns over 8 years



Notes

1. Based on the results of the Mercer Investment Performance Survey of Australian Shares (including Long Short) over an 8 year period ending 28 February 2019. The survey only includes participating investment managers in Australia. The median performance (before fees) of has been taken for the purposes of this chart.
2. The relative returns identified are not intended to be an indication of the future performance of the alternative asset strategies, the Fund, the Portfolio or the market.
3. Past performance is not a reliable indicator of future performance. The Long Only Funds, Long/Short Funds and the S&P/ASX 300 Index in the chart and the Fund and each Regal Investment Strategy have different risk profiles. The performance of the Fund's Portfolio will be different to the median gross performance of the Long/Short Funds in the chart.

(b) Trading techniques used

Long only investing is very competitive, almost any investor can buy shares in a company listed on the ASX. In comparison, only a small minority of investors are able to short sell and therefore able to benefit when share prices fall in value or where share prices do not rise as much as the broader market.

In addition to the traditional equity long/short strategy commonly used, hedge fund managers may also deploy a wide range of trading techniques to identify opportunities to source returns which are relatively independent of general changes in market values or indices. For example, hedge fund managers may employ sophisticated qualitative and quantitative techniques to identify mispricings between related securities and profit from these mispricings. Systematic models may be built to identify potential sources of market inefficiency and profit from mispricings which result from such inefficiencies. Event driven strategies may be deployed to profit from the market mispricings which can occur when a listed company is subject to anticipated or current corporate events, such as mergers and acquisitions, capital raisings or buy-backs.

Alternative investment fund managers can also strategically shift their overall net exposure to match their overall view of the market.

(c) Gaining exposure to a wider range of underlying assets and financial instruments

An alternative investment manager may invest in the same types of assets as traditional long only managers, such as listed shares. However alternative investment managers usually have a large degree of flexibility and choice as to how they achieve uncorrelated returns within their portfolio. For example, they may hedge out risks by shorting other shares or equity indices, or using futures, options, warrants or other derivative instruments.

They also have the ability to invest in other types of assets such as unlisted equity investments or other financial instruments which aim to produce returns which are unrelated to the broader stock market, for example other instruments with exposure to traded markets over commodities such as water entitlements or electricity. As these types of alternative investments involve investment returns from non-traditional sources, this causes their returns to be less correlated with the returns of the overall equities or fixed income market.

(d) Leverage

Alternative investment funds often use financial leverage and short selling to increase the exposure of the fund's portfolio to a value which is greater than the net asset value of the fund, by borrowing or through the use of derivatives. Leverage (or gearing) is often used with the aim of enhancing absolute returns.

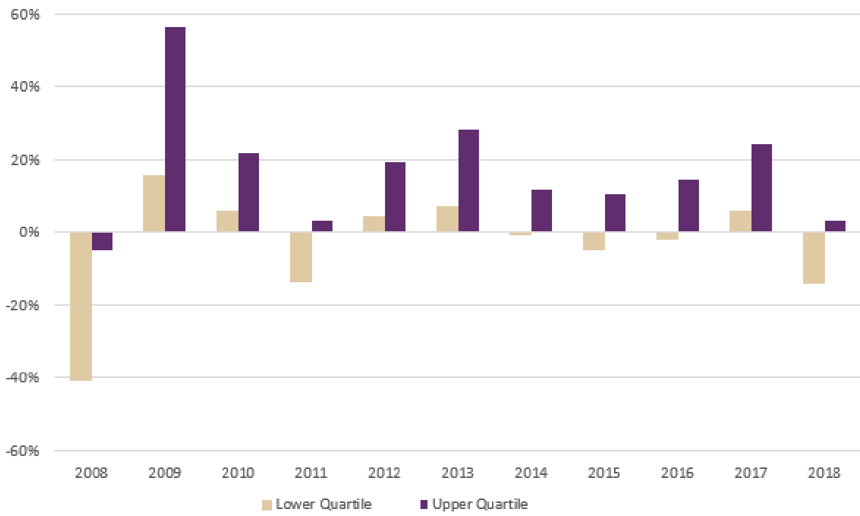
Leverage can also mean the fund is taking on larger risks (refer to the Risks set out in Section 9 of this PDS). Therefore the risk management policies deployed by the Fund as well as the experience of the manager in deploying leverage are of key importance.

2.5. The importance of choosing the right manager

Alternative investment funds are usually actively managed as they seek to provide returns which are not correlated to the equity markets.

Due to the complexity and skill required to run a successful alternative investment strategy, performance depends heavily on the skills of the asset manager and its team as well as the adequacy of its risk management processes and procedures. Importantly, investors may wish to consider the track record of the investment manager and the ability of the manager to provide attractive returns over various market cycles.

Performance amongst alternative investment fund managers varies significantly, as can be seen in the chart below. This chart compares the year end cumulative returns of the highest (the purple bar) and lowest (the beige bar) performing equity strategy hedge funds within Preqin Limited's database in each financial year from 2008 to 2018.



Notes:

1. Source: Preqin Limited. In the chart, 'Lower Quartile' refers to the performance of the bottom 25% of participating funds whilst 'Upper Quartile' refers to the performance of the top 25% of participating funds.
2. This chart is based on the performance of equity hedge funds within Preqin Limited database in each of the above years. Participation in Preqin's database is voluntary and can change from year to year. Preqin's database does not include all equity hedge funds.
3. The relative returns identified are not intended to be an indication of the future performance of the alternative asset strategies, the Fund, the Portfolio or the market.
4. Past performance is not a reliable indicator of future performance. Alternative asset strategies depicted above and the Fund may have different risk profiles.

Assessing the level of skill, experience and risk management processes to allow it to manage an appropriate pool of capital is critical in choosing an alternative investment fund manager.

2.6. Why Regal Funds Management?

The Manager was founded in 2004 and possesses a 15 year multi award winning track record of managing alternative investment strategies and has over $1.6 billion of funds under management as at 31 March 2019.

The Manager has achieved industry recognition for its skills as a hedge fund manager on many occasions over the past 15 years. Specifically, the Manager has won "Australian Hedge Fund of the Year" in 2011, 2014 and 2016 at the Australian hedge fund awards and "Management Firm of the Year" in 2018 at the AsiaHedge Awards in Hong Kong. In addition, three of the Initial Regal Investment Strategies have also received industry recognition for their performance:

➢ The Tasman Market Neutral Fund has won best market neutral fund at the Australian Hedge Fund Awards in 2010, 2011 and 2014. The Tasman Market Neutral Fund also won the best market neutral fund at the HFM Awards Asia in 2014;

➢ The Regal Australian Long Short Equity Fund won the best long short fund at the Australian Fund Manager awards in 2011 and 2018 and the best long short fund in Australian equities at the Money Management, Lonsec awards 2012; and

➢ The Regal Australian Small Companies Fund won the golden calf award at the Australian fund manager awards in 2016, the best single country fund at the AsiaHedge awards in 2018 and the best Australian fund at the HFM Asia Hedge Fund Performance Awards 2019.

Section 5 contains details in relation to the historical performance of the relevant Regal Funds utilising the Initial Regal Investment Strategies. Past performance is not indicative of future performance and the performance of the Fund could be significantly different to the performance of the portfolios in the Regal Funds below or any other Regal Fund that employs a Regal Investment Strategy in the past or in the future.

3. Overview of the Fund

3.1. Introduction

The Fund has been recently registered and has not undertaken any business to date. It has been established specifically for the purposes of the Offer and it is proposed that the Fund be listed on the ASX as an investment entity and trade under the ASX Code: RF1.

The Fund has been established to provide investors with exposure to a selection of alternative investment strategies managed by Regal, with the aim producing attractive risk adjusted absolute returns over a period of more than five years with limited correlation to equity markets. The Fund will also provide investors with exposure to Regal's investment expertise and the opportunity to capitalise on the Manager's 15 year multi award winning track record of managing alternative investment strategies through multiple market cycles.

What are the Regal Investment Strategies?

The Manager can, subject to the Fund's Investment Guidelines, exercise its discretion to construct the Fund's Portfolio using multiple Regal Investment Strategies over the life of the Fund. The Regal Investment Strategies are alternative investment strategies implemented by Regal from time to time. The Regal Investment Strategies include, but are not limited to, the Initial Regal Investment Strategies described in Section 5.

How will the Manager use multiple Regal Investment Strategies?

The Manager will select multiple Regal Investment Strategies and determine the relative weight given to each Regal Investment Strategy at any given time. This will happen on an ongoing basis, with the Manager able to increase or decrease the Portfolio's exposures to specific Regal Investment Strategies as it seeks to achieve the Fund's Investment Objective.

The Manager has determined that the Initial Portfolio will be allocated across the Initial Regal Investment Strategies in accordance with the table in Section 3.4. After the Initial Portfolio has been constructed, the Manager may introduce new Regal Investment Strategies and reduce (or increase) the Fund's exposure to one or more of the Initial Regal Investment Strategies in accordance with the Investment Guidelines. Any new strategy will be required to comply with the Fund's Investment Guidelines and be a complementary addition to the Portfolio.

The Manager will exercise these discretions taking into consideration, amongst other things, the prevailing market conditions and the Fund's Investment Objective (as set out in Section 3.2 below). See Section 4.4 below for further details on how the Manager will allocate the Portfolio between the Regal Investment Strategies. The Manager will keep Unitholders informed regarding the allocation between the Regal Investment Strategies (see Section 3.12).

The Manager's ability to use different Regal Investment Strategies is constrained by limitations within the Fund's Investment Guidelines. The Manager's discretions are also subject to the overarching requirement that the Fund's Portfolio comply with the Investment Guidelines.

Importantly, in selecting Regal Investment Strategies, at least 40% (but no more than 60%) of the Fund's NAV will be allocated to the Market Neutral Strategy. Regal has employed this strategy as manager of the Tasman Market Neutral Fund since that fund's inception in May 2007. See Section 5.2 for details of the Market Neutral Strategy. In addition, a maximum of 25% of the Fund's NAV can be allocated to each other Regal Investment Strategy.

What are the key benefits of investing in the Fund?

Prospective investors in the Fund may wish to consider the following:

(a) The Fund provides investors with exposure to a selection of alternative investment strategies managed by Regal, with the aim of producing attractive risk adjusted absolute returns over a period of more than five years with limited correlation to equity markets.

(b) The Fund's structure as a listed registered managed investment scheme allows investors to access an investment management capability typically only available to wholesale investors.

(c) The Fund will also provide investors with exposure to the Manager's investment expertise and the opportunity to capitalise on the Manager's 15 year multi award winning track record of managing alternative investment strategies through multiple market cycles.

(d) Similar to other investment vehicles, the Portfolio will be constructed by the Manager to comply with the Fund's Investment Guidelines (these guidelines are set out in Section 3.5). What makes the Fund different is the Manager's ability to use different combinations of multiple Regal Investment Strategies over the life of the Fund.

3.2. Investment Objective

The Fund's investment objective is to provide investors with exposure to a selection of alternative investment strategies managed by Regal, with the aim of producing attractive risk adjusted absolute returns over a period of more than five years with limited correlation to equity markets.

The Fund may not be successful in meeting its Investment Objective.

3.3. Construction of the Portfolio

The Portfolio will be constructed by the Manager in accordance with the Fund's Investment Guidelines (see Section 3.5) to provide exposure to multiple Regal Investment Strategies.

The Fund's Investment Guidelines allow for the Fund's Portfolio to include investments in Australian and international Securities (both listed and unlisted), Derivatives (including swaps, options and futures) and cash (subject to restrictions within the Investment Guidelines from time to time). Securities may include fixed income including convertible notes as well as unlisted units in Regal Funds.

Investments within the Portfolio will provide the Fund with exposure to the Regal Investment Strategies selected by the Manager from time to time. In respect of each Regal Investment Strategy selected by the Manager, this exposure will either be:

- via direct investments, in which case the capital of the Fund will be invested alongside the Regal Fund that uses that strategy on a proportionate basis in accordance with Regal's trade allocation policy (see Section 4.5); or

- indirect, in which case, the capital of the Fund will be invested in a fund managed by Regal using the selected Regal Investment Strategy.

Further detail on the Initial Regal Investment Strategies and the associated Regal Funds is provided in Section 5.

In addition to providing exposure to the Regal Investment Strategies selected from time to time, the Manager may use Derivatives to manage risks within the Portfolio.

Net gearing within the Portfolio (that is Long Positions minus Short Positions) will be a maximum of 150% of the Fund's NAV but will typically be between 0% to 100% of the Fund's NAV. Gross gearing within the Portfolio (i.e. the sum of the value of Long Positions and Short Positions) will be a maximum of 300% of the Fund's NAV and will typically be between 200% to 300% of the Fund's NAV.

3.4. Commentary on the Initial Portfolio

The money raised under the Offer will be used to make investments that are permitted by the Investment Guidelines and selected by the Manager to provide exposure to the Regal Investment Strategies identified in the below table.

The Manager expects that the Fund's capital will be allocated across the Initial Regal Investment Strategies as follows:

Initial Regal Investment Strategy	Expected percentage of the Initial Fund's NAV allocated to the relevant Initial Regal Investment Strategy
Market Neutral Strategy	50%
Global Alpha Strategy	12.5%
Australian Long Short Equity Strategy	12.5%
Australian Small Companies Strategy	12.5%
Emerging Companies Strategy	12.5%

Investors should note that the performance of any individual underlying strategy or associated Regal Fund should not be taken as being indicative of the Fund's performance.

Further detail on the Initial Regal Investment Strategies is provided in Section 5.

The Manager intends to deploy capital as quickly as practicable within a few months but this will ultimately be at the discretion of the Manager. The pace of the Fund's capital deployment will be dependent on market conditions at the time of investment. The Manager estimates that it may take up to three months from Listing to construct the Initial Portfolio.

The Fund's Initial Portfolio is expected to predominately provide exposure to Australian and Asian equity markets.

The Manager expects that the Initial Portfolio's exposure to the Emerging Companies Strategy will be through the Fund applying for unlisted units in the Regal Emerging Companies Fund III. Regal Emerging Companies Fund III is new an unregistered Australian wholesale unit trust which was declared on 2 April 2019, for which the Manager acts as the trustee and investment manager. The intention is for the Fund to invest in a fee free class of units in the Regal Emerging Companies Fund III[8].

The Regal Emerging Companies Fund III (and the Emerging Companies Strategy) have a five year minimum investment term. The Fund's investment will be subject to a lock up for the duration of that minimum investment term. All unitholder redemptions in the Regal Emerging Companies Fund III are at the sole discretion of the Manager (in its capacity as trustee of that fund). The Manager does not intend to permit any unitholder redemption requests for the duration of Regal Emerging Companies Fund III's minimum investment term. See Section 9.3 for risks associated with an investment in a Regal Fund (including the Regal Emerging Companies Fund III).

[8] Excluding any units held by the Fund from time to time, the balance of units in Regal Emerging Companies Fund III will be held by other wholesale investors. There is no intention for the Fund to control the Regal Emerging Companies Fund III.

3.5. Investment Guidelines

The Investment Guidelines for the construction of the Portfolio are as follows:

Exposure	Guidelines
Permitted investments	Permitted investments include Australian and international Securities (both listed and unlisted), Derivatives (including swaps, options and futures) and cash (subject to restrictions within the Investment Guidelines from time to time). Securities may include fixed income including convertible notes as well as unlisted units in the Regal Funds. Net exposure within the Initial Portfolio is expected to predominantly be comprised of Long and Short Positions in listed Securities in Australian and Asian entities. The Initial Portfolio is also expected to include units in the Regal Emerging Companies Fund III (see Section 3.4 above).
Regal Investment Strategy exposure limits	Between 40% to 60% of the Fund's NAV will be allocated to the Market Neutral Strategy. A maximum of 25% of the Fund's NAV can be allocated to any of the Regal Investment Strategies (other than Market Neutral Strategy) at any time.
Number of Positions	There is no requirement for there to be a minimum or a maximum number of Long or Short Positions in the Portfolio at any given time.
Single Security Position limit	Individual listed Security Positions are limited to ±10% of the Fund's NAV. Single unlisted Security Positions (other than Regal Funds) are limited to 2% of the Fund's NAV at the time of investment.[9]
Limits on unlisted Securities (excluding investments in a Regal Fund)	Maximum of 5% of the Fund's NAV (in aggregate and at the time of each additional investment) can be invested in unlisted Securities (other than Regal Funds).
Investments in Regal Funds	Permitted, provided that all management fees and performance fees in respect of the Regal Funds are rebated or reimbursed in full by the Manager to the Fund or the units held by the Fund are a class that incurs no management or performance fees. Maximum of 25% of the Fund's NAV (in aggregate and at the time of investment) can be invested in units in a single Regal Fund. The Fund can invest in multiple Regal Funds at any given time.
Sector exposure limits	Maximum net exposure to any single Sector is ±30% of the Fund's NAV. The Portfolio is expected to be diversified across a range of Sectors.
Geographic exposure limits	Maximum net exposure to Emerging Markets is ±30% of the Fund's NAV. Maximum net exposure to Frontier Markets is ±10% of the Fund's NAV. Other than as provided above, no other geographic limits apply to the Portfolio. While the Portfolio may include investments located anywhere in the world, the Initial Portfolio will be focused on Asia, with an emphasis on Australia.

[9] For the avoidance of doubt, there is no requirement to reduce exposure if the value of an unlisted Security increase after purchase if its value becomes greater than 2% of the Fund's NAV.

Exposure	Guidelines
Net gearing limits	Net gearing will be a maximum of 150% of the Fund's NAV but will typically be between 0% and 100% of the Fund's NAV.
Gross gearing limits	Gross gearing will be a maximum of 300% of the Fund's NAV and will typically be between 200% and 300% of the Fund's NAV.
Derivatives	Permitted. See Section 3.5(b).
Short Selling	Permitted, to the extent required to implement a Regal Investment Strategy. See Section 3.5(c).
Foreign currency hedging	Permitted. The Manager will not hedge currency exposure within the Portfolio except in limited circumstances. See Section 3.5(d).
Limits on cash and cash equivalents	Up to 100% of the Fund's NAV can be held in cash and cash equivalent instruments, including cash held as Collateral.

From time to time, due to market movements or other reasons, it is possible the Portfolio may temporarily fall outside one or more of the Investment Guidelines. If this occurs the Manager will act promptly to adjust exposures to individual Positions within the Portfolio where possible, to ensure that the Fund's Portfolio is brought in line with the Investment Guidelines.

(a) *Leverage policy*

The Manager can employ leverage on behalf of the Fund using a combination of Short Selling, Derivatives and other loan finance facilities provided by the Prime Broker(s). With the exception of Derivatives (see Derivative policy in Section 3.5(b)), the Manager will only employ leverage on behalf of the Fund to implement the relevant Regal Investment Strategies.

Leverage is created when the Portfolio's gross gearing (i.e. the market value of Long Positions plus the market value of Short Positions) is greater than the amount of investors' capital. Debt finance as well as Derivatives and Short Selling can create leverage within the Portfolio. For example, leverage may be created when the proceeds from selling borrowed Securities (i.e. Short Selling) are used to purchase Long Positions. Short Selling is discussed further in Section 3.5(c) below.

Leverage can increase the level of net gearing (i.e. the market value of the Long Positions less the market value of Short Positions) and gross gearing of the Portfolio and can magnify gains but can also magnify losses within the Portfolio. With a view to managing this risk, net gearing of the Portfolio will not exceed 150% of the Fund's NAV and gross gearing of the Portfolio will not exceed a maximum of 300% of the Fund's NAV.

Notwithstanding the maximum gearing limits, the Manager expects that net gearing will typically be between 0% and 100% of the Fund's NAV and that gross gearing will typically be between 200% and 300% of the Fund's NAV.

In the event that the Fund's Portfolio is constructed with 150% of the Fund's NAV in Long Positions and 150% of the Fund's NAV in Short Positions, the gross gearing of the Portfolio will be 300% (the maximum gross gearing permitted, therefore the gearing with the greatest possible impact on the Portfolio's returns) and the net gearing of the Portfolio will 0%. In this scenario, if the value of the Long Positions within the Portfolio increased by 10% and the value of the Short Positions decreased in value by 10%, the increase in the Portfolio's value would be 30% of the Fund's NAV. Conversely, a fall of 10% of the Portfolio's Long Positions and a rise of 10% of the Portfolio's Short Positions would result in the Fund's NAV falling by 30%.

It should be noted that while the Portfolio may have gross gearing of up to a maximum of 300% of the Fund's NAV, investors in the Fund would not have an exposure in excess of 100% of their investment in the Units.

(b) Derivative Policy

The Fund can invest in Derivatives, including options, futures, swaps and equivalent cash settled instruments, which are traded on an exchange or non-exchange traded Derivative instruments dealt on an Over-the-counter basis. The underlying instruments include, but are not limited to, Securities, financial indices, interest rates, foreign exchange rates, commodities or currencies.

The Manager may use Derivatives for hedging (to manage risks) and non-hedging (to take opportunities to increase returns) purposes. The Fund's Derivative Positions will include Positions selected by the Regal Investment Strategies chosen by the Manager from time to time.

In addition, the Manager may use Derivatives to manage risks within the Portfolio. For example, the Manager may use Derivatives to reduce exposure(s) to equity markets from time to time or hedge the Portfolio into Australian Dollars. See Section 3.5(d) for details of the Fund's currency risk management and hedging policy.

To mitigate counterparty risks in Derivative transactions, the Manager will seek to deal with counterparties that are institutions subject to prudential supervision. Further, all of the Fund's Derivative counterparties must have, in the Manager's reasonable opinion, sufficient expertise and experience in trading such financial instruments.

To manage risks associated with Derivatives generally, the market value of Derivative Position exposures (other than Currency Derivatives) will be included within the Manager's risk monitoring system.

(c) Short Selling

Within the Regal Investment Strategies, Short Selling may be used to try to improve returns and to manage risk. Short Selling is permitted by the Fund only as required to implement the relevant Regal Investment Strategies. A short sale occurs when the Manager borrows a Security from a Prime Broker and short sells the Security to a third party, generating cash proceeds. To close the short sale, the Manager must acquire an equivalent Security on-market and return it to the lender.

The Portfolio makes a profit if the price of the shorted Security declines in value in the period between the Manager selling the borrowed Security and acquiring an equivalent Security to return to the lender. Conversely, the Portfolio will suffer a loss if the borrowed Security increases in value during this period.

Short Selling can involve greater risk than buying a Security (i.e. a Long Position). Loss associated with a Long Position is generally restricted to the amount invested. Losses on a Short Position continue to grow as the price of the borrowed Security rises and therefore can be greater than the amount originally invested. Additionally, there can be no guarantee that the Securities necessary to cover a Short Position will be available for purchase. Short Selling will also incur interest and other costs on the securities borrowed. For a short sale to be profitable the return must exceed these costs and, where losses are incurred on a Short Position, these costs will increase those losses.

The following examples illustrate how Short Selling may result in a loss or a profit. Both examples assume the Manager short sells 100 shares of XYZ Limited (**XYZ Shares**) at $10 per XYZ Share and later closes the position by entering into an equal and opposite trade. We have assumed that the costs associated with the short sales in each example are also the same (i.e. borrowing costs and commissions totalling $15).

Example 1: Potential loss

The Manager short sells 100 XYZ Shares (at $10 per share) and closes the position when the share price rises to $12 by entering into an equal and opposite trade.

Trade	**Number of shares**	**Share price $**	**Total income/(loss)**
Opening sell	100	$10	$1,000
Borrowing cost and commission			($15)
Closing buy	100	$12	($1,200)
Loss			**($215)**

Example 2: Potential gain

The Fund short sells 100 XYZ shares and closes the position when the share price falls to $8.

Trade	**Number of shares**	**Share price $**	**Total income/(loss)**
Opening sell	100	$10	$1,000
Borrowing cost and commission			($15)
Closing buy	100	$8	($800)
Profit			**$185**

The Manager seeks to manage the risks associated with Short Selling in a number of ways including when shorting as part of a fundamental strategy (being a Regal Investment Strategy that employs the fundamental research process detailed in Section 4) using a research process to identity weaker businesses, sometimes with poor management and which are over-priced relative to the Manager's assessment of their intrinsic value. The Manager has also adopted the leverage policy in Section 3.5(a) above.

(d) Currency risk management and hedging policy

The Fund will invest in international investments. International investments create an exposure to foreign currency fluctuations which can change the value of the investments measured in the Portfolio's base currency (AUD).

Generally, the Manager will not hedge currency exposure within the Portfolio, however, as part of the investment process for each Regal Investment Strategy, Regal may assess the indirect impact of currency on the entities that it intends to invest in and the potential for exchange rate movements to amplify or diminish the Australian dollar returns for an investment.

The Portfolio's exposure to foreign currency risks may be naturally hedged to the extent the value of assets (Long Positions) offsets the value of liabilities (Short Positions) denominated in each foreign currency within the Portfolio. If net gearing to a particular currency exceeds 5% of the Fund's NAV, the Manager will seek to manage the foreign currency risk in respect of that currency by hedging to the Fund's base currency. The Manager has the ability to manage the currency exposures of the Portfolio using foreign exchange forwards and contracts.

3.6. Distribution Policy

The Responsible Entity intends to distribute all distributable income annually but it may do so more frequently at its discretion.

The Responsible Entity can provide no guarantee as to the extent of future distributions, as these will depend on a number of factors, including future earnings, financial conditions, future prospects and other factors the Responsible Entity deems relevant.

The Responsible Entity will establish a distribution reinvestment plan in respect of distributions made by the Fund. Under the DRP, Unitholders may elect to have all or part of their distributions reinvested in additional Units.

The DRP will take account of the relationship between the prevailing market price of Units and the Net Asset Value per Unit (**NAV Price**) at the time each distribution is paid. Where the prevailing market price is higher than or equal to the NAV Price, distributions will be reinvested in newly issued Units. Where the prevailing market price is less than the NAV Price, distributions will be reinvested in existing Units purchased on-market.

If participation in the DRP is elected, Unitholders will be allocated Units in accordance with the DRP rules, which provide detail on the methodology for determining whether new Units will be issued or Units will be purchased on market and the price at which new Units are issued to Unitholders. After the Offer Period, the DRP will be available at www.regalfm.com.

The DRP will be offered to Australian and eligible overseas investors on the following basis:

(a) Participation in the DRP is optional and is open to all Unitholders resident in Australia and eligible Unitholders resident outside of Australia. Non-Australian residents can participate in the Plan if the Responsible Entity is satisfied their participation would not breach overseas laws.

(b) Under the DRP, the Responsible Entity will determine whether participating Unitholders are to be issued new fully paid ordinary Units or transferred existing fully paid ordinary Units (purchased on-market through a broker engaged by the Responsible Entity on behalf of Participants).

(c) New Units will be issued on the terms disclosed, and will be subject to the same rights as Units issued to all Unitholders of the same class.

(d) New Units will be issued free of brokerage fees and commission. However, where the Responsible Entity causes existing Units to be acquired on-market for participating Unitholders, brokerage payable on those acquisitions will be passed on to participating Unitholders. The Responsible Entity will endeavour to secure the most cost effective brokerage rates possible.

(e) The Responsible Entity reserves the right to suspend the DRP at any time. A DRP election form will be sent to successful Applicants after the Offer. An election to participate in the DRP in respect of the distributions must be made by the election date announced by the Responsible Entity in respect of each relevant distribution.

3.7. Liquidity

(a) Units of the Fund

While the Fund is listed, Units are not able to be redeemed except under a withdrawal offer or a buy-back of Units which satisfies the Corporations Act and the Listing Rules (see Section 3.9 below).

The Responsible Entity will apply for admission of the Fund to the Official List and for quotation of the Units on ASX. Accordingly, Unitholders' liquidity will be achieved by way of the ability to sell Units on ASX.

It is expected, subject to the admission of the Fund to the Official List and the quotation of the Units on ASX, that the Units will commence trading on ASX on or about 17 June 2019 on a normal settlement basis. After the Units commence trading on a normal settlement basis, Units may be sold on ASX by Unitholders instructing their stockbroker.

(b) Investments of the Fund

Since the Fund's Portfolio is predominately expected to be comprised of listed Long and Short Securities, its investments are primarily expected to be liquid.

The Fund may make investments in unlisted Securities, listed Securities which are sometimes traded on an infrequent basis, or it may hold Securities which are of a size which cannot be quickly sold on-market, utilising existing trading volumes. Such investments may represent more than 10% of the Fund's NAV, and may not always be able to be realised at the value ascribed to that asset in calculating the Fund's most recent NAV within 10 days.

In the Initial Portfolio, the Manager expects that approximately 12.5% of the Fund's NAV will be invested in the Regal Emerging Companies Fund III, an unlisted wholesale fund. The Fund's investment in the Regal Emerging Companies Fund III will be subject to a lock up for the duration of Regal Emerging Companies Fund III's five year minimum investment term (See Section 3.4 for further details). To manage liquidity, the Investment Guidelines limit investments in unlisted Securities (other than Regal Funds) as follows: single unlisted Security is limited to 2% of the Fund's NAV (at the time of investment) and in aggregate no more than 5% of the Fund's NAV (at the time of investment) can be invested in unlisted Securities. Investments in Regal Funds are subject to separate limitations. The Fund can invest in multiple Regal Funds at any given time (each Regal Fund is subject to the same 25% limitation).

3.8. Withdrawals

(a) Risk factors or limitations on withdrawal

While the Fund is listed, Units are not able to be redeemed except under a withdrawal offer or a buy-back of Units which satisfies the Corporations Act and the Listing Rules. However, while the Fund is listed, the Units may be sold on ASX. The ability to sell the Units on ASX will be a function of the turnover of the Units. Further, there may be a trading halt or suspension of quotation of Units during which the Units may not be sold on ASX. Please refer to Section 9.4 for further details regarding the liquidity risk regarding Units in the Fund.

(b) Notification of changes in relation to withdrawals

The Fund will release to ASX, in accordance with the Listing Rules, any material changes to the ability of Unitholders to withdraw from the Fund and post such material changes on the Fund's website (www.regalfm.com).

3.9. Capital Management

The Board will regularly review the capital structure of the Fund and, where the Board considers appropriate, undertake capital management initiatives which may involve the issue of other Units (through bonus options issues, placement, pro rata issues, etc.) or the buy-back of its Units.

(a) Further issues of units

The Responsible Entity has the authority, subject to the Constitution, Listing Rules and applicable laws, to allot further units following the Listing. Further issues of units will only be made if the Responsible Entity determines that such issues are in the best interests of Unitholders. Relevant factors in making such determination include the views of the Manager, net asset performance, trading price of the Units compared to the Fund's NAV and perceived investor demand.

(b) Buy-Back

Following Listing, the Responsible Entity in consultation with the Manager, may exercise its discretion to purchase Units on-market with a view to addressing any unsatisfied liquidity in the Units or any material discount in the price at which the Units may have been trading to the NAV per Unit.

The timing of the commencement and conduct of a buy-back (if undertaken) will be in accordance with the Constitution, Listing Rules and all applicable laws. Any such buy-back will not exceed 10% of the smallest number of Units on issue in the Fund during the 12 months prior to any buy-back, unless otherwise approved by ordinary resolution of Unitholders.

If the Responsible Entity proposes the commencement of the buy-back facility it will give the required notice to ASX. The Responsible Entity is not permitted to buy-back a Unit for at least 14 days after the giving of the notice. Units purchased by the Responsible Entity on behalf of the Fund under a buy-back will be immediately cancelled.

3.10. Fund structure

(a) Investment structure

The Fund is a registered managed investment scheme domiciled in Australia and is to be listed on ASX. The Responsible Entity will issue Units to successful Applicants on the Allotment Date. In general, each Unit in the Fund represents a Unitholder's interest in the assets attributable to that class of Units as a whole, subject also to liabilities attributable to that class of Unit. However, a Unit does not give a Unitholder an interest in any particular asset of the Fund.

The investment structure is operated as summarised below:

- The Responsible Entity is responsible for overseeing the management and operation of the Fund.
- The Responsible Entity has entered into an Investment Management Agreement with the Manager with respect to the management of the Fund (see Section 13.1).
- The Manager has entered into an Investment Advisory Agreement with its wholly owned subsidiary, Regal Asia with respect to the investment of the assets of the Fund (see Section 13.2).

Members of the Investment Team are employed across Regal and will implement the Regal Investment Strategies.

(b) Service providers

As at the date of this PDS, the service providers to the Fund are:

- **Manager**: Regal Funds Management Pty Limited is responsible for managing the Fund. For further details on the Manager, refer to Section 4.
- **Administrator and Unit Registry**: Link Fund Solutions Pty Limited will be appointed to provide administration, fund accounting, valuation services to the Fund and Link Market Services Limited will provide unit registry services for the Fund.
- **Auditor**: Ernst & Young is the independent auditor of the Fund and the Fund's Compliance Plan.
- **Initial Prime Broker:** UBS AG, Australia Branch has been appointed as Initial Prime Broker and UBS Nominees Pty Ltd has been appointed as the initial Custodian of the Fund. For further details regarding the terms of these appointments, refer to Section 13.4.

The Responsible Entity has entered into service agreements with the service providers and will, with the assistance of the Manager, regularly monitor the performance of the service providers against the service levels set out in the relevant agreements. From time to time the Responsible Entity will engage additional services providers, including without limitation, Prime Brokers.

(c) Related party relationships

The Manager has entered into an Investment Advisory Agreement with its wholly owned subsidiary, Regal Asia. Regal Asia has been delegated certain investment management duties in relation to the Fund. The Fund is not a party the Investment Advisory Agreement and no fees will be paid by the Fund in respect this arrangement. For further details on the Investment Advisory Agreement, refer to Section 13.2.

The Manager and Regal Asia are not Related Parties of the Responsible Entity. No other service providers to the Fund are related to the Manager or the Responsible Entity.

None of the Regal Funds are Related Parties of the Responsible Entity.

3.11. Valuation, location and custody of assets

Valuation

The Fund's NAV will be calculated using a framework for the valuation of financial instruments that is consistent with current industry practice and regulatory requirements.

The Fund's NAV will be calculated by the Administrator who is independent of the Responsible Entity and the Manager. The Responsible Entity will appoint Link Fund Solutions Pty Limited to be the initial Administrator for the Fund.

Each Position within the Portfolio shall be valued in accordance with the methodology summarised below (see Section 7 for further details):

(a) Cash (including income) – the amount of such cash (in Australian dollars).

(b) Listed Securities – the fair value of such Securities determined in accordance with Australian Accounting Standards (unless otherwise agreed by the Responsible Entity and the Manager). This is generally the unadjusted last traded price on the relevant day as quoted on the applicable exchange (and converted into Australian dollars at the prevailing exchange rate on the relevant date).

(c) Unlisted Securities (other than units in a Regal Fund) – the fair value of such Securities determined by the Responsible Entity. In general, the Responsible Entity considers the fair value to be equal the price at which the Security could be sold in an orderly transaction between market participants at the relevant date. The Responsible Entity may select an appropriate methodology to estimate fair value in light of the nature, facts and circumstances of the investments.

(d) Unlisted units in a Regal Fund – the fair value of such units determined by the Responsible Entity. In general, the value will be the last reported net asset value per unit by the administrator of the relevant Regal Fund.

(e) If any investment is not included in (a) to (d) above, the value of that investment determined by the Manager in accordance with Australian Accounting Standards (unless otherwise agreed by the Responsible Entity and the Manager).

If the Responsible Entity is of the opinion that the Manager's or any other valuation calculated in accordance with paragraphs (a) to (e) above does not truly reflect the fair value of Position, the fair value of such Position will be as determined by a duly qualified valuer independent of both the Responsible Entity and the Manager (**Approved Valuer**), which is recommended by the Manager and approved by the Responsible Entity having regard to the particular type or types of investment which are the subject of the valuation.

Custody of assets

The Responsible Entity has delegated custody of the Fund's Portfolio to UBS Nominees Pty Ltd in accordance with the terms of the Prime Broker Agreement (see Section 13.4 for a summary of this agreement). If and when further Prime Brokers are engaged by the Responsible Entity in respect of the Fund, custody of the Fund's Portfolio may be held across a number of Prime Brokers.

3.12. Reports to Unitholders

Within 14 days after the end of each month, the Responsible Entity will release to ASX a statement of the net tangible asset backing of its Units as at the end of that month. The Responsible Entity may in the future elect to publish the net tangible asset backing of Units on a more frequent basis. The calculation of the net tangible asset backing of Units will be made in accordance with the valuation methodology (see Section 3.11) and the Listing Rules.

The Responsible Entity will provide to Unitholders on request, free of charge, a copy of statements released to ASX of the net tangible asset backing of Units from time to time.

The Responsible Entity will also release to ASX (and place on its website) reports, prepared by the Manager, to keep Unitholders informed about the current activities of the Fund, the performance of the Fund's Portfolio and the investment outlook.

The Manager will keep Unitholders informed (via its website and ASX) regarding the Portfolio's exposure to the Regal Investment Strategies selected by the Manager. This includes providing Unitholders with a summary of the key terms of each Regal Investment Strategy the Portfolio has exposure to. In respect of the Initial Regal Investment Strategies, this summary information is contained in this PDS. In respect of other Regal Investment Strategies selected from time to time, the Manager will provide this information (via its website and ASX) in the month the Portfolio first becomes exposed to that Regal Investment Strategy (to the extent that strategy is not already familiar to Unitholders).

4. About Regal Funds Management

4.1. Overview

The Fund's investment manager is Regal Funds Management Pty Limited (Australian Financial Services Licence No. 277737).

The Manager is a member of an international investment management group, with funds under management of over $1.6 billion as at 31 March 2019.

The Manager was founded in 2004 and has specialised in alternative investment strategies with a primary focus on long/short investment strategies. Regal performs investment management and investment advisory services for a number of Australian unit trusts and international investment companies. In this capacity, Regal manages capital for a range of clients including private banks, financial planning groups, asset consultants, offshore pension funds, family offices and high net worth individuals.

Regal employs a team of over 40 people, including 24 investment professionals across its different investment strategies. The Manager's Investment Team members have, on average, over ten years' experience in financial markets both in Australia and overseas, with extensive experience of investing through multiple market cycles. The Investment Team has experience on the buy and sell side, fundamental investing, sales and research, long-side and hedge fund investing, as well as investment banking and capital markets. The Fund's Investment Committee is comprised of Philip King (Chief Investment Officer), Deepan Pavendranathan (Head of Events and Trading), Jovita Khilnani (Portfolio Manager) and Todd Guyot (Portfolio Manager), and Brendan O'Connor (CEO).

See Sections 4.8 and 4.9 for more information on the members of the Investment Committee and Section 5 for information on the members of the Investment Team responsible for implementing each of the Initial Regal Investment Strategies.

The Manager strongly believes in alignment with investors. The Manager's principals and staff hold significant investments across the Regal Funds.

4.2. Role of Regal Funds Management

The Manager will have ultimate responsibility for the Fund's Portfolio, including investment and divestment decisions for the Fund, in accordance with the Investment Management Agreement (a summary of the agreement is set out in Section 13.1).

The Manager will:

(a) actively manage and supervise the Portfolio's investments;

(b) manage the Portfolio's exposure to markets, Derivatives and cash;

(c) regularly update the Fund regarding the Portfolio and provide all information necessary for the maintenance of the Fund's financial accounts to be completed; and

(d) provide administrative support to assist and ensure the maintenance of the Fund's corporate and statutory records, compliance with ASX Listing Rules and the Corporations Act.

The Manager has also appointed Regal Asia as an investment adviser under the Investment Advisory Agreement to provide:

(a) recommendations and investment advice to the Manager in relation to the management of assets of the Fund; and

(b) support to the Manager on the selection of the investments of the Fund and trading execution, with a focus on investments in Asia.

Regal Asia is a subsidiary of the Manager and is a Singaporean company which holds a Capital Markets Services licence issued under the Securities and Futures Act (Singapore) (Licence No. CMS100345-1).

4.3. The Manager's Investment philosophy

The Manager's investment philosophy is grounded in the belief that a diversified portfolio of assets, using a range of investment strategies and backed by long-term capital is key to achieving superior risk-adjusted returns over the long-term.

Further, the Manager acknowledges that markets can be inefficient which presents opportunities for active investors. These inefficiencies may stem from behavioural and structural sources and can result in the mispricing of investments. The Manager believes in maximising the available opportunities to profit from market inefficiencies and mispricing, using its investment processes to take advantage of both rising and falling investment prices. Through active management, the Manager seeks to leverage these opportunities to create value.

4.4. The Fund's Investment Processes

Overview

The Portfolio will be constructed in accordance with the Investment Guidelines (see Section 3.5) and will comprise Positions selected using multiple Regal Investment Strategies strategically selected by the Manager from time to time.

The Manager will have ultimate responsibility for the Fund's Portfolio, and the Investment Committee will be responsible for determining the capital allocated to each Regal Investment Strategy, ensuring that the Portfolio complies with the Fund's Investment Guidelines and managing the Portfolio's exposure to markets, Derivatives and cash. See Sections 4.8 and 4.9 for details of the Investment Committee.

Step 1: Selection of Regal Investment Strategies

The Portfolio will be constructed to deliver the Fund's Investment Objectives. Firstly, the Manager will determine which Regal Investment Strategy will be allocated capital and the amount of capital (or the relative weight) given to each strategy the Manager selects.

The Manager will use its expertise and more than 15 years of experience of investing through multiple market cycles to strategically make these decisions having regard to prevailing market conditions and any other considerations which it believes relevant at the time. For example, the Manager may have regard to the return and volatility expectations of the Regal Investment Strategies, the correlation between Regal Investment Strategies (both current and expected) and the valuation of markets when making these decisions. In setting (and adjusting) the amount of capital allocated to each Regal Investment Strategy, the Manager will also take into consideration the impact on the overall Portfolio's return and risk outlook.

For example, in periods of expected sustained equity market strength, the Manager may increase the Portfolio's net and gross exposure to certain equity markets. The Manager could do this by decreasing the Portfolio's exposure to the Market Neutral Strategy (a strategy designed to have a lower correlation to equity markets) at the same time as increasing exposure to the Australian Long Short Equity Strategy (a strategy that exhibits a higher correlation to the ASX 300 Accumulation Index). During periods of expected sustained equity market weakness or high levels of market volatility, the Manager could seek to reduce the Portfolio's expected correlation to equity markets, by increasing the weighting of the Market Neutral Strategy (up to the maximum of 60% of the Fund's NAV) or allocate additional capital to the Global Alpha Strategy (a strategy that is designed to deliver consistent, positive returns with relatively low levels of volatility and regardless of movements in the underlying equity markets).

Alternatively, during a period of weak equity markets, the Manager may identify opportunities within the Australian small companies or emerging companies market that provide opportunity for strong absolute returns and increase the Fund's weighting to the Australian Small Companies Strategy or the Emerging Companies Strategy to take advantage of these opportunities.

These are examples only and the Manager may consider other factors or circumstances when selecting Regal Investment Strategies and determining relative strategy weightings. This is not intended to be a definitive guide as to how the Manager will make allocation decisions in any given circumstance.

Step 2: Portfolio construction

Once the Manager has selected the Regal Investment Strategies and determined their weightings, the Manager will invest the allocated capital to provide exposure to the selected Regal Investment Strategies as per their strategic weights. See Section 4.7 for details of the investment processes in each of the Initial Regal Investment Strategies.

This exposure can be either via direct investments, or indirect via an investment in a Regal Fund if the Manager determines this is appropriate and commercially reasonable. If the Manager determines the investment will be indirect, the Fund will invest in the Regal Fund that uses the relevant Regal Investment Strategy.

Where exposure is direct, Positions in the Portfolio are sourced from the selected Regal Investment Strategy, in which case, the Manager will invest the capital the Fund allocated to each selected Regal Investment Strategy alongside the Regal Funds that use those strategies. In each case, investments will be made in accordance with the Manager's trade allocation policy which aims to ensure allocations are made on a "fair and equitable" basis and seeks to align position weightings across the Fund and each of the relevant Regal Investment Strategies, where possible (see Section 4.5). The Manager will act promptly to adjust exposures to individual positions within the Portfolio where possible, to ensure that the Fund's Portfolio is brought in line with the Investment Guidelines.

Investors will be kept informed and provided with regular updates via the Fund's website and the ASX as to the allocation of capital to the Regal Investment Strategies. See Section 3.4 for details of the Initial Portfolio.

Step 4: Ongoing monitoring

The Manager measures and monitors factors that are considered important from both a performance and risk perspective so that, if required, it can make the necessary adjustments. To the extent possible this monitoring will occur at both the Regal Investment Strategy level and the Fund's Portfolio level.

The Portfolio, including allocations of capital to the Regal Investment Strategies, will be actively managed. The Manager will monitor the Fund's Portfolio on a daily basis (formal meetings of the Investment Committee occurring at least quarterly).

The Manager may adjust the Portfolio's strategy allocations depending on prevailing market conditions or other factors it considers relevant at the time in order to achieve the Fund's Investment Objectives.

The Investment Committee will meet as and when required, but in any event at least quarterly to discuss the Portfolio, risk management and any tactical changes to strategy exposures. At each meeting the current market conditions will be considered and discussed to ensure the Portfolio, in the Investment Committee's view, is consistent with the Fund's Investment Objective. The Investment Committee will consider market valuations, volatility, and several other factors developed through more than 15 years of experience of investing through various market cycles. Changes to strategy allocations may be made more or less frequently than quarterly.

On occasion there will be an opportunity to invest in a Regal Investment Strategy not presently held within the Portfolio. The new strategy will be required to comply with the Fund's Investment Guidelines and be a complementary addition to the Portfolio. Before selecting a new Regal Investment Strategy, the Investment Committee will undertake due diligence on the responsible Investment Team members and assess the strategy's investment process and historical performance. The Manager will not allocate capital to a new Regal Investment Strategy with a track record of less than one year. A new Regal Investment Strategy will only be added to the Portfolio when the Manager considers its inclusion represents an improvement to overall expected investment outcomes.

The Manager will rebalance the Portfolio when required to ensure that it complies with the Fund's Investment Guidelines. Daily monitoring will be conducted on key risk metrics present within the Portfolio such as leverage, Position limits, currency and volatility, using the Manager's proprietary portfolio and order management system.

In addition, stress testing on the Portfolio will be conducted on a regular basis by an external service provider appointed by the Manager to assess a number of factors including market sensitivity, liquidity, sizing relative to volatility and individual security level volatility.

4.5. The Manager's allocation policy

The Manager has an allocation policy that aims to allocate trades on an equitable, consistent and transparent basis between the Fund's Portfolio and the other portfolios it manages.

In accordance with this policy, the Manager uses its proprietary order management system to manage the allocation of trades and investments across the different portfolios it manages.

Generally, trades will be allocated with the aim of seeking to equalise the percentage contribution of the Position to the relevant portfolio based on each portfolio's net asset value (in respect of the Fund, the portfolio will be the Fund's investments in the relevant Regal Investment Strategy).

Transactions may be specific to a particular portfolio (e.g. based on a re-weight or re-balance to achieve alignment with the portfolio's particular risk characteristics), in which case they will not be allocated pro-rata.

4.6. Environmental, Social and Governance (ESG)

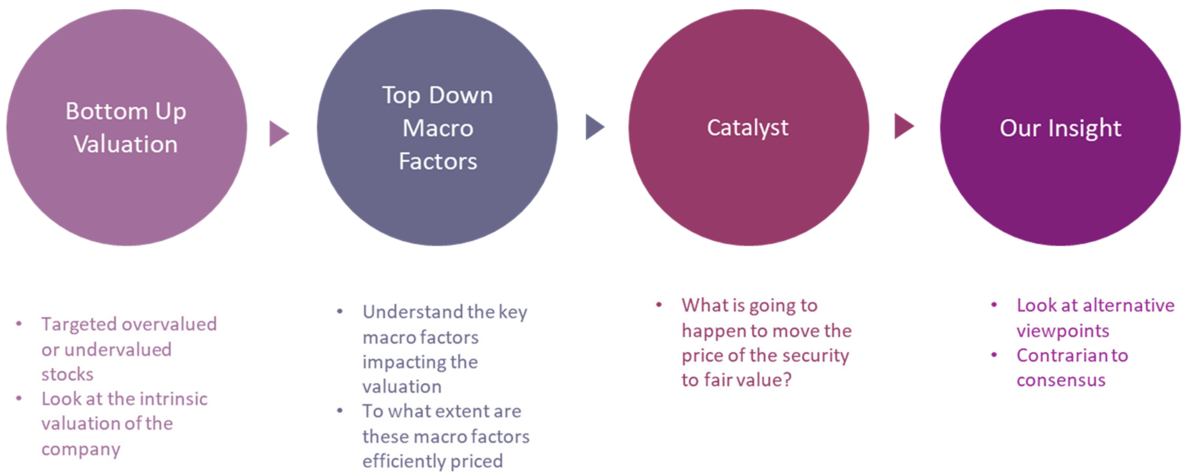
Whilst the Manager conducts its affairs in an ethical and sound manner, investment criteria do not explicitly take into account labour standards, environmental, social or ethical considerations for the purpose of selecting, retaining or realising any investment made by the Fund.

4.7. Investment processes used in the Initial Regal Investment Strategies

This Section summarises the different investment processes used across the Initial Regal Investment Strategies. Section 5 highlights in respect of each Initial Regal Investment Strategy which process is used. New Regal Investment Strategies that may be selected by the Manager in the future may use different investment processes than those outlined in this Section.

Fundamental Investment Process

The Manager's Fundamental Investment Process generally focuses on a four-step Security selection process, which emphasises the bottom-up valuation of entities.



This process typically seeks to identify potential investments focussing on geographies where the Manager considers it has an edge (due to its track record and relationships), including Australia and Asia.

The bottom-up Security selection process may involve the Investment Team spending considerable time meeting with management and talking to their suppliers, customers and competitors (although this is not a pre-requisite for investing). Once a potential investment is identified a valuation assessment is generally undertaken by the Investment Team. This assessment may involve:

- creating a discounted cash flow model which the Manager uses to assess the entity's present value based on its future cash flows using a discount rate; or

- an assessment of value based on peer and historical multiples such as price-to-earnings ratios, price-to-cash flow ratios, enterprise value, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation), price-to-book ratio, or price-to-sales ratio; or

- a combination of both.

The Manager's investment process does not stop with a bottom-up valuation. The Manager also seeks to identify the macro factors and trends affecting (or that might affect) an entity's value. Examples of some macro factors and trends the Manager may take into account include competition or disruption in the sector, maturity of the particular market, or potential movements in commodity prices. This allows the Manager to choose whether to hedge these risks away by taking Positions to reduce the impact of these risks or seek to benefit from them.

The third step of the process is to identify a catalyst that the Manager believes could change the market's perception of value of the Security and in turn, drive the price of the Security up or down. Examples of potential catalysts the Manager may consider as being relevant include an entity's earnings update to the market, the likelihood of consolidation events occurring within the sector or if the Manager believes that based on the entity's cash flow and revenue, it is likely that the entity will need to raise additional capital.

And finally, the Manager asks itself, 'What is our insight in this trade'? The Manager believes that admitting it is fallible and identifying its insight in a trade and examining alternative viewpoints helps to minimise mistakes.

The Manager will make a decision on the size of an investment based on a number of factors, including its level of conviction, the market capitalisation of the entity, average daily traded volumes and liquidity of the Security. For Short Positions, the Manager will also consider its ability to borrow Securities from its Prime Broker(s).

Market Driven Investment Process

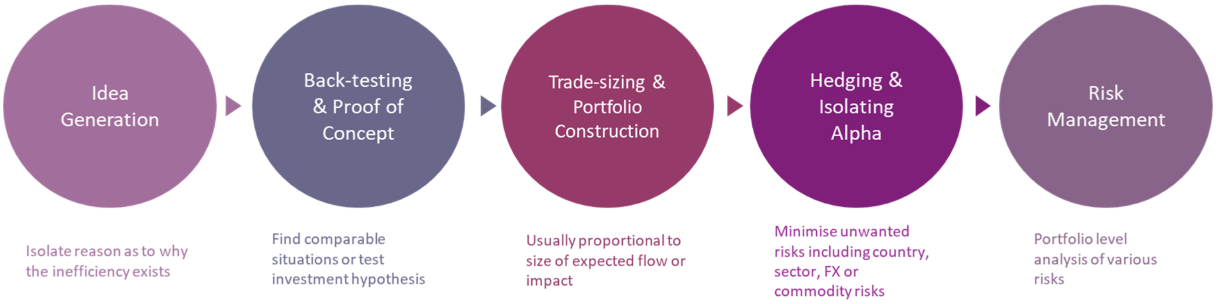
The Market Driven Investment Process seeks to take advantage of short-term mispricing opportunities in the equity market, rather than investing in any individual companies or a portfolio of companies for a prolonged period of time. The Manager can apply the Market Driven Investment Process in all of the Initial Regal Investment Strategies.

Investment opportunities the Manager may identify using the Market Driven Investment Process include participating in placements, block trades, initial public offerings or rights issues or trading on an opportunistic basis to take advantage of a theme, specific opportunity or trend.

The Manager may become aware of opportunities through its deep network of market participants. Once an opportunity has been identified, the Manager will undertake a detailed analysis of the relevant entity and terms of trade. For a placement, this would include an assessment of the placement terms, the amount of capital being raised compared to the free float, the size of the discount to the current share price, the use of funds and the liquidity of the underlying security. Using a placement as an example, the market-driven investment process could generate returns if after the placement shares are allotted the Manager sells them at a higher price than what they were purchased at under the placement. The example investment would result in a loss if, after the allotment of the placement shares, the price of the shares falls, and stays below the price at which the shares were purchased in the placement.

Global Alpha Investment Process

The Global Alpha Process is grounded on the belief that markets around the world are increasingly becoming distorted by the rise of passive investing and investors with a short-term investment horizon. The Manager's Global Alpha Process is based on a five-step investment process as illustrated in and explained below.



The first step in the Global Alpha Process is to identify what the Manager perceives to be an inefficiency. Often something as simple as a spike in a share price may lead the Manager to undertake some analysis. The key in this step is to identify the underlying source of the share price movement. Sources of these inefficiencies may include mandate restrictions (often as a result of low-cost investment products), changes in government policies and regulations, capital market activities and other liquidity events.

The second step involves analysing the inefficiency in greater detail and back-testing the investment hypothesis by using historical data and comparable situations.

The Manager will then undertake further steps to construct the portfolio and hedge any unwanted risks such as country, sector, currency or commodity risk within the identified trade portfolio, with the aim of isolating and gaining exposure to the inefficiency.

4.8. Introduction to the Investment Committee and Investment Team

The Fund's Investment Committee will comprise of five members.

The members of Regal's Investment Team at present include 24 full time highly experienced investment professionals with diverse expertise across different markets. The Manager believes it is well placed to implement and manage the Fund in accordance with the Fund's Investment Guidelines.

The Investment Team is supported in an operational capacity by Regal's business management team.

The Manager considers that each member of the Investment Committee and the Investment Team will be available to devote the amount of time required for the Manager to properly perform its functions in managing the Fund's Portfolio in accordance with the Investment Management Agreement.

4.9. Investment Committee

Philip King (Chief Investment Officer)

Philip King is the Manager's Chief Investment Officer and is responsible for the portfolio management of the Fund as well as other funds managed by the Manager. Prior to founding Regal, Philip worked for De Putron Fund Management (**DPFM**) in London as a hedge fund manager specialising in relative value and special situations. At that time DPFM managed nearly $2 billion in hedge funds.

Prior to joining DPFM in 2000, Philip was an equities analyst at Macquarie Bank for over five years. Philip also worked at KPMG from 1987 to 1994 as a chartered accountant.

Philip holds a Bachelor of Commerce (Honours) from the University of New South Wales. Philip is a Fellow of the Financial Services Institute of Australasia, a member of the UK Society of Investment Professionals and a Chartered Accountant.

Deepan Pavendranathan (Head of Events & Trading for Regal Asia and the Manager)

Prior to joining the Manager in 2018, Deepan was a Managing Director and the Head of Asia Pacific Portfolio Trading and the Australian Equities Market Making team at Goldman Sachs. Deepan has also worked at Citibank and Deutsche Bank. Deepan holds a Bachelor of Engineering majoring in Electrical Engineering and a Masters of Engineering majoring in Biomedical Engineering both from the University of New South Wales.

Jovita Khilnani (Portfolio Manager)

Jovita has been a member of the Manager's team since March 2014 and has over 12 years of experience in Australian equities. Prior to joining the Manager's team, Jovita was an Investment Analyst at Maple-Brown Abbott, Aberdeen Asset Management and Deutsche Asset Management in Sydney.

Jovita holds a Bachelor of Commerce (Liberal Studies) from the University of Sydney.

Todd Guyot (Portfolio Manager)

Prior to Todd joining the Manager in November 2014, Todd was at Moelis Australia in Sydney as its Head of Growth and Smaller Companies. Todd was also previously the Head of Growth and Smaller Companies at BNP Paribas in Sydney and Burdett, Buckeridge & Young from 1998-2002 and 2002-2004 respectively, before establishing Foresight Securities in 2010 as one of three Partners and Managing Directors.

Todd holds a Graduate Diploma of Applied Finance & Investment from the Securities Institute of Australia and has completed an Associate Course majoring in Accounting at the Australian Society of Accountants in Sydney. Todd also holds a Bachelor of Economics from Macquarie University.

Brendan O'Connor (Chief Executive Officer)

Brendan O'Connor joined the Manager's team as Chief Executive Officer in December 2016. Brendan has over 20 years of financial services experience with organisations including Challenger Limited, Westpac and KPMG.

Prior to joining the Manager, Brendan spent over 10 years at Challenger, including 8 years as the Chief Financial Officer of Challenger's Funds Management business.

Brendan holds a Bachelor of Business, majoring in accounting and finance from the University of Technology, Sydney, is a chartered accountant and a graduate member of the Australian Institute of Company Directors.

4.10. Enforceable undertaking and litigation

As a result of concerns ASIC had arising out of a particular instance of the purchase and sale of parcels of listed securities in May 2013 by Mr King, both Mr King and the Manager offered in December 2015 an enforceable undertaking (**EU**). ASIC accepted the EU. All obligations and deliverables which are due as at the date of this PDS under the EU have been met and no adverse findings have been made. There have been no other adverse regulatory findings against the Manager or any member of the team.

The Manager has been made a defendant in a civil claim filed by plaintiffs in the Federal Court in March 2019. The Manager is in the early stages of responding to this claim and has engaged legal advisors.

Neither the Responsible Entity nor the Fund are parties to, or involved in, the civil claim.

The Manager will keep the Responsible Entity informed of material developments. In accordance with its obligations under the Corporations Act, the Responsible Entity will issue a supplementary PDS to supplement the above disclosure if it forms the view that this litigation could have a material impact on the Fund.

5. Initial Regal Investment Strategies

5.1. Introduction

The Fund's Investment Guidelines and Investment Objectives are designed to capitalise on the Manager's 15 year track record managing its alternative investment strategies, including the Initial Regal Investment Strategies utilised by the Regal Funds identified below.

This Section contains details in relation to the historical performance of the Initial Regal Investment Strategies.

The performance information provided in this Section 5 also includes details of the standard deviation of each Regal Investment Strategy. The standard deviation is a measure of the dispersion of investment returns relative to mean or average investment returns. Deviation is used to show how volatile an investment has been. The greater the standard deviation, the greater the volatility. Volatility measures the extent to which asset prices fluctuate and is one measure of risk (as in most cases, the greater the volatility, the less certain an investor can be of investment performance).

Section 5 also illustrates the correlation of each of the Initial Regal Investment Strategies to the S&P/ASX 300 Accumulation Index, S&P 500 Index and HFRX Global Hedge Fund (USD) (over specified time frames). Correlation is the term used to describe the extent to which a movement in one asset class or index moves in a manner that is consistent with another asset class or index. A correlation of 1 indicates absolute correlation whilst -1 indicates absolute negative correlation. A correlation of 0 indicates that there is no correlation. Where a Regal Fund has a five plus year track record, the performance information includes the correlation to the relevant indices for five years and for all other Regal Funds and Regal Investment Strategies, the performance information includes the correlation to the relevant indices since inception.

The Responsible Entity understands the performance information of the Initial Regal Investment Strategies is representative of the historical performance of the Manager's investment methodologies and processes. The graphs and charts detailed in this Section 5 are not forecasts and do not represent the future behaviour of the Fund or the Manager's investment processes.

Past performance is not indicative of future performance and the performance of the Fund could be significantly different to the performance of the Initial Regal Investment Strategies below or any Regal Fund that employs a Regal Investment Strategy in the past or in the future.

Importantly, the Fund's Portfolio will be constructed using multiple Regal Investment Strategies and these strategies are not necessarily limited to the Initial Regal Investment Strategies. Further the weightings between the strategies selected by the Manager from time to time are not fixed and will change over time (within the ranges permitted by the Investment Guidelines). For this reason the performance of the Fund may not necessarily be similar to the historic performance of any of the Regal Funds shown below.

5.2. Market Neutral Strategy

The Market Neutral Strategy has been implemented by the Manager in its capacity as manager of the Tasman Market Neutral Fund since the fund's inception in May 2007.

Investment objective

The Market Neutral Strategy aims to maximise returns with moderate risk and little correlation to the broader equity market. The Market Neutral Strategy is a high conviction, fundamental strategy that has an emphasis on bottom-up stock selection.

Investment Process

The Manager implements the Market Neutral Strategy by primarily utilising its Fundamental Investment Process and also at times, its Market Driven Investment Process to identify investments it believes are mispriced and aims to hedge away equity market risk. For details of the Fundamental Investment Process and Market Driven Investment Process, see Section 4.7.

Permitted investments

Most investments within the Market Neutral Strategy are Long Positions and Short Positions in listed Securities or Derivatives (including index futures) in Australia and Asia, although this strategy also makes investments in other countries including Emerging Markets and Frontier Markets on an opportunistic basis.

Key Investment Team Members

Philip King – Chief Investment Officer	See Section 4.9
Glen Barnes – Head of Asian Equities, Singapore	Glen Barnes joined Regal Asia in 2015. He has 19 years industry experience, with previous roles as Portfolio Manager for Searchlight Capital in Sydney, Portfolio Manager at Satellite Asset Management in London, Investment Manager for Mathews Capital and an associate at Deutsche Bank in Sydney. Glen holds a Masters of Applied Finance from Kaplan Professional and a Bachelor of Commerce from the University of Queensland.
Craig Collie – Portfolio Manager, Australia	Craig joined the Manager in 2016. He began his career as a medical doctor, working predominately in accident & emergency medicine in Australia, New Zealand and the United Kingdom. Dr Collie also worked for the Boston Consulting Group in Sydney and New York, providing strategic advice for companies in the health care and financial services industries. Immediately prior to joining the Manager, Dr Collie was head of healthcare research at Macquarie Securities Group Australia for more than five years. Dr Collie holds a Bachelor of Medicine and Bachelor of Surgery from the University of Otago and a Master of Business Administration from the University of Cambridge.

Historical Performance

The following table and graph illustrate the historical performance of the Tasman Market Neutral Fund, compared against certain indices. These indices have been used for comparison purposes, including because S&P/ASX 300 Accumulation Index is the benchmark that has historically been used by the Tasman Market Neutral Fund.

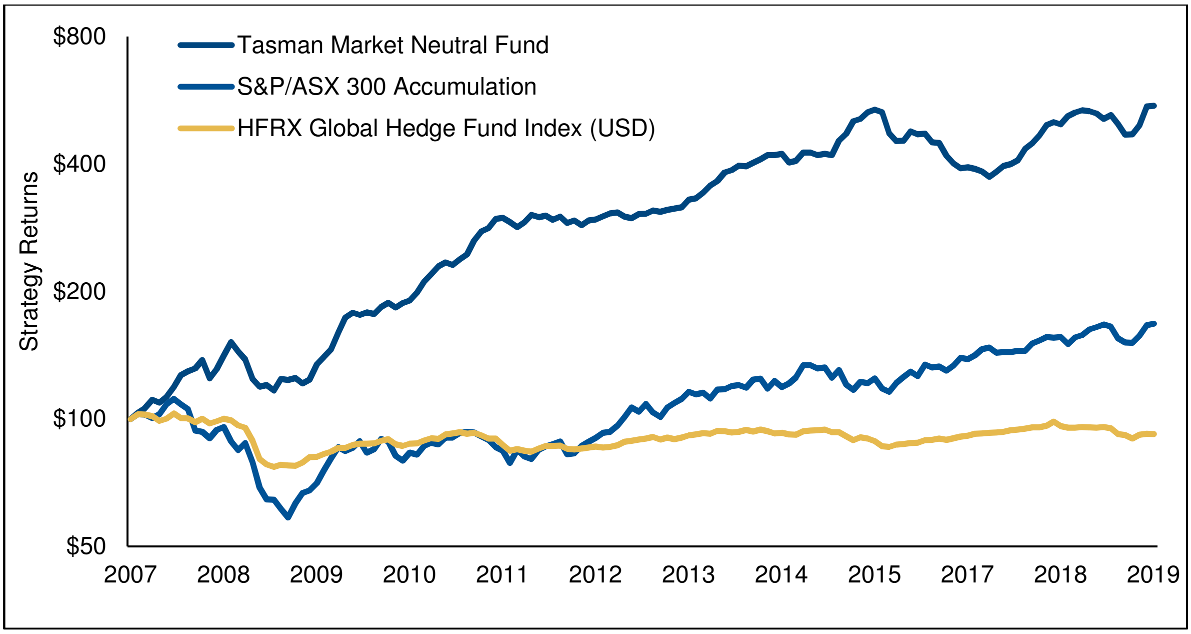
The table shows that the Tasman Market Neutral Fund delivered a net annualised return of 15% per annum, with volatility similar (in other words, a similar risk profile) to that of the Australian equity market, since its inception in May 2007 and has had low correlation to the identified indices over a 5 year period.

Performance – Tasman Market Neutral Fund	%
Annualised return since inception	15
Annualised standard deviation since inception	13
Total return since inception	449
5yr correlation to S&P/ASX300 Accumulation Index	0.21
5yr correlation to S&P 500 Index	0.14
5yr correlation to HFRX Global Hedge Fund Index (USD)	0.14

Notes:

1. The performance of the Tasman Market Neutral Fund is calculated in Australian dollars after payment of management fees and performance fees, based on audited accounts for the period from inception to 30 June 2018 and unaudited accounts for the period from 1 July 2018 to 31 March 2019.
2. The annualised standard deviation is calculated based on the monthly performance of the Tasman Market Neutral Fund since inception to 31 March 2019.
3. 5yr correlation is calculated based on the performance of the Tasman Market Neutral Fund and each of indices above over the 5 year period ended 31 March 2019.
4. The correlation of each of the S&P/ASX 300 Accumulation Index, S&P 500 Index and HFRX Global Hedge Fund Index (USD) is based on trading data prepared by Bloomberg L.P. Bloomberg has not consented to the use of this data in this PDS.
5. The relative returns identified above are not intended to be an indication of the future performance of the Fund, the Portfolio or the market. Past performance is not a reliable indicator of future performance. The performance of the Fund's Portfolio will be different to the performance of Tasman Market Neutral Fund in the future. The table is not an indication of the future correlation or deviation of the Tasman Market Neutral Fund, the above indices or the Portfolio.

The graph below conveys the accumulated investment return of $100 invested in the Tasman Market Neutral Fund assuming investment in 2007 and the reinvestment of all distributions made over the period ending 31 March 2019. The S&P/ASX 300 Accumulation Index and HFRX Global Hedge Fund Index (USD) investment returns have been provided to assist in comparing what return may have been available had the initial $100 been invested in another asset class or index in 2007, ignoring any foreign exchange impact.



Notes:

1. See notes 1 and 2 above.
2. The performance of the S&P/ASX 300 Accumulation Index and HFRX Global Hedge Fund Index (USD) is based on trading data prepared by Bloomberg L.P.
3. Past performance is not a reliable indicator of future performance. The performance of the Fund's Portfolio will be different to the performance of Tasman Market Neutral Fund in the future.
4. The performance of S&P/ASX 300 Accumulation Index and HFRX Global Hedge Fund Index (USD) are used for comparison purposes. The relative returns identified are not intended to be an indication of the future performance of the Fund, the Portfolio or the market. The Fund's Portfolio, the Tasman Market Neutral Fund, the Market Neutral Strategy and the above indices have different risk profiles.

5.3. Global Alpha Strategy

The Global Alpha Strategy has been implemented by the Manager since February 2018 in its capacity as the investment manager or investment adviser of a number of Regal Funds (namely the Tasman Market Neutral Fund, Amazon Market Neutral Fund, Atlantic Absolute Return Fund and the Zambezi Absolute Return Fund).

Investment objective

The Global Alpha Strategy seeks to identify and exploit market inefficiencies and invests across a broad range of asset classes, including listed equities, Derivatives and options. The strategy aims to deliver consistent, positive returns with relatively low levels of volatility and regardless of movements in the underlying equity markets.

Permitted investments

Permitted investments within the Global Alpha Strategy are Long and Short Positions in listed global Securities or Derivatives (including index futures), including in Emerging Markets and Frontier Markets.

Strategy Investment Process

The Manager implements the Global Alpha Strategy by primarily utilising its Global Alpha Investment Process and also at times, its Market Driven Investment Process to identify mispriced investment opportunities (see Section 4.7 for details of these processes).

Key Investment Team Members

Philip King	See Section 4.9
Deepan Pavendranathan - Head of Events & Trading for Regal Asia and the Manager	See Section 4.9
Tarun Agarwal – Portfolio Manager, Singapore	Prior to joining Regal Asia in 2018, Tarun was a portfolio manager at GSA Capital in Hong Kong from 2016-2017. Tarun has also worked at Goldman Sachs in Hong Kong, Deutsche Bank Group in India and Symantec Corp in India. Tarun holds a Bachelor and Masters of Technology in Electrical Engineering, with specialisation in Communication and Signal Processing from the Indian Institute of Technology Bombay.

Historical Performance

The following table illustrates the historical performance of Global Alpha Strategy including the correlation to the S&P/ASX 300 Accumulation Index, S&P 500 Index and HFRX Global Hedge Fund Index (USD).

Unlike the other Regal Investment Strategies, the Global Alpha Strategy has not been implemented within a standalone Regal Fund. As a result, it is not possible to use audited accounts of a particular Regal Fund to calculate the historical performance of the Global Alpha Strategy.

The following historical performance of the Global Alpha Strategy has been calculated by reference to the returns made by the Positions allocated to the Global Alpha Strategy across the four Regal Funds named above as tracked in the Regal investment management system and is calculated net of management and performance fees attributable to such returns.

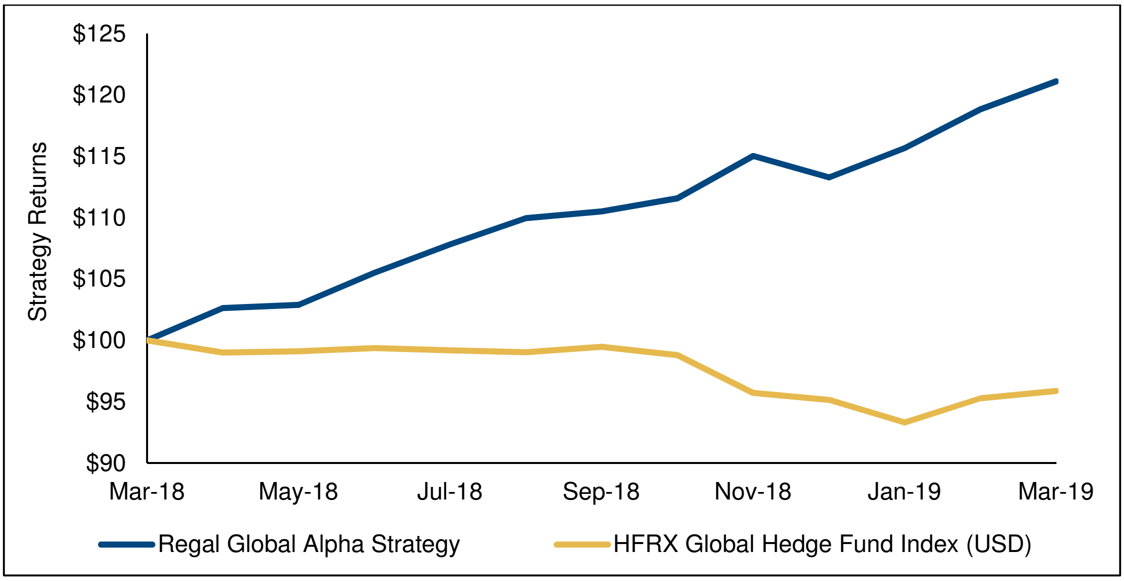
The table below shows that since 1 March 2018 the Global Alpha Strategy delivered a net annualised return of 21% per annum, with minimal volatility compared to the Australian equity market and close to zero correlation to the identified indices.

Pro forma Performance – Global Alpha Strategy	%
Annualised return since inception	21
Annualised standard deviation since inception	4
Total return	23
Correlation to S&P/ASX 300 Accumulation Index	-0.05
Correlation to S&P 500 Index	-0.21
Correlation to HFRX Global Hedge Fund Index (USD)	-0.12

Notes:

1. The performance of the Global Alpha Strategy within the Tasman Market Neutral Fund, Amazon Market Neutral Fund, Atlantic Absolute Return Fund and the Zambezi Absolute Return Fund as tracked in the Regal investment management system is calculated in Australian dollars after deducting management fees and performance fees attributable to such performance and has not been prepared based on audited accounts.
2. The annualised standard deviation is calculated based on the monthly performance of the Global Alpha Strategy (see above) since 1 March 2018 to 31 March 2019.
3. The correlation of each of the S&P/ASX 300 Accumulation Index, S&P 500 Index and HFRX Global Hedge Fund Index (USD) is calculated over the period from 1 March 2018 to 31 March 2019 based on trading data prepared by Bloomberg L.P.
4. The relative returns identified above are not intended to be an indication of the future performance of the Fund, the Portfolio or the market. The table is not an indication of the future correlation or deviation of the Global Alpha Strategy, the above indices or the Portfolio.

The graph below conveys the accumulated investment return of $100 invested using the Global Alpha Strategy from 1 March 2018 until 31 March 2019. The HFRX Global Hedge Fund Index (USD) investment returns have been provided to assist investors by showing what return may have been available had the initial $100 been invested in that index on 1 March 2018, ignoring any foreign exchange impact.



Notes:

1. See notes 1 and 3 above.
2. Past performance is not a reliable indicator of future performance. It should not be relied upon as (and is not) an indication of future performance of the Fund's Portfolio or the Global Alpha Strategy. Importantly, as the Global Alpha Strategy has only been in existence since 28 February 2018 and only 12 whole months of performance data. The performance of the Global Alpha Strategy over a 2, 3 or 5 year period could be significantly different to the performance of the Global Alpha Strategy over this 12 month period. Also, the gearing limits applied to the return series of the Global Alpha Strategy shown in the graph above may be different to the gearing limits that will be applied by the Manager to the Global Alpha Strategy in the Fund's Portfolio. The performance of the Global Alpha Strategy within the Portfolio may be significantly different.
3. The performance of the HFRX Global Hedge Fund Index (USD) is provided for comparison purposes only. The Fund's Portfolio, the Global Alpha Strategy and the above index have different risk profiles.

5.4. Australian Small Companies Strategy

The Australian Small Companies Strategy has been implemented by the Manager since February 2015 in its capacity as manager of the Regal Australian Small Companies Fund.

Investment objective

The Australian Small Companies Strategy aims to outperform the ASX Small Ordinaries Accumulation Index over a rolling five year period. This strategy focuses on generating positive returns and gaining exposure, using a long/short approach to allow investors to benefit from both the rise and fall in value of selected small cap listed entities in Australia. The Australian Small Companies Strategy generally has higher levels of volatility as compared to the ASX Small Ordinaries Accumulation Index.

This strategy may also use Derivatives such as index futures to hedge portfolio risk and enhance returns.

Strategy Investment Process

The Manager implements the Australian Small Companies Strategy by primarily utilising its Fundamental Investment Process and also at times, its Market Driven Investment Process, to identify small cap listed Australian entities it believes are mispriced. For details of the Fundamental Investment Process and Market Driven Investment Process, see Section 4.7.

Generally, entities which are listed on ASX and too small for the S&P/ASX 100 Index (generally companies that have market capitalisations of between about $200 million and $3 billion) are considered to be small listed Australian companies for this strategy. This strategy utilises what is sometimes described as a ‘130/30’ style portfolio construction. This means that it will typically invest 100% of its capital in Long Positions, borrow Securities worth 30% of its capital to Short Sell those Securities, and use the proceeds from its Short Positions to invest an additional 30% of its capital in Long Positions. This gives 130% exposure to Long Positions and 30% exposure to Short Positions.

Key Investment Team Members

Philip King	See Section 4.9
Todd Guyot – Portfolio Manager, Australia	See Section 4.9
Dane Roberts – Portfolio Manager, Australia	Dane joined the Manager’s team in 2014. Prior to that, Dane was a Research Analyst at PM Capital, Australian Ethical Investment and Aegis Equities Research. Dane holds a Masters and Graduate Diploma of Applied Finance and Investment from Kaplan and a Diploma of Financial Markets from FINSIA.

Historical Performance

The following table and graph illustrate the historical performance of the Australian Small Companies Strategy, represented by the Regal Australian Small Companies Fund.

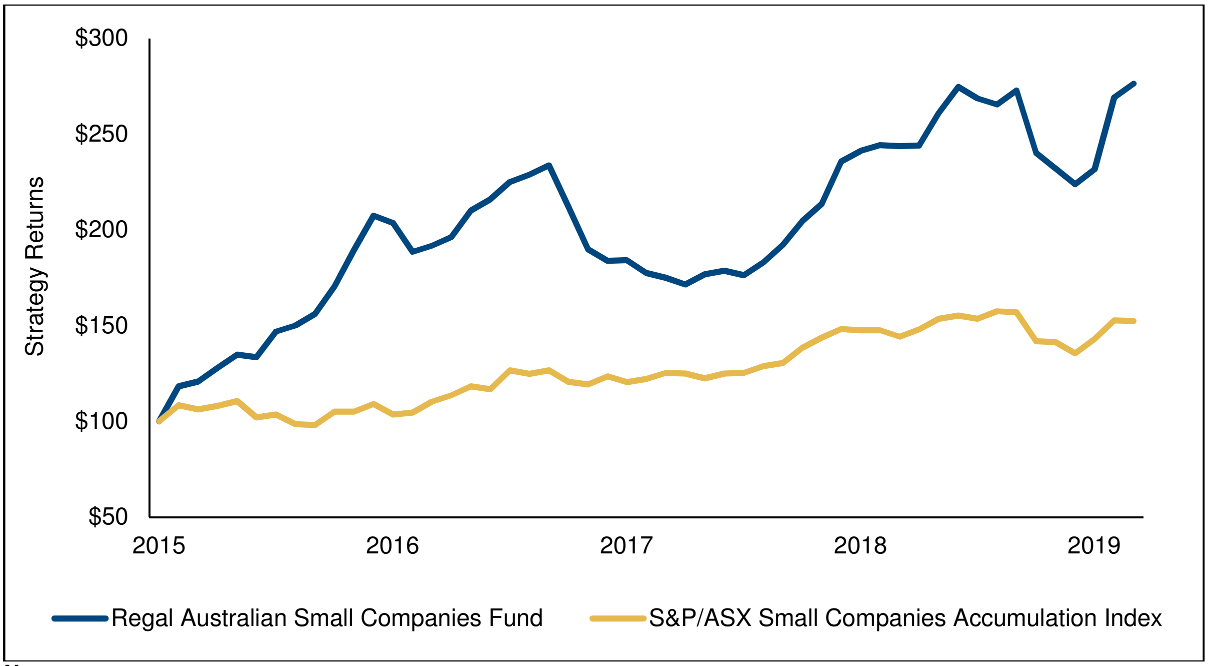
The table below shows that the Regal Australian Small Companies Fund delivered a net annualised return of 28% per annum, with slightly greater volatility to that of the Australian equity market (or a slightly higher risk profile), since its inception in February 2015 with moderate correlation to the identified indices.

Performance – Regal Australian Small Companies Fund	**%**
Annualised return	28
Annualised standard deviation	20
Total return since inception	176
Correlation to ASX300 Accumulation Index	0.45
Correlation to S&P 500 Index	0.35
Correlation to HFRX Global Hedge Fund Index (USD)	0.32

Notes:
1. The performance of the Australian Small Companies Fund is calculated in Australian dollars after deducting management fees and performance fees based on audited accounts for the period from inception to 30 June 2018 and unaudited accounts for the period from 1 July 2018 to 31 March 2019.
2. The annualised standard deviation is calculated based on the monthly performance of the Australian Small Companies Fund since inception to 31 March 2019 (see above).
3. The correlation of each of the S&P/ASX 300 Accumulation Index, S&P 500 Index and HFRX Global Hedge Fund Index (USD) has been calculated over the period from inception to 31 March 2019 based on trading data prepared by Bloomberg L.P.
4. The relative returns identified above are not intended to be an indication of the future performance of the Fund, the Portfolio or the market. The table is not an indication of the future correlation or deviation of the Regal Australian Small Companies Fund, the Australian Small Companies Strategy, the above indices or the Portfolio.

The graph below conveys the accumulated investment return of $100 invested in the Regal Australian Small Companies Fund over the period from February 2015 to 31 March 2019 assuming the reinvestment of all distributions made over that period.

The S&P/ASX Small Companies Accumulation Index investment returns has been provided to assist in comparing what return may have been available had the initial $100 been invested in another asset class or index in February 2015.



Notes:
1. See notes 1 and 2 above.
2. The performance of the S&P/ASX Small Companies Accumulation Index is based on trading data prepared by Bloomberg L.P and has been provided for comparison purposes only. The relative returns identified are not intended to be an indication of the future performance of the Fund, the Portfolio or the market.
3. Past performance is not a reliable indicator of future performance. The strategy, the index and the Fund have different risk profiles. The performance of the Fund's Portfolio will be different to the performance of Australian Small Companies Fund.

5.5. Australian Long Short Equity Strategy

The Australian Long Short Equity Strategy has been implemented by the Manager since August 2009 as manager of the Regal Australian Long Short Equity Fund.

Investment Philosophy

The Australian Long Short Equity Strategy aims to outperform the S&P/ASX 300 Accumulation Index over a rolling five year period and focuses on generating positive returns by gaining exposure to the rise and fall in value of listed equities in Australia. The Australian Long Short Equity Strategy generally has similar or slightly higher levels of volatility as compared to the S&P/ASX 300 Accumulation Index. The strategy differs from traditional "long only" equity funds in that it has the ability to take Short Positions in companies in which the Manager has a negative view.

Strategy Investment Process

The Manager implements its Australian Long Short Equity Strategy by primarily utilising its Fundamental Investment Process and also at times, its Market Driven Investment Process to identify listed Australian entities, with an emphasis on listed companies in the ASX 300 Index which it believes are mispriced. For details of the Fundamental Investment Process and Market Driven Investment Process, see Section 4.7.

This strategy utilises what is sometimes described as a '130/30' style portfolio construction. This means that it will invest 100% of its capital in Long Positions, borrow Securities worth 30% of its capital to Short

Sell those Securities, and use the proceeds from its Short Positions to invest an additional 30% of its capital in Long Positions. This strategy may also use Derivatives such as index futures to hedge portfolio risk and enhance returns.

Key Investment Team Members

Philip King	See Section 4.9
Jovita Khilnani – Portfolio Manager, Australia	See Section 4.9
Tim Elliott – Senior Analyst, Australia	Prior to joining Regal in February 2018, Tim ran global M&A for the largest division of major mining house Glencore for almost 8 years. As Executive General Manager, Business Development & Strategy he led a series of innovative and highly valued accretive mining acquisitions. Prior to Glencore, Tim spent almost five years as an investment banker specialising in resources M&A and also practised corporate & finance law with leading firm Mallesons. Tim holds a triple degree in Commerce (Finance), Engineering and Law from the University of Melbourne. A CFA Charterholder, Tim also completed the General Management Program at Harvard Business School in 2016.

Historical Performance

The following table and graph illustrate the historical performance of the Australian Long Short Equity Strategy, represented by the Regal Australian Long Short Equity Fund.

The table shows that the Regal Australian Long Short Equity Fund delivered a net annualised return of 15% per annum, with similar volatility (or risk profile) to that of the Australian equity market, since its inception in August 2009 and is moderate to highly correlated to the identified indices.

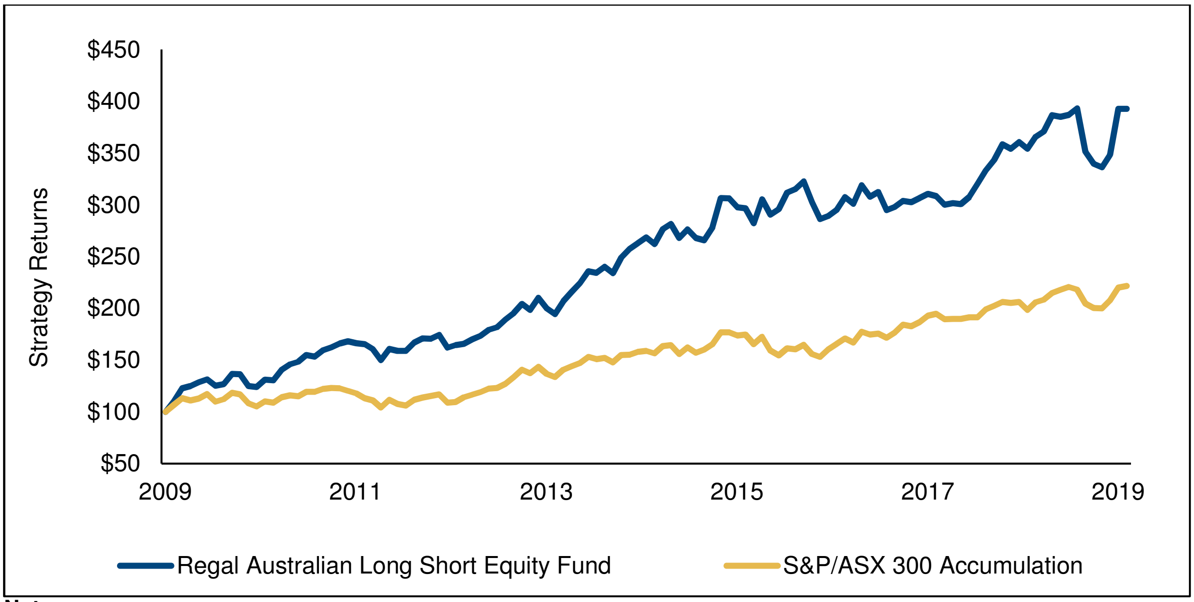
Performance – Regal Australian Long Short Equity Fund	%
Annualised return since inception	15
Annualised standard deviation since inception	14
Total return	293
5yr correlation to S&P/ASX300 Accumulation Index	0.85
5yr correlation to S&P 500 Index	0.47
5yr correlation to HFRX Global Hedge Fund Index (USD)	0.45

Notes:

1. The performance of the Regal Australian Long Short Equity Fund is calculated in Australian dollars net of management fees and performance fees and has been prepared based on audited accounts for the period ending 30 June 2018 and unaudited accounts for 1 July 2018 to 31 March 2019.
2. The annualised standard deviation is calculated based on the monthly performance of the Regal Australian Long Short Equity Fund (see above) since inception to 31 March 2019.
3. The correlation of each of the S&P/ASX 300 Accumulation Index, S&P 500 Index and HFRX Global Hedge Fund Index (USD) has been calculated over the period from inception to 31 March 2019 based on trading data prepared by Bloomberg L.P.
4. The relative returns identified above are not intended to be an indication of the future performance of the Fund, the Portfolio or the market. The table is not an indication of the future correlation or deviation of the Regal Australian Long Short Equity Fund, the Australian Long Short Equity Strategy, the above indices or the Portfolio.

The graph below conveys the accumulated investment return of $100 invested in the Regal Australian Long Short Equity Fund assuming investment in August 2009 until 31 March 2019 and the reinvestment of all distributions made over that period.

The S&P/ASX 300 Accumulation Index investment returns have been provided to assist in comparing what return may have been available had the initial $100 been invested in another asset class or index in August 2009.



Notes:

1. See notes 1 and 2 above.
2. The performance of the S&P/ASX Small Companies Accumulation Index is based on trading data prepared by Bloomberg L.P and has been provided for comparison purposes only. The relative returns identified are not intended to be an indication of the future performance of the Fund, the Portfolio or the market.
3. Past performance is not a reliable indicator of future performance. The performance of the Fund's Portfolio will be different to the performance of Regal Australian Long Short Equity Fund.

5.6. Emerging Companies Strategy

The Emerging Companies Strategy has been implemented by the Manager since November 2016 as the investment manager of the Regal Emerging Companies Fund. The Manager currently implements this strategy as manager of the Regal Emerging Companies Fund and the Regal Emerging Companies Fund II (both funds are currently closed to new investments). The Fund's Initial Portfolio will include units in a newly established fund, the Regal Emerging Companies Fund III that will employ the same strategy.

This section includes the historical performance of the Regal Emerging Companies Fund only, as it has the longest track record and the Manager and the Responsible Entity considered that the shorter performance history of Regal Emerging Companies Fund II would not be as useful to investors.

Investment Philosophy

The Emerging Companies Strategy aims to outperform a 5% per annum return. This is achieved by generating positive returns through gaining exposure to selected unlisted companies that are looking to list on a stock exchange in the short to medium term, unlisted expansion capital and listed Microcap Companies predominantly in Australia and Asia but also potentially in other countries including Emerging Markets.

Strategy Investment Process

The Manager implements the Emerging Companies Strategy by primarily utilising its Fundamental Investment Process and also at times, its Market Driven Process to identify unlisted companies that are looking to list on a stock exchange in the short to medium term, unlisted expansion capital and listed

Microcap Companies that it believes are mispriced and will generate positive returns. For details of the Fundamental Investment Process and Market Driven Investment Process, see Section 4.7.

Generally, the Manager considers that entities which are listed on a stock exchange and, at the time of investment, have market capitalisations of below about $200 million to be listed Microcap Companies for the purposes of this strategy. Investments within the Emerging Companies Strategy will generally be Long Positions in Securities including but not limited to debt and equity securities and convertible notes. The Manager can also hold Short Positions in Securities in implementing this strategy but it does not currently do so.

Key Investment Team Members

Philip King	See Section 4.9
Julian Babarczy – Portfolio Manager, Australia	Julian joined the Manager's team in May 2006. Julian began his career at Equity Capital Markets as Research Analyst (sell-side) and was involved in equity capital raisings and providing merger and acquisition advice. Julian then moved into Investment Banking at Lazard in Sydney, working predominately in merger and acquisitions and general corporate work. Julian holds a Graduate Diploma in Mineral Exploration Geoscience from Curtin University and a Graduate Diploma of Applied Finance and Investment from Securities Institute of Australia. Julian is a Chartered Financial Analyst with the CFA Institute. He also holds a Bachelor of Business, majoring in Marketing from Monash University.
Ben McCallum – Portfolio Manager, Australia	Ben joined the Manager's team in 2015. Prior to that, Ben was an Investment Manager at M.H. Carnegie & Co in Sydney, a Director of Lime Energy in New York and an Associate at Macquarie Group in Sydney and London Ben holds a Bachelor of Commerce and a Bachelor of Business Law from Bond University.
Jessica Farr-Jones – Investment Analyst, Australia	Jessica joined the Manager's team in April 2018. Prior to that, Jessica was an Associate in J.P. Morgan's investment banking division, working across both the New York and Sydney offices for over 4 years on M&A and capital markets transactions in the financial services sector. While studying, Jessica worked as a paralegal at Allen & Overy and also in the institutional equity research division of Bell Potter. Jessica holds a Bachelor of Commerce and a Bachelor of Laws from the University of Sydney, where she was a recipient of the University of Sydney Merit Scholarship. She also holds a Graduate Diploma of Legal Practice from The Australian National University and was admitted as a lawyer to the Supreme Court of NSW.

Historical Performance

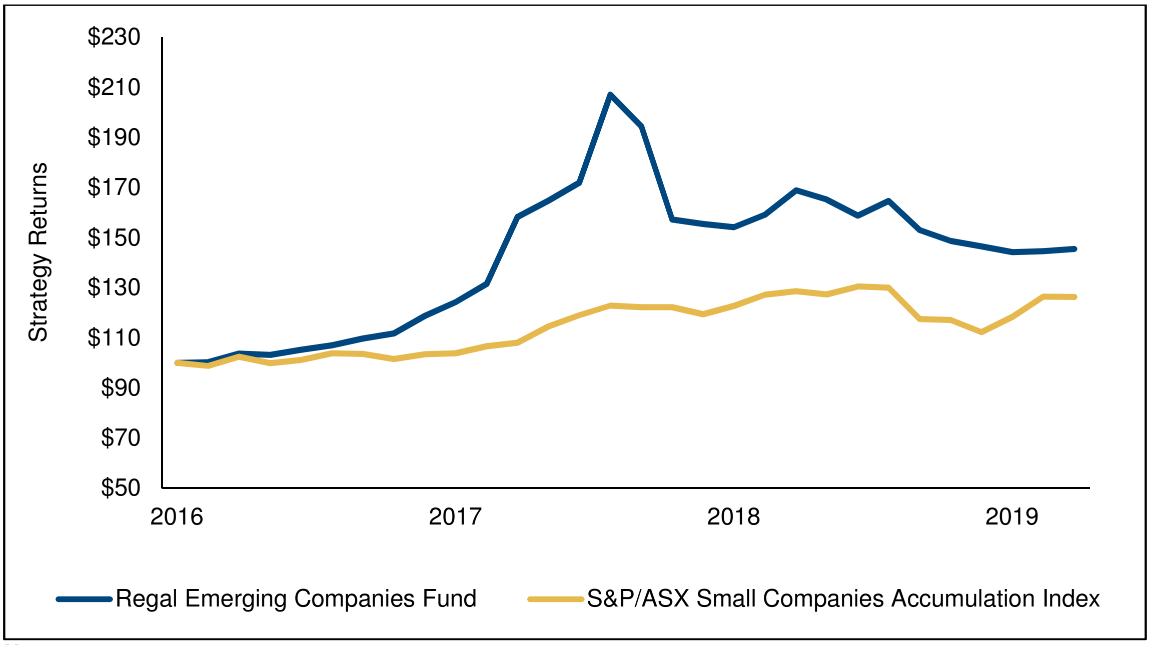
The following table and graph illustrate the historical performance of Emerging Companies Strategy, represented by the Regal Emerging Companies Fund.

The table shows that Regal Emerging Companies Fund delivered a net annualised return of 17% per annum since its inception in November 2016, with greater volatility to that of the Australian equity market (that is, higher risk profile) and is moderately correlated to the identified indices.

Performance – Regal Emerging Companies Fund	%
Annualised return	17
Annualised standard deviation	25
Total return	46
Correlation to S&P/ASX 300 Accumulation Index	0.20
Correlation to S&P 500 Index	0.21
Correlation to HFRX Global Hedge Fund Index (USD)	0.39

Notes:
1. The performance of the Regal Emerging Companies Fund is calculated in Australian dollars after deducting management fees and performance fees based on audited accounts for the period from inception to 30 June 2018 and unaudited accounts for the period from 1 July 2018 to 31 March 2019.
2. The annualised standard deviation is calculated based on the monthly performance of the Regal Emerging Companies Fund since inception to 31 March 2019 (see above).
3. The correlation of each of the S&P/ASX 300 Accumulation Index, S&P 500 Index and HFRX Global Hedge Fund Index (USD) has been calculated over the period from inception to 31 March 2019 based on trading data prepared by Bloomberg L.P.
4. The relative returns identified above are not intended to be an indication of the future performance of the Fund, the Portfolio or the market. The table is not an indication of the future correlation or deviation of the Regal Emerging Companies Fund, Regal Emerging Companies Fund III or the Emerging Companies Strategy, the above indices or the Portfolio.

The graph below conveys the accumulated investment return of $100 invested in the Regal Emerging Companies Fund assuming investment in November 2016 until 31 March 2019.



Notes:
1. See notes 1 and 3 above.
2. Past performance is not a reliable indicator of future performance. The performance of the Fund's Portfolio will be significantly different to the performance of Regal Emerging Companies Fund historically or in the future.

6. About the Responsible Entity

Equity Trustees Limited (**Equity Trustees**) is a wholly owned subsidiary of EQT Holdings Limited (ABN 22 607 797 615) (**EQT Group**), which is a public company listed on the Australian Securities Exchange (ASX: EQT). Equity Trustees is the Fund's Responsible Entity and issuer of this PDS.

Established as a trustee and executorial service provider by a special Act of the Victorian Parliament in 1888, today Equity Trustees is a dynamic financial services institution which continues to grow the breadth and quality of products and services on offer.

6.1. Role of the Responsible Entity

The Responsible Entity is responsible for the overall management of the Fund in accordance with its duties to Unitholders. The Responsible Entity's responsibilities and obligations, as responsible entity of the Fund, are governed by the Constitution, the Corporations Act and general trust law. Under the Corporations Act and the Constitution, the Responsible Entity is required to act in the best interests of Unitholders.

The role of the Responsible Entity includes:

- acting honestly and in the best interest of Unitholders and in doing so, exercising the degree of care and diligence that a reasonable person would exercise if they were in the Responsible Entity's position;
- monitoring the operations, financial position and performance of the Fund;
- overseeing the risk management and compliance of the Fund;
- ensuring the Constitution meets the requirements of the Corporations Act and the ASX Listing Rules and that the Fund complies with the Constitution; and
- ensuring the Fund's Compliance Plan meets the requirements of the Corporations Act and the ASX Listing Rules and that the Fund complies with the Compliance Plan.

6.2. Board of the Responsible Entity

The Board comprises four executive Directors. The Board is committed to promoting and maintaining high standards of integrity and conducting its business professionally and ethically for the benefit of all its stakeholders. The Board in carrying out its functions, will at all times act honestly, fairly and with integrity.

The Directors of Equity Trustees are:

Philip D Gentry – Executive Director (Chairman)

BSc, MBA and Stanford Executive Program, GAICD, A Fin

- Executive Director (Appointed June 2016)
- Chief Financial Officer and Chief Operating Officer of the EQT Group

Philip is the chair of Equity Trustees. In addition to his role as a director of several subsidiary companies in the EQT Group, he is a member of the EQT Group's executive leadership team and is responsible for EQT Group's operational functions in finance, technology, operations, and strategy.

Philip has more than 25 years' experience in leadership positions within financial services, property, agribusiness, logistics, international trade and commodity management. He has previously held positions including Chief Financial Officer of Grocon, Managing Director of Agrium Asia Pacific, Chief

Financial Officer of AWB and a number of leadership positions at ANZ Bank in the areas of corporate banking, strategic development, international trade finance and investor relations.

He is a Graduate Associate of the Institute of Company Directors, and is a member of the Financial Services Institute of Australasia, the Greenfleet's Business Advisory Council and the Financial Executives Institute.

Harvey H Kalman – Executive Director

BEc, Grad Dip App Fin & Inv, Grad Dip Acc, CFTP (Snr)

- Executive Director (Appointed June 2016)
- Executive General Manager, Corporate Trustee and Fund Services
- Head of Global Fund Services

Harvey has overall responsibility for the operational compliance of all Management Company, Authorised Corporate Director, Responsible Entity and Corporate Trustee relationships and joined Equity Trustees as General Manager, Funds Management in January 2000. Harvey oversees the global Funds Services business of Equity Trustees, and has more than 25 years' experience in the financial services industry.

Previous experience includes KPMG, consultant to the Funds Management industry and ANZ Banking Group. Harvey's roles at ANZ included Senior Adviser and Head of Strategy in the ANZ Funds Management area, Manager – Special Projects, Group Risk Management and executive liaison officer for the ANZ Board Risk Management Committee and the ANZ Credit Approvals Committee. He also previously held roles as Deputy Director – Research and Policy at the Australian Society of Corporate Treasurers, Senior Policy Adviser – Environment and Heritage for the Federal Opposition and at Ford Credit in Treasury and Risk Management.

Harvey is a director of several subsidiary companies in the EQT Group and a member of EQT Group's executive leadership team.

Outside directorships/memberships include the Menzies Foundation and Chair of its Board Audit and Investments Committee, and a member of the Bialik Colleges Investments Committee.

Michael (Mick) J. O'Brien – Executive Director

CFA, GAICD

- Executive Director (Appointed July 2018)
- Managing Director of the EQT Group

Mick has broad wealth management experience in superannuation, investment management, insurance and advice, spanning over 30 years in both retail and institutional markets. Mick was formerly CEO and director of Invesco Australia Limited, director of Alliance Capital Management Australia and Chief Investment Officer of AXA Australia and New Zealand where he was also a director of AXA's Responsible Entities and Regulated Superannuation Entities.

As Managing Director of the EQT Group, Mick is responsible for the overall management of the EQT Group's activities. Mick is a director of several subsidiary companies in the EQT Group.

Mick qualified as a Fellow of the Institute of Actuaries of Australia and holds the Chartered Financial Analyst designation and is a non-executive director of Templeton Global Growth Fund Limited.

Ian Westley – Executive Director

BAgrSc, Dip Fin Services

- Executive Director (Appointed June 2016)

- Executive General Manager, Trustee and Wealth Services - Private Clients

Ian is responsible for developing the strategy for the traditional trustee services business unit of the EQT Group and growing the business in emerging (non-traditional) trustee markets. Over the last four years, he has been involved in the acquisition and integration of the ANZ Trustees and Sandhurst Trustees Estates and Trusts business into the EQT Group's private client business. Previous experience includes roles with the EQT Group as General Manager Private Clients, General Manager Sales and Business Development and National Manager Business Development. Prior to joining the EQT Group, Ian was at Premier Inks (Sales Manager and Cannon (Sales Representative and Major Account Manager)).

Ian is a director of several subsidiary companies in the EQT Group and a member of EQT Group's executive leadership team.

7. Financial Information

7.1. Introduction

The Fund is a managed investment scheme structured as a unit trust, which has been registered with ASIC on 26 March 2019. The Fund was established in connection with the Offer and has not undertaken any business to date. Refer to Section 3 for further information.

This Section contains a summary of the financial information of the Fund, which includes:

(a) the unaudited pro forma historical statements of financial position as at the date of issue of Units under the Offer (the "Pro Forma Historical Statements of Financial Position") (see Section 7.2);

(b) Directors' material assumptions used in the preparation of the Pro Forma Historical Statements of Financial Position (see Section 7.3);

(c) capital structure of the Fund on completion of the Offer (see Section 7.4);

(d) pro forma historical cash of the Fund as at 8 April 2019 (see Section 7.5); and

(e) significant accounting policies of the Fund (see Section 7.6).

The Pro Forma Historical Statements of Financial Position (as defined below) has been reviewed by Ernst & Young in accordance with the Australian Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information* as stated in its Independent Limited Assurance Report set out in Section 8. Investors should note the scope and limitations of the Independent Limited Assurance Report.

The information in this section should also be read in conjunction with the risk factors set out in Section 9 and other information contained in this PDS.

All amounts disclosed in this section are presented in Australian dollars.

7.2. Pro Forma Historical Statements of Financial Position

(a) Basis of Preparation

The Directors of the Responsible Entity are responsible for the preparation and presentation of the financial information included in this Section.

The pro forma historical statements of financial position of the Fund set out below (**Pro Forma Historical Statements of Financial Position**) has been prepared to illustrate the financial position of the Fund following completion of the Offer as if such events had occurred as at 8 April 2019 and comprise:

- the pro forma historical statement of financial position as at 8 April 2019 based on the Minimum Subscription of $100 million;
- the pro forma historical statement of financial position as at 8 April 2019 based on an Indicative Subscription of $350 million; and
- the pro forma historical statement of financial position as at 8 April 2019 based on the Maximum Subscription of $500 million.

The Pro Forma Historical Statements of Financial Position is intended to be illustrative only and will not reflect the actual position and balances as at the date of this PDS or at the completion of the Offer.

The Pro Forma Historical Statements of Financial Position have been prepared in accordance with the recognition and measurement principles contained in Australian Accounting Standards (**AAS**) other than that it includes adjustments which have been prepared in a manner consistent with AAS that reflect the impact of certain transactions as if they occurred as at 8 April 2019.

Significant accounting policies in respect of the Pro Forma Historical Statements of Financial Position are set out in Section 7.6.

The Financial Information is presented in an abbreviated form insofar as it does not include all the presentation, disclosures, statements or comparative information as required by AAS applicable to annual financial reports prepared in accordance with the Corporations Act.

(b) Unaudited Pro Forma Historical Statements of Financial Position (As at 8 April 2019)

Pro Forma Historical	Section Reference	Minimum Subscription ($100 million)	Indicative Subscription ($350 million)	Maximum Subscription ($500 million)
Assets				
Cash	Section 7.5	$100,000,000	$350,000,000	$500,000,000
Total Assets		**$100,000,000**	**$350,000,000**	**$500,000,000**
Liabilities		-	-	-
Total Liabilities		-	-	-
Unitholders' Equity	Section 7.4	**$100,000,000**	**$350,000,000**	**$500,000,000**

7.3. Directors' Material Assumptions in Preparation of the Pro Forma Historical Statements of Financial Position

The Pro Forma Historical Statements of Financial Position has been prepared on the basis of the following assumptions:

(a) application of the significant accounting policies set out in Section 7.6;

(b) the column headed "Minimum Subscription $100,000,000", has been prepared on the basis of subscriptions for 40 million Units by Applicants under this PDS at an issue price of $2.50 per Unit;

(c) the column headed "Indicative Subscription $350,000,000", has been prepared on the basis of subscriptions of 140 million Units by Applicants under this PDS at an issue price of $2.50 per Unit;

(d) the column headed "Maximum Subscription $500,000,000", has been prepared on the basis of subscriptions of 200 million Units by Applicants under this PDS at an issue price of $2.50 per Unit;

(e) the initial expenses and outlays to establish the Offer are to be paid by the Manager as set out in Section 11.3 of the PDS.

7.4. Capital Structure

Set out below is the anticipated capital structure of the Fund on completion of the Offer under the different indicated subscription amounts.

	Minimum Subscription ($100 million)	Indicative Subscription ($350 million)	Maximum Subscription ($500 million)
Units	40,000,000	140,000,000	200,000,000
Pro forma NAV per Unit[10]	2.50	2.50	2.50

7.5. Pro Forma Historical Cash

Set out below is a reconciliation of the Pro Forma historical cash balance under the different indicated subscription amounts

	Minimum Subscription ($100 million)	Indicative Subscription ($350 million)	Maximum Subscription ($500 million)
Proceeds of Offer	$100,000,000	$350,000,000	$500,000,000
Estimated net cash position	**$100,000,000**	**$350,000,000**	**$500,000,000**

7.6. Significant Accounting Policies

A summary of significant accounting policies that have been adopted in the preparation of the unaudited Pro Forma Historical Statements of Financial Position set out in Section 7.2, and which will be adopted prospectively in preparation of the financial statements of the Fund for the financial year ending 30 June each year, is set out as follows:

(a) Basis of preparation

The Pro Forma Historical Statements of Financial Position has been prepared on an accrual basis.

The Pro Forma Historical Statements of Financial Position have been prepared in accordance with the recognition and measurement principles contained in AAS other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they occurred as at 8 April 2019.

(b) Foreign currency translation

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of

[10] NAV is calculated as the Fund's net assets position attributable to unitholders in the Unaudited Pro Forma Historical Statements of Financial Position in Section 7.2(b) divided by the corresponding number of units subscribed.

such transactions and from the translations at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in net foreign exchange gains/(losses) in the statement of comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when fair value was determined. Translation differences on assets and liabilities carried at fair value are reported in the statement of comprehensive income within net gains/(losses) on financial instruments held at fair value through profit or loss.

(c) Investments

(i) Classification

In accordance with AASB 9 Financial Instruments, the Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

(a) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or

(b) on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or

(c) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

(a) its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding; or

(b) it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

(c) at initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

This category includes equity instruments and derivative contracts in an asset position which are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Financial assets measured at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Fund includes short-term receivables in this category.

Financial liabilities

Financial liabilities measured at fair value through profit or loss

A financial liability is measured at fair value through profit or loss if it meets the definition of held for trading.

The Fund includes in this category, derivative contracts in a liability position and equity investment sold short since they are classified as held for trading.

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Fund includes short-term payables in this category.

(ii) Recognition

The Fund recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognised on the trade date, i.e. the date that the Fund commits to purchase or sell the asset.

(iii) Initial measurement

Financial assets and financial liabilities held at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) Subsequent measurement

After initial measurement, the Fund measures financial instruments which are classified as at fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in the statement of comprehensive income. Interest and dividends earned or paid on these instruments are recorded separately in interest revenue or expense and dividend revenue or expense in the statement of comprehensive income.

Financial assets and liabilities, other than those classified as at fair value through profit or loss, are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset or liability is derecognised, modified or impaired.

(v) Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired; or the Fund has transferred its rights to receive cash flows from the asset; or the Fund has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement and the Fund has:

(a) transferred substantially all the risks and rewards of the asset; or

(b) neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expires.

(vi) Fair value measurement

The Fund measures its investments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Fund.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e. using recent arm's length market transactions, adjusted as necessary, and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e. discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

For assets and liabilities that are measured at fair value on a recurring basis, the Fund identifies transfers between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole), and deems transfers to have occurred at the beginning of each reporting year.

(vii) Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Assessing the significance of a particular input requires judgement, considering factors specific to the asset or liability.

(d) Distributions

The Responsible Entity intends to apply the Attribution Managed Investment Trust (**AMIT**) regime. The units in the Fund have been classified as equity. Under the Constitution, the Fund does not have an obligation to make distributions to Unitholders by cash and/or reinvestment in accordance with AASB 132 Financial Instruments: Presentation (AASB 132). Distributions to Unitholders are recognised directly in equity, and presented in the statement of changes in equity. A distribution payable is recognised in the statement of financial position where the amount remains unpaid at reporting date.

(e) Income Tax

Under current income tax legislation, the Fund is not subject to income tax provided that each financial year either Unitholders are presently entitled to all the net taxable income of the Fund (if the Fund is not an AMIT) or all taxable income of the Fund is fully attributed to Unitholders (if the Fund is an AMIT).

Financial instruments held at fair value may include unrealised capital gains. Should such a gain be realised, that portion of the gain would be included in taxable income. Realised capital losses can only be utilised to offset any realised capital gains. Net realised capital losses are retained in the Fund to be offset against any future realised capital gains. If realised capital gains exceed realised capital losses, the excess may be distributed to Unitholders.

(f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, unless GST incurred is not recoverable from the Australian Taxation Office (**ATO**). In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

(g) Cash and cash equivalents

Cash and cash equivalents includes cash at bank, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(h) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Fund includes in this category short-term receivables.

(i) Other financial liabilities

This category includes all financial liabilities, other than those classified as at fair value through profit or loss. The Fund includes in this category short-term payables.

(j) Unitholders' equity

Ordinary units will be classified as equity.

8. Independent Limited Assurance Report

Building a better working world

Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

8 April 2019

The Board of Directors
Equity Trustees Limited
In its capacity as Responsible Entity for Regal Investment Fund
Level 1, 575 Bourke Street
Melbourne VIC 3000

Dear Directors

INDEPENDENT LIMITED ASSURANCE REPORT ON PRO FORMA HISTORICAL STATEMENTS OF FINANCIAL POSITION

1. Introduction

We have been engaged by Equity Trustees Limited ("EQT"), as Responsible Entity for Regal Investment Fund ("the Fund"), to report on the pro forma historical statements of financial position of the Fund for inclusion in the product disclosure statement to be dated on or about 8 April 2019 ("PDS"), and to be issued by EQT, in respect of the offer of up to 200,000,000 fully paid ordinary units in the Fund at a subscription price of $2.50 per unit (the "Offer").

Expressions and terms defined in the PDS have the same meaning in this report.

2. Scope

Pro Forma Historical Statements of Financial Position

You have requested Ernst & Young to review the following pro forma historical financial information of the Fund:

- The pro forma historical statement of financial position as at 8 April 2019 based on the minimum subscription of $100 million, as set out in section 7.2(b) of the PDS;
- The pro forma historical statement of financial position as at 8 April 2019 based on the indicative subscription of $350 million, as set out in section 7.2(b) of the PDS; and
- The pro forma historical statement of financial position as at 8 April 2019 based on the maximum subscription of $500 million, as set out in section 7.2(b) of the PDS.

(Hereafter the "Pro Forma Historical Statements of Financial Position").

The Pro Forma Historical Statements of Financial Position have been derived from the unaudited historical statement of financial position of the Fund as at 8 April 2019 adjusted for the effects of pro forma adjustments described in Section 7.3 of the PDS.

The Pro Forma Historical Statements of Financial Position have been prepared in accordance with the stated basis of preparation, being the recognition and measurement principles contained in Australian Accounting Standards ("AAS") other than that it includes adjustments which have been prepared in a manner consistent with AAS, that reflect the impact of certain transactions as if they occurred 8 April 2019.

Due to its nature, the Pro Forma Historical Statements of Financial Position does not represent the Fund's actual or prospective financial position.

The Financial Information is presented in the PDS in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

3. Directors' Responsibility

The directors of EQT, as the Responsible Entity of the Fund, are responsible for the preparation and presentation of the Pro Forma Historical Statements of Financial Position, including the basis of preparation, selection and determination of pro forma adjustments made and included in the Pro Forma Historical Statements of Financial Position. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of Pro Forma Historical Statements of Financial Position that are free from material misstatement, whether due to fraud or error.

4. Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Pro Forma Historical Statements of Financial Position based on the procedures performed and the evidence we have obtained.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information.

Our limited assurance procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other limited assurance procedures. A limited assurance engagement is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or limited assurance reports on any financial information used as a source of the Financial Information.

5. Conclusions

Pro Forma Historical Statements of Financial Position

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the pro forma historical financial information of the Fund comprising:

- The pro forma historical statement of financial position as at 8 April 2019 based on the minimum subscription of $100 million, as set out in section 7.2(b) of the PDS;
- The pro forma historical statement of financial position as at 8 April 2019 based on the minimum indicative of $350 million, as set out in section 7.2(b) of the PDS; and
- The pro forma historical statement of financial position as at 8 April 2019 based on the maximum subscription of $500 million, as set out in section 7.2(b) of the PDS

are not presented fairly, in all material respects, in accordance with the stated basis of preparation, as described in Section 7.2(a) of the PDS.

6. Restriction on Use

Without modifying our conclusions, we draw attention to Section 7.2(a) of the PDS, which describes the purpose of the Financial Information. As a result, the Financial Information may not be suitable for use for another purpose.

7. Consent

Ernst & Young has consented to the inclusion of this limited assurance report in the PDS in the form and context in which it is included.

8. Independence or Disclosure of Interest

Ernst & Young does not have any interests in the outcome of this Offer other than in the preparation of this report for which normal professional fees will be received.

Yours faithfully

Ernst & Young

Ernst & Young

9. Risk Factors

9.1. Introduction

An investment in the Fund carries risk. Risks can be categorised as being specific to the Manager, the Fund, the Portfolio, the Regal Investment Strategies, ASX listing and general investment risks.

Many of these risks are outside the control of the Responsible Entity, the Manager, Regal and their respective employees, directors and officers. Consequently, Units offered under this PDS carry no guarantee in respect of profitability, distributions or return of capital. Risk means it is not possible to predict the returns that an investment could achieve. Investment returns are not guaranteed and past performance is not an indicator of future performance.

Some of the events and circumstances described below may negatively impact the Fund's investment performance. This in turn may cause the market price of the Fund's Units to fall and result in the loss of income and principal invested. The market price of the Units may also be directly affected by some of the events and circumstances described below.

While the Responsible Entity and the Manager have put in place various corporate governance, compliance and risk management systems to mitigate risks, neither the Responsible Entity nor the Manager can guarantee that these safeguards and systems will be effective. Some risks are outside the control of the Responsible Entity, the Manager and their respective directors and employees, and cannot be mitigated.

Before making a decision on whether to apply for any Units under the Offer, you are urged to carefully consider the risks described in this Section 9, which is not an exhaustive list of all the possible risks associated with investing in the Fund, as well as any other risk factors that you may consider relevant to such investments. Your financial adviser may assist you in determining the risks of investing in the Fund and whether it is suited to your needs and circumstances.

9.2. Key Manager risks and investment strategy risk

The Fund's investment activities will expose it to a variety of risks. The Manager has identified some of them as being particularly relevant to the Regal Investment Strategies, namely:

Investment risk

The success and profitability of the Fund will largely depend upon the ability of Regal, its Investment Committee and Investment Team to make investment decisions which generate a positive return for the Fund. This includes the Manager selecting Regal Investment Strategies from time to time and the Investment Team members that are responsible for each selected Regal Investment Strategy making investment decisions. Given that the Fund has been newly established, there is no historical performance of the Fund. The historical performance of the Regal Investment Strategies does not represent the future behaviour of the Fund or the Regal Investment Strategies.

Manager risk

The Fund's performance depends on the expertise and investment decisions of Regal and the continuation of the services and skills of their employees and officers, including the Investment Committee and the Investment Team. There is a risk that they will not be able to achieve the Fund's Investment Objective, that their opinion about the intrinsic worth of a company or Position is incorrect, or that the market will continue to undervalue Long Positions or overvalue Short Positions.

Further, there is a risk that the Manager may be removed as Manager of the Fund. Should the Manager become unable to perform investment management services for the Fund, or should a member of Regal cease to implement one or more Regal Investment Strategies selected by the Manager from time to time, the Fund's investment activities may be disrupted and its performance negatively impacted. If a Regal Investment Strategy or the Fund does not perform well, there is no ability to remove the Manager for this reason.

Key Man risk

The Responsible Entity has no right to terminate the Investment Management Agreement in the event of a change of control of the Manager or in the event of a material change to the composition of the Investment Committee or the Investment Team. For example, the Responsible Entity cannot terminate the Investment Management Agreement if Philip King steps down from the Investment Committee, resigns from the Manager or is no longer able to provide financial services advice as a result of any regulatory or administrative action. The Manager will seek to mitigate this risk by ensuring that the depth of experience across the Investment Team is such that the departure of one or more of the portfolio managers, including Philip King, does not impact its ability to manage the Fund or implement a Regal Investment Strategy.

Regulatory matters risk

The Manager has an established regulatory compliance and governance framework. The Manager monitors compliance with existing regulations, the political and regulatory environment and its adherence to internal processes. From time to time, the Manager becomes subject to regulatory investigations. The inherent uncertainty of the investigative processes may have an effect on the Manager's operational or financial position, through demands on management time and increased costs. Such investigations may result in administrative actions or legal proceedings against the Manager or its key persons. If any such action or proceeding is commenced, the Manager will make appropriate disclosures. Such actions or proceedings, if successful, could attract fines and civil and criminal liability and amendments or cancelation of its AFSL. There is also the risk that the Manager's and the Fund's reputation may suffer due to the profile of, and public scrutiny surrounding, any regulatory investigation, regardless of the outcome.

9.3. Significant risks of investing in the Fund

The following risks should be carefully evaluated before making an investment in the Fund. This is not an exhaustive list of the risks of investing in the Fund.

Leverage risk

Leverage increases the level of net gearing and gross gearing of the Portfolio and can magnify gains and losses within the Portfolio. This may give rise to the possibility that Positions may have to be liquidated at a loss to meet a margin call and not at a time of the Manager's choosing. In case of a sudden drop in value of the Fund's Positions, the Fund might not be able to liquidate Positions quickly enough to repay its borrowings, further magnifying losses incurred by the Fund.

The Manager can employ leverage on behalf of the Fund using a combination of Short Selling, Derivatives and other facilities including margin borrowing provided by the Prime Broker(s). The Manager has adopted the leverage policy at Section 3.5(a). Net gearing will be a maximum of 150% but the Manager expects that net gearing will typically be between 0% and 100% of the Fund's NAV. Gross gearing will be a maximum of 300% and the Manager expects that gross gearing will typically be between 200% and 300% of the Fund's NAV.

Derivative risk

Investments in Derivatives may cause losses associated with the value of the Derivative failing to move in line with the underlying Position. Generally, Over-the-counter Derivative transactions carry greater counterparty risk than Exchange Traded Derivatives (i.e. where the counterparty to the transaction is the exchange's clearing house). Trading in Over-the-counter Derivatives will generally require the lodgement of Collateral or credit support, such as a margin or guarantee with the counterparty, which in turn gives rise to counterparty risk.

The Fund can invest in Derivatives, including options, futures, swaps and equivalent cash settled instruments, which are traded on an exchange or non-exchanges traded Derivative instruments, dealt on an Over-the-counter basis. Derivative transactions may be highly volatile and can create investment leverage, which could cause the Fund to lose more than the amount initially contributed to the transaction.

For example, if the Fund purchases or sells a futures contract or leveraged foreign exchange transaction, the Fund may sustain a total loss of the Fund's Position. If the market moves against the Fund's Position, the Fund may be called upon to deposit a substantial amount of additional margin funds on short notice in order to maintain its Position. If the Fund does not provide the required funds within the specified time, its Position may be liquidated at a loss, and the Fund will be liable for any resulting deficit in its account. Under certain market conditions, the Fund may find it difficult or impossible to liquidate a Position.

The placement of contingent orders by the Fund, such as a 'stop-loss' or 'stop limit' order, will not necessarily limit the Fund's losses to the intended amounts, since market conditions may make it difficult or impossible to execute such orders.

The Manager may also use Derivatives, such as options, futures and swaps for hedging and non-hedging purposes to manage risks within the Portfolio. To mitigate counterparty risks in Over-the-counter Derivative transactions, the Manager will deal with counterparties that are institutions subject to prudential supervision. Further, all of the Fund's Derivatives counterparties must have, in the Manager's reasonable opinion, sufficient expertise and experience in trading such financial instruments.

Short Selling risk

There are inherent risks associated with Short Selling. Short Selling involves borrowing Securities which are then sold. If the price of the Securities falls then the Fund can buy those Securities at a lower price for a profit. The Fund pays a stock loan fee to the lender of those Securities. Short Selling can be seen as a form of leverage and may magnify the gains and losses achieved in the Portfolio. While Short Selling may be used to manage certain risk exposures in the Portfolio and increase returns, it may significantly increase adverse impacts on its returns. Short Selling exposes the Portfolio to the risk that investment flexibility could be restrained by the need to provide Collateral to the Securities lender and that Positions may have to be liquidated at a loss and not at a time of the Manager's choosing.

The Manager seeks to manage the risks associated with Short Selling in a number of ways including when shorting as part of a fundamental strategy (being a Regal Investment Strategy that employs the fundamental research process detailed in Section 4.7) using a research process to identify weaker businesses, sometimes with poor management and which are over-priced relative to the Manager's assessment of their intrinsic value. The Manager has also adopted the leverage policy at Section 3.5(b) and the Short Selling policy at Section 3.5(c).

Currency risk

Investing in Positions denominated in a foreign currency creates an exposure to foreign currency fluctuations, which can change the value of the Portfolio's Positions measured in Australian dollars. For example, if a Position is denominated in a foreign currency and that currency depreciates in value against the Australian dollar, the Australian dollar value of that Position may depreciate and the Portfolio may suffer a loss as a result. This could occur even if the foreign currency value of that Position had increased.

The Manager will regularly monitor price movements for Positions and will generally manage risks by balancing exposures to each foreign currency across the Long and Short Positions. The Manager may also seek to manage its foreign currency risk by hedging in Australian dollars when net currency exposure exceeds 5% of its NAV.

Hedging risk

The Manager may employ hedging techniques designed to minimise fluctuations in the value of the Portfolio, by offsetting the risk of adverse movements in Securities, currency exchange rates and, potentially, interest rates. While such transactions may reduce certain risks, they may entail certain other risks and can also limit potential gains. Therefore, while the Fund may benefit from the use of these hedging techniques, unanticipated changes in currency exchange rates, interest rates or the prices of the Portfolio's investments may result in a poorer overall performance of the Fund than if it had not entered into such hedging transactions.

Liquidity risk

The Fund is exposed to liquidity risk in relation to the investments within its Portfolio. If a Position cannot be bought or sold quickly enough to minimise potential loss the Fund may have difficulty satisfying commitments associated with financial instruments.

Unlisted investments made by the Fund are illiquid, as there is no established secondary market for unlisted Positions. Investments in listed microcap stocks also suffer from a lack of liquidity. Where the liquidity of a particular market or Position is restricted, it can affect the performance of the Fund. Lack of liquidity or market depth can affect the valuation of the Fund's Positions, as it looks to both realise Positions at quoted prices and the ability of the Fund to exit a Position in a timely manner if required (for example in order to meet a margin call).

Regal Fund risk

The Fund is permitted to invest in Regal Funds. In the Initial Portfolio, exposure to the Emerging Companies Strategy will be provided through an investment in Regal Emerging Companies Fund III.

Regal Funds, including Regal Emerging Companies Fund III, are unlisted funds. Accordingly, there is no established secondary market for units in Regal Funds and investors can generally only exit their investment in the fund by redeeming their units.

The Regal Emerging Companies Fund III has a five year minimum investment term. The Fund's investment in the Regal Emerging Companies Fund III will be subject to a lock up for the duration of that minimum investment term.

In respect of any Regal Fund, including the Regal Emerging Companies Fund III, the Fund would be reliant on the trustee or responsible entity of the Regal Fund properly performing its duties, including complying with the terms of the relevant constitution and other applicable law. Any delay caused by the trustee or responsible entity of a Regal Fund in executing a redemption request issued may adversely impact the Fund. Further, the units in, or other Positions held by, the relevant Regal Fund may be valued by an administrator appointed by that Regal Fund. There is a risk that the valuations of those units or Positions may be calculated in error or delayed.

Regal may be replaced as the provider of investment management services to a Regal Fund, including the Regal Emerging Companies Fund III. The replacement of an investment manager may result in disruptions to the operation of the Regal Fund. If Regal no longer provides investment management services to a Regal Fund that the Fund invests in, any rebate of management fees or performance fees may cease from the date of termination and the management and performance fee otherwise payable, will become applicable. However, any redemption rights, including any lock up period may remain.

Market impact risk

Conflicts of interest exist in the structure and operation of the Fund's investments. The Manager serves as the investment manager or investment advisor to other client accounts. One of the key benefits of the Fund is the Manager's ability to use multiple Regal Investment Strategies. As a result the capital of the Fund will typically be invested alongside the Regal Funds using the strategies selected by the

Manager from time to time on a proportionate basis in accordance with the Manager's trade allocation policy (see Section 4.5 for details).

From the standpoint of the Fund, simultaneous identical portfolio transactions for the Fund and the other clients (such as Regal Funds) may tend to decrease the prices received and increase the prices required to be paid by the Fund, respectively, for its Portfolio sales and purchases. The Manager's trade allocation policy (see Section 4.5 for details) requires that the Securities purchased be allocated among the Fund and the other clients in an equitable manner. In addition, purchase and sale transactions (including swaps) may be effected between the Fund and other clients for cash consideration at an appropriate market price of the particular Securities.

High risk nature of certain Positions

Certain Positions held by the Fund may involve increased levels of risk. An inherent part of a strategy may be to identify Positions which are undervalued or overvalued by the marketplace. The success of such a strategy necessarily depends upon the market eventually recognising such value in the price of the Security, which may not necessarily occur. Unlisted positions, as well as IPOs, may involve high risk Positions.

Portfolio turnover risk

There is no limitation on the length of time Positions must be held, directly or indirectly, by the Fund prior to being sold. Portfolio turnover rate will not be a limiting factor and will vary from year to year. Higher portfolio turnover rates involve correspondingly higher transaction costs, which are borne directly or indirectly by the Fund. In addition, the Fund may realise significant short-term and long-term capital gains.

Interest rate risk

Interest rate movements may adversely affect the value of the Fund through their effect on the price of a Security and the cost of borrowing.

Foreign issuer and market risk

Investments in foreign companies may be exposed to a higher degree of sovereign, political, economic, market and corporate governance risks than domestic investments.

Counterparty and Collateral risk

Investment in Positions and financial instruments generally involve third parties as custodial and counterparties to contracts. Use of third parties carries risk of default and failure to secure custody which could adversely affect the value of the Fund. There is a further risk that third party service providers may intentionally or unintentionally breach their obligations to the Responsible Entity (such as a counterparty defaulting under a Derivatives contract) or provide services below standards which are expected, causing loss.

The Fund will engage the services of the Prime Broker(s) and outsource key operational functions including investment management, custody, execution, administration and valuation to a number of third party service providers. These services will enable the facilitation of lending of Positions to short sell. Until the Fund returns a borrowed Security, it will be required to maintain assets with the Prime Broker(s) as Collateral. As such, the Fund may be exposed to certain risks in respect of that Collateral including the risk of loss of Collateral caused by the counterparty defaulting on its financial obligations either because they become insolvent or cannot otherwise meet their obligations to the Fund.

Legal, Tax and Regulatory Risk

Foreign jurisdictions may change their foreign Positions, exchange, regulatory or tax regimes in a manner which is adverse to the Fund and which may prevent the return of income capital in an economic and timely manner or prevent altogether. These changes may occur in various jurisdictions, including Australia, during the lifetime of the Fund. The legal requirements which the Fund is currently subject to could differ materially as a result of changes to legal requirements in various jurisdictions. The Fund may be subject to tax in jurisdictions outside Australia in respect of Positions made in those jurisdictions.

The Fund trades on markets located in jurisdictions globally with different tax regimes, some of which may subject the Fund to withholding tax or other taxation. This may impact the Fund's returns. The cash flow effect of timing of payments and accruals of taxes in certain jurisdictions (such as withholding taxes or tax accruals and prepayments) and relief, where applicable or available, may affect the ability of the Fund to invest in Positions in certain jurisdictions or to repatriate funds in a timely or efficient manner. Monies paid to taxing or exchange control authorities which result in subsequent credits or which may be released at a later time will not be available for investment in Positions and are not likely to generate interest or other income while such monies are held.

Foreign legislative and taxation authorities may amend tax legislation and rules retrospectively. Retrospective amendments to tax legislation and rules relating to the Fund’s activities may result in additional tax burdens or a requirement to make payments which were not known or considered to be required when transactions were entered into. Depending on the timing of changes, this may retrospectively affect results for periods prior to the change, or require payments to be funded in periods subsequent to the transactions.

Economic and Political Risks

The economies in jurisdictions where the Fund has Positions may differ favourably or unfavourably from the economies of other developed countries. Examples include: growth of gross domestic product; rate of inflation; currency depreciation; capital reinvestment; resource self-sufficiency; and balance of payments position.

The Fund may have exposure to Emerging Markets or Frontier Markets where economies can involve greater risk than is customarily associated with larger or established economies. For example, companies in Emerging Markets or Frontier Markets are more subject to political risks, provide less information to investors and may have greater restrictions on capital mobility compared with their developed market counterparts. This can result in such Positions being more susceptible to loss. As with any jurisdiction, there is the possibility of political changes, government regulation, social instability or diplomatic developments (including war) which could affect adversely the value of the Fund’s Positions.

Risk Management

The Manager intends to apply its risk management systems to mitigate risks to the Fund (these will be applied at the Regal Investment Strategy level and the Portfolio level). The application of any risk management approach involves numerous judgments and qualitative assessments. No risk management system is fail-safe, and no assurance can be given that the Fund’s risk control framework will achieve its objectives. From time to time, without notice to the investors, the Manager may modify or change the Fund’s risk management system and procedures.

Market risk

The Portfolio will be exposed to market risk as the value of the Fund’s Portfolio can fluctuate as a result of market conditions including factors such as economic conditions, interest rates, regulations, sentiment and geopolitical events as well as environmental, social and technological changes.

In addition, as the Fund will be listed on ASX, the Units will be exposed to market risks. As a result, the prices of Units may trade at a discount or a premium to its NAV.

Equity risk

There is a risk that Positions will fall in value over short or extended periods of time. Security markets tend to move in cycles, and individual Security prices may fluctuate and underperform other asset classes over extended periods of time. Unitholders in the Fund are exposed to this risk both through their holdings in Units in the Fund as well as through the Fund's Portfolio.

Concentration risk

Concentration risk may be present in a portfolio where exposures to individual Positions, Sectors or Geographies is high. Portfolios with high investment concentration can exhibit higher levels of volatility. To help manage this risk, the Fund's Investment Guidelines provide limits on single Security Position exposures, net exposure to any single Sector and net exposure to Emerging Markets and Frontier Markets.

Compensation fee structure risk

The Manager may receive compensation based on the Portfolio's performance. Performance Fee arrangements may create an incentive for the Manager to make investments that are riskier or more speculative than would be the case in the absence of a fee based on the performance of the Portfolio.

Options trading risk

Trading in options carries risks for the Fund. The Fund may engage in the purchase and sale of options. The purchase or sale of an option involves the payment or receipt of a premium payment by the investor and the corresponding right or obligation, as the case may be, to either purchase or sell the underlying security or other instrument for a specific price at a certain time or during a certain period. Specific market movements of the option and the instruments underlying an option cannot be predicted. No assurance can be given that a liquid offset market will exist for any particular option or at any particular time. If no liquid offset market exists, the Fund might not be able to implement an offsetting transaction in a particular option. Therefore to realise any profit in the case of an option the option holder may need to exercise the option and comply with margin requirements for the underlying instrument. A writer could not terminate the obligation until the option expired or the writer was assigned an exercise notice. Purchasing options involves the risk that the underlying instrument does not change in price in the manner expected, so that the option expires worthless and the investor loses its premium. Selling options, on the other hand, involves potentially greater risk because the investor is exposed to the extent of the actual price movement in the underlying security rather than only the premium payment received. In addition, an option purchased or sold over-the-counter involves counterparty risk.

Fund risk

The Fund is a new entity with no operating history and no proven track record which could be used by an investor to make an assessment of the ability of the Manager to achieve the Fund's Investment Objective. Whilst the Fund's Portfolio will be constructed using the Regal Investment Strategies, this does not mean that the Fund's performance will be similar or mirror the historic performance of any of the individual Regal Funds.

9.4. Risks associated with investment in Units

The prices at which Units will trade on ASX are subject to a number of risks, including:

Unit trading price

The trading price of listed Units in the Fund can change, relating to many factors including performance and matters inherent to the investment performance of the Positions. This could be due to external factors such as market sentiment, or a range of other factors including the presence of larger buying or selling interest in the Units.

Unitholders should expect that for periods of time, Units may trade below the stated underlying NAV per Unit.

Economic risk

Investment returns are influenced by numerous economic factors. These factors can include changes in the economic conditions (e.g. changes in interest rates or economic growth), changes to legislative and political environments, as well as changes in investor sentiment.

In addition, exogenous shocks, natural disasters and acts of terrorism and financial market turmoil (such as the global financial crisis) can add to equity market volatility as well as impact directly on individual entities. As a result, no guarantee can be given in respect of the future earnings of the Fund or the earnings and capital appreciation of the Fund's Portfolio or appreciation of the Fund's Unit price.

Liquidity risk

Units in the Fund will be listed on ASX; therefore the ability to sell Units will be a function of the turnover of Units at the time of sale. Although liquidity is generally expected to exist in this secondary market, there are no guarantees that an active trading market with sufficient liquidity will develop, or should it develop, that such a secondary market will sustain a price representative of the NAV per Unit. This may result in the Fund trading at a discount or premium to its NAV.

As a listed investment trust, there is no redemption facility for Units. Whilst the Fund is listed, Unitholders will not have the ability to redeem their Units except under a withdrawal offer or a buy-back which satisfies the Corporations Act and Listing Rules. However, Units may be sold on ASX.

9.5. Other risk factors

Before deciding to subscribe for Units, Applicants should consider whether Units are a suitable investment.

There may be tax implications arising from holding Units including the receipt of distributions from the Fund, participation in any distribution reinvestment plan of the Fund, participation in any buy-back and on the disposal of Units. Applicants should carefully consider these tax implications and obtain advice from an accountant or other professional tax adviser in relation to the application of tax legislation.

Prospective investors are strongly advised to regard any investment in the Fund as a long-term proposition. Prospective investors are reminded that, as with any equity investment, substantial fluctuations in the value of their investment may occur.

If you are in doubt as to whether you should subscribe for Units, you should seek advice on the matters contained in this PDS from a stockbroker, solicitor, accountant or other professional adviser immediately.

9.6. Time frame for investment

Prospective investors are advised to regard any investment in the Fund as a long-term proposition of over 5 years. Investors should be aware that, as with any equity investment, substantial fluctuations in the value of their investment may occur over that period.

In addition, the above list of risk factors ought not to be taken as exhaustive of the risks faced by the Fund or by Unitholders in the Fund. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Fund and the value of the Units. Therefore, there is no guarantee with respect to the payment of distributions, returns of capital or the market value of Units.

You should consider that an investment in the Fund as speculative and consult your professional adviser before deciding whether to apply for Units.

10. Corporate Governance and Compliance for the Fund

Overview of the Responsible Entity's approach to corporate governance for the Fund

10.1. Corporate Governance

The Responsible Entity is committed to best practice corporate governance and compliance arrangements for the Fund. The Responsible Entity has adopted the principles and recommendations in the ASX Corporate Governance Principles and Recommendations (3rd edition) (**ASX Recommendations**) to the extent they apply to an externally managed listed entity. The Responsible Entity's Corporate Governance Statement, a summary of which is provided in Section 10, sets out the approach adopted by the Responsible Entity and the Fund in relation to the ASX Recommendations.

More broadly, this Section 10 summarises the key aspects of the Responsible Entity's and the Fund's corporate governance framework.

10.2. Board Roles and Responsibilities

The Board is responsible for the overall governance of the Fund and ensuring the Fund is managed in the best interests of Unitholders. The Board recognises the role and importance of good corporate governance and compliance. In performing its functions in respect of the Fund, the Board will endeavour to ensure the Fund is effectively managed in accordance with high standards of corporate governance and the law.

The key functions of the Board in relation to the Fund include**:**

- contributing to and approving management's development of strategy for the Fund;
- approving and making available the PDS for the Fund;
- overseeing and approving the annual and half-year financial accounts of the Fund;
- monitoring the Fund's compliance with regulatory, prudential and ethical standards;
- maintaining and monitoring an appropriate risk management framework for the Fund which identifies and manages financial, operational and business risk of the Fund; and
- ensuring the Responsible Entity has implemented adequate systems of internal controls in relation to the Fund together with appropriate monitoring of compliance activities.

Matters of substance affecting the Fund are considered by the Board, with advice from external advisers as required. Each Director must bring an independent view and judgment to the Board and must declare all actual or potential conflicts of interest on an ongoing basis.

Further details of the responsibilities of the Board are set out in the Board's Charter, which has been prepared having regard to ASX Recommendations. A copy of the Board's Charter is available on the Fund's website (www.regalfm.com) and is available, free of charge, on request from the Responsible Entity.

10.3. Compliance Plan

The Responsible Entity has prepared and lodged a Compliance Plan for the Fund with ASIC. The Compliance Plan describes the structures, systems and processes used by the Responsible Entity to comply with the Corporations Act, the Constitution and the Listing Rules. The matters covered in the Compliance Plan include: promotion of the Fund and respective disclosures, information technology, the Constitution, AFS Licence requirements, corporate governance and compliance, Agents and external service providers, education, training and recruitment, complaints handling, record keeping, custody, investment management, Fund fees and performance, investment risks, valuation of Fund assets, and applications and distributions.

An audit of the Compliance Plan will be carried out on an annual basis by the Fund's Compliance Plan Auditor. An audit report is prepared and lodged with ASIC providing an opinion as to whether the Responsible Entity has complied with the Compliance Plan throughout the year and if the Compliance Plan continues to comply with the requirements of the Corporations Act and other relevant laws.

A copy of the Compliance Plan is available from the Responsible Entity.

10.4. Corporate Governance Policies

The Responsible Entity has also developed and adopted the following corporate governance policies, which have been prepared having regard to the ASX Recommendations to the extent these principles are applicable to the Fund and the Responsible Entity. These policies are available on the Fund's website (www.regalfm.com):

- **Code of Conduct and Ethics** – This policy sets out the standards of ethical behaviour that the Responsible Entity expects from its Directors, officers, employees and contractor's, including those involved in the management and operation of the Fund.

- **Continuous Disclosure Policy** – The Responsible Entity is required to disclose to ASX any information concerning the Fund which is not generally available and which a reasonable person would expect to have a material effect on the price or value of the Units. The policy sets out the processes and measures to ensure that the Responsible Entity complies with its continuous disclosure obligations under the Listing Rules and the Corporations Act in relation to the Fund.

- **Securities Dealing Policy** – This policy is designed to assist in maintaining investor confidence in the integrity of dealings in the Fund's securities and sets out the Responsible Entity's internal controls and processes to prevent any breach of the insider trading laws.

- **Unitholder Communication Policy** – This policy sets out how communication with Unitholders and other stakeholders is publicised and promoted, and where and what information can be sourced.

10.5. Overview of the Responsible Entity's compliance with the ASX Corporate Governance Principles

Principle 1 – Lay solid foundations for management and oversight

The Fund is externally governed by an independent responsible entity, Equity Trustees Limited.

The Constitution of the Fund and the Corporations Act set out the duties and responsibilities of the Responsible Entity in relation to managing the affairs of the Fund. It is the responsibility of the Board to ensure those duties and responsibilities are met.

The Board meets regularly and considers critical compliance and risk management matters to ensure that the Fund is managed in the best interests of Unitholders. The Board utilises the Board Audit Committee, Compliance Committee, and Disclosure Committee to assist with managing the affairs of the Fund.

The Board has formalised its role and responsibilities, which are set out in the Board's Charter. Although the Board retains overall responsibility for the management of the Fund, all matters not specifically reserved for the Board and necessary for the day-to-day management of the Fund may be delegated by the Board to the management of the Responsible Entity or appropriately contracted qualified persons authorised by the Responsible Entity (such as the Manager, the Custodian, the Administrator, and Unit Registry).

Principle 2 – Structure of the Board to add value

The Board comprises of four executive Directors, and together they collectively have the appropriate balance of skills, knowledge, experience, and diversity to enable it to discharge its duties and responsibilities effectively.

Refer to Section 6.2 for more detail.

The Board has a Compliance Committee comprised of a majority of non-executive members to oversee the Fund's compliance and the Responsible Entity's legislative, trustee and listing obligations.

Principle 3 – Act ethically and responsibly

The Responsible Entity is committed to maintaining high standards of integrity and conducting its business in accordance with high standards of ethical behavior.

As part of this commitment, the Responsible Entity has adopted a Code of Conduct and Ethics, which sets out the standards of ethical behaviour expected from its Directors, officers and employees, including those involved in the management and operation of the Fund. A copy of the Code of Conduct is available on the Fund's website.

Principle 4 – Safeguard integrity in corporate reporting

The Responsible Entity has established a Board Audit Committee to oversee the integrity of the Fund's financial reporting, the appointment and independence of the Fund's auditor, internal financial controls, and financial procedures and policies. The Board Audit Committee comprises four members with financial and accounting qualifications and experience in the funds management and/or trustee services business, with at least one independent member.

Principle 5 – Make timely and balanced disclosure

The Responsible Entity is committed to fair and open disclosure to Unitholders and stakeholders on matters that would have a material effect on the price or value of the units of the Fund. The Responsible Entity has developed a Continuous Disclosure Policy to ensure the Responsible Entity provides timely and balanced disclosure to the market in accordance with its disclosure obligations under the Corporations Act and the Listing Rules.

Principle 6 – Respect the rights of security holders

The Responsible Entity is committed to effective two-way communication with Unitholders and the market and believes that Unitholders should be fully informed in a timely manner of major events that may influence the Fund. The Responsible Entity has adopted a Unitholder Communication Policy which sets out measures it utilises to ensure communication with Unitholders is effective, frequent, clear and accessible. A copy of the policy is available on the Fund's website.

Principle 7 – Recognise and manage risk

The Board reviews the Responsible Entity's risk management framework at least annually to ensure it continues to be effective, and is designed to assist the Responsible Entity to identify, assess, monitor and manage risks.

The Board may utilise the Compliance Committee to provide additional oversight of risk.

The Responsible Entity has an internal audit function. The Board, the Compliance Committee and the management of the Responsible Entity regularly liaises with internal audit and reviews audit processes and reports.

Principle 8 – Remunerate fairly and responsible

The Fund does not have any employees. Fees and expenses paid out of the assets of the Fund are unrelated to the remuneration of the Directors and management of the Responsible Entity involved with the operation of the Fund. Directors and management remuneration is determined and dealt with separately by the EQT Group.

The Investment Management Agreement sets out the terms governing the remuneration of the Manager. A summary of the Investment Management Agreement, including the fees payable, is set out in Sections 13.1 and 11 respectively.

11. Fees and Other Costs

11.1. Consumer Advisory Warning

DID YOU KNOW?
Small differences in both investment performance and fees and costs can have a substantial impact on your long term returns. For example, total annual fees and costs of 2% of your Fund balance rather than 1% could reduce your final return by up to 20% over a 30 year period (for example, reduce it from $100,000 to $80,000). You should consider whether features such as superior investment performance or the provision of better member services justify higher fees and costs. You may be able to negotiate to pay lower contribution fees and management costs where applicable. Ask the Fund or your financial adviser.

TO FIND OUT MORE
If you would like to find out more, or see the impact of the fees based on your own circumstances, the **Australian Securities and Investments Commission (ASIC)** website (www.moneysmart.gov.au) has a managed investment fee calculator to help you check out different fee options.

11.2. Fees and other costs

This table shows the fees and other costs that you may be charged. These fees and costs may be deducted from your money, from the returns on your investment or from the Fund's assets as a whole.

Unless stated otherwise, fees and other costs quoted in this Section 11 are quoted inclusive of GST less any reduced input tax credits claimable by the Fund.

You should read all the information about fees and costs because it is important to understand their impact on your investment.

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
Fees when your money moves in or out of the Fund		
Establishment fee The fee to open your investment	Nil	Not applicable
Contribution fee The fee on each amount contributed to your investment by you	Nil	Not applicable
Withdrawal fee The fee on each amount you take out of your investment	Nil	Not applicable
Exit fee	Nil	Not applicable

TYPE OF FEE OR COST	AMOUNT	HOW AND WHEN PAID
The fee to close your investment		
Management costs[1] The ongoing fees and costs of managing your investment:		
Management costs are comprised of:		
Management Fee:	1.54% per annum of the Fund's NAV	Calculated and accrued at least monthly and paid to the Manager monthly in arrears out of the Fund's assets.
Responsible Entity fee:	Up to 0.04% per annum of the Fund's NAV	Calculated and paid to the Responsible Entity monthly in arrears out of the Fund's assets.
Performance Fee:	20% [2]	The Performance Fee payable to the Manager by the Fund in relation to the outperformance of the Fund against the RBA cash rate, subject to a High Water Mark. This fee is calculated and accrued at least monthly and is payable after each half year (however the first performance period ends 31 December 2019 and last performance period ends on the date the Investment Management Agreement is terminated).
Indirect costs:	0.21% per annum of the Fund's NAV[3]	Paid by the Responsible Entity out of the Fund's assets once the cost is incurred.
Service fees		
Investment switching fee The fee for changing investment options	Nil	Not applicable

Notes:

[1] This amount comprises the Responsible Entity fee, fees payable to the Manager (including Performance Fees) and indirect costs. Unless stated otherwise, the management costs and the components of the management costs set out in the table above are inclusive of GST net of RITCs. For more information about management costs, please refer to 'Management costs' under section 11.3. Certain additional costs apply, such as transactional and operational costs. See 'Additional Explanation of Fees and Costs' section below for more information.

[2] It is not possible to precisely estimate the actual performance fee payable in any given period, as the Responsible Entity cannot forecast what the performance of the Fund will be. Please refer to Section 11.3(b) 'Performance fees' for further information.

[3] The table reflects the Responsible Entity's reasonable estimate of indirect costs for the current financial year (adjusted to reflect a 12-month period) assuming a maximum raise of $500 million and the Initial Portfolio is allocated as per Section 3.4. The figure includes an estimate of indirect costs incurred through Regal Emerging Companies Fund III (other than management fees and performance related fees related to the Fund or operational or transactional costs). As Regal Emerging Companies Fund III was declared shortly prior to the date of this PDS, these costs are calculated based on the indirect costs paid by Regal Emerging Companies Fund in the 2018 financial year.

[4] All percentages in the table are rounded to 2 decimal places.

Example of annual fees and costs for the Fund

This table gives an example of how the fees and costs for the Fund can affect your investment over a one year period. You should use this table to compare this product with other managed investment products.

Example – Balance of \$50,000[1]		
Contribution fees	Nil	You will not be charged any contribution fees.
PLUS Management costs comprising:		
Management Fee:		1.54% per annum of the Fund's NAV
Responsible Entity fee:		0.04% per annum of the Fund's NAV
Estimated Performance Fee:		1.56% per annum of the Fund's NAV[2]
Estimated Indirect costs:		0.21% per annum of the Fund's NAV[3]
TOTAL	3.35% per annum of the Fund's NAV	For every \$50,000 you have invested in the Fund, you will be charged \$1,675 each year.
EQUALS Cost of the Fund	If you had an investment of \$50,000 in the Fund, you would be charged fees of \$1,675.[1]	

Notes:

1 This is an example only and does not take into account any movements in the value of Units that may occur over the course of the year or any abnormal costs. The fee amount is an estimate only and is not a forecast. The fees may be higher or lower. Management costs are calculated using the \$50,000 balance only. All costs have been calculated on the basis of the Responsible Entity and Manager's reasonable estimate as at the date of this PDS.

2 The Fund does not have a performance history. It is not possible to precisely estimate the actual performance fee payable in any given period, as the Responsible Entity cannot forecast what the performance of the Fund will be. The Responsible Entity has applied a reasonable calculation methodology to estimate the performance fee, based on investment returns in the Initial Regal Investment Strategies (assuming a maximum raise of \$500 million and the Initial Portfolio is allocated as per Section 3.4). The first performance period in respect of which a Performance Fee will be payable ends on 31 December 2019. The actual performance fee payable (if any) will depend on the performance of the Fund over the relevant period. Please refer to Section 11.3(b) 'Performance fees' for further information.

3 Please note that this example does not capture all the fees and costs that may apply to an individual investor such as transaction costs.

11.3. Additional explanation of fees and other costs

(a) What do the management costs of the Fund pay for?

Management costs are expressed as a percentage of the Fund's NAV. The management costs of the Fund include the Responsible Entity's fee, fees payable to the Manager (being the Management Fee and Performance Fee), and indirect costs. Management costs do not include transactional and operational costs. For more information please see the *'What are the transactional and operational costs?'* below.

The Manager may delegate certain investment management duties to Regal Asia, being a wholly owned subsidiary of the Manager. Any fees charged by Regal Asia will be borne by the Manager and are not an additional fee to investors.

The Manager will pay certain but not all of the Fund's operating expenses. For example, for corporate governance reasons, the Fund remains liable for, and must pay, the Responsible Entity fee, costs and expenses associated with audit and tax advice. See Section 11.3(g) below for further details. The Responsible Entity is entitled to recover the operating expenses (that are not paid by the Manager) and abnormal or extraordinary expenses out of the assets of the Fund. Abnormal or extraordinary expenses are expected to occur infrequently and may include (without limitation), costs of litigation, costs to defend claims in relation to the Fund and termination and wind up costs.

The above management costs do not include transactional and operational costs (which are outlined below). The management costs reduce the NAV of the Fund and are reflected in the NAV per Unit.

(b) Responsible Entity and Management Fee

The Fund pays Equity Trustees Limited a responsible entity fee of 0.04% p.a. (0.042% inclusive of GST less RITC) (**Responsible Entity Fee**) and pays the Manager a management fee of 1.50% p.a. (1.54% inclusive of GST less RITC) (**Management Fee**). These fees are expressed as a per annum percentage of the Fund's Net Asset Value (before the Management Fee being calculated and any accrued and unpaid Performance Fee). If the Fund's Net Asset Value exceeds $500 million, the Responsible Entity Fee in respect of the amount by which the Net Asset Value exceeds $500 million will be 0.03% p.a. 0.031% inclusive of GST less RITC) but for the first $500 million of the Net Asset Value, the Responsible Entity Fee remains 0.04% p.a. (0.042% inclusive of GST less RITC).

The Responsible Entity Fee and Management Fee are calculated and accrued at least monthly and are payable monthly in arrears by the Fund. The Responsible Entity Fee and Management Fee are paid from the Fund and are reflected in the NAV per Unit. If a Unit is purchased during a month on the ASX, it will nevertheless be subject to a full monthly Responsible Entity Fee and monthly Management Fee at month-end.

(c) Performance Fee

Depending on how well the Fund performs, the Manager may be entitled to be paid a performance fee equal to 20% (plus GST) of the Portfolio's outperformance against the RBA cash rate, subject to a High Water Mark. The details of the calculation methodology and the hurdles are set out below.

The Performance Fee payable (if any) will be 20% of Hurdle Outperformance (plus GST), where:

Hurdle Outperformance = *Actual Fund Performance* less *Cumulative Hurdle Return*.

If the *Hurdle Outperformance* is negative, there is no Performance Fee payable. The Performance Fee will be calculated and accrued at least monthly and is payable at the end of each Performance Period in arrears. Performance Periods are typically 6 months in duration and end on 30 June or 31 December. The first Performance Period will commence on the date Units are allotted under this PDS and ends on 31 December 2019. The last Performance Period will end on the date the Investment Management Agreement is terminated.

The *Actual Fund Performance* is the Net Asset Value at the end of a Performance Period (after Management Fees but before accrued Performance Fees and adjusted for any capital inflows and outflows from the last time a Performance Fee was paid or the commencement date of the Fund) less the High Water Mark (being the Net Asset Value of the Fund when a Performance Fee was last paid less any distributions of income or capital since such time or if Performance Fee has never been paid, zero). For the first Performance Period, the High Water Mark is zero, so the *Actual Fund Performance* will likely reflect the amount by which the Net Asset Value of the Fund increases (or decreases) between completion of the Offer and 31 December 2019.

Cumulative Hurdle Return is calculated by reference to the prevailing cash rate as set by the Reserve Bank of Australia (expressed as a percentage) multiplied by the last calculated Net Asset Value of the Fund (adjusted for income and capital distributions occurring after that value was calculated). This value is calculated at least monthly and each time the Responsible Entity adopts the Net Asset Value for the Fund. The sum of each value calculated since a Performance Fee was last paid to the Manager (and until the first time a Performance Fee is paid, the date Units are issued under this PDS) is used in the

Performance Fee calculation (as the *Cumulative Hurdle Return*). If the prevailing cash rate as set by the Reserve Bank of Australia is negative, then it is treated as being zero for the purposes of calculating the Cumulative Hurdle Return.

Where the *Actual Fund Performance* is less than zero (**Underperformance**), then the Underperformance deficiency shall be carried forward (except on termination of the Fund) until such Underperformance deficiency is recovered.

(d) Potential fees in certain circumstances

The Manager may also be entitled to further fees payable out of the Fund assets in certain circumstances, as summarised below.

If the Investment Management Agreement is terminated by ordinary resolution of Unitholders after the initial term (expected to be 10 years if approved by ASX) (**Initial Term**), the Manager will be entitled to a termination fee equal to the aggregate value of the Management Fees and Performance Fees calculated over a 12 month period ending on the termination date. If the Investment Management Agreement is terminated for cause during the Initial Term or later (see '*Termination by Responsible Entity'* events at Section 13.1), the Manager will not be entitled to a termination payment.

In addition, if the Responsible Entity determines to conduct a Buy-Back or a return of capital without obtaining the Manager's consent within 2 years of Listing it must pay the Manager a fee equal to two times the total of all Management Fees and Performance Fees calculated over a 12 month period ending on the record date for the Buy-Back or capital return. The Responsible Entity must pay the Manager this fee before conducting the Buy-Back or capital return and no later than 20 Business Days after the record date.

(e) Indirect costs

In general, indirect costs are any amounts that directly or indirectly reduce the returns on the Units that are paid from the Fund, or the amount or value of the income or assets of the Fund (including any underlying investment of the Fund). Indirect costs include audit fees, legal fees, tax advisory and consulting fees and OTC Derivative costs.

The amount of indirect costs set out in the fees and costs table are an estimate in respect of the financial year ended 30 June 2019 (adjusted to reflect a 12 month period). Indirect costs may differ from the amount set out in the table. Indirect costs are deducted from the returns on your investment in the Fund or the Fund's assets as a whole. They are reflected in the NAV per Unit and are not an additional cost to Unitholders.

Indirect costs do not include costs which are borne by the Manager, such as advisory compensation payable to Regal Asia or any management and performance fees payable in respect of any of the Fund's investments in Regal Funds, which will be rebated to the Fund.

(f) What are the transactional and operational costs?

Transactional and operational costs are a broad category of costs incurred by the Fund that relate to managing the assets of the Fund including buying and selling Positions. Some of these costs are brokerage, settlement costs, settlement charges and clearing costs. Such costs are deducted from the Fund from time to time as and when they are incurred, and are reflected in the NAV per Unit. As the Fund is newly established, the Fund does not have historical transactional and operational costs.

The Responsible Entity estimates the Fund's transaction and operational costs to be approximately 6.31% of the Fund's NAV for the current financial year ending 30 June 2019 (adjusted to reflect a 12 month period). This estimate of transactional and operation costs would translate to $3,155 per annum incurred within the Fund (and any Regal Funds in which it invests) for every $50,000 you have invested in the Fund. Transactional and operational costs may vary as the turnover in the underlying assets may change substantially as investment and market conditions change. Further, there are highly variable drivers upon which such transactional and operational costs are dependent.

(g) Manager responsible for Offer Costs and certain ongoing costs

The Manager has agreed to be responsible for the payment of the Offer Costs that the Fund would normally be liable for. The Manager will pay these costs in full out of its own pocket (i.e. there will be no charge back, loan or other recovery mechanisms utilised to reimburse the Manager for such fees and costs). The Manager will meet all advisory fees payable to Regal Asia and the Manager will either rebate in full any management fees and performance fees payable in respect of the Fund's investments in Regal Funds or ensure that the Fund invests in fee free classes of securities in the Regal Funds.

The Manager has also committed to pay a number of the Fund's ongoing operating costs that would normally be paid out of the assets of the Fund. These costs include the Fund's ASX listing fees and ASIC lodgement fees, the costs of the Fund's unit registry and administrator and the ongoing costs of unitholder communications (including the costs of convening and holding annual general meetings). Similar to the Offer Costs, the Manager will pay these ongoing operating costs in full out of its own pocket (i.e. there will be no charge back, loan or other recovery mechanisms utilised to reimburse the Manager for such fees and costs).

(h) Can the fees change?

As the Fund is newly established, certain estimates of fees and costs in this PDS are based on information available as at the date of this PDS. The Management Fee and Performance Fee payable to the Manager under the Investment Management Agreement may not be increased unless approved by an ordinary resolution of Unitholders.

The Constitution sets the maximum amount that the Responsible Entity can charge up to, being at 3% per annum of the NAV, however during the term of the Investment Management Agreement the Responsible Entity has agreed to charge only the Responsible Entity Fee (calculated as set out above). The Responsible Entity is required to give Unitholders at least 30 days' notice of any proposed increase in fees, if applicable.

(i) Remuneration of financial advisers

The Responsible Entity does not intend to pay commission to financial advisers in relation to an investor's investment in the Fund under this Offer. Investors may incur a fee for advice provided to the investor by their authorised adviser, if agreed between the investor and their adviser. With regards to remuneration of the Lead Arranger, Joint Lead Managers and the Co-Manager's, please see Section 13.3.

(j) Tax

In addition to the fees and costs described in this Section 11, investors should also consider the government taxes and other duties that may apply to an investment in the Fund. See further information on taxation at Section 14.

12. Details of the Offer

12.1. What is the Offer?

The Responsible Entity is offering Units for subscription at a Subscription Price of $2.50 per Unit to raise up a maximum of $500,000,000 for the Fund. The rights attaching to the Units are set out in Section 15.2.

The Offer comprises:

(a) **General Offer** – open to investors who have a registered address in Australia or New Zealand.

(b) **Broker Firm Offer** – open to persons who have received a firm allocation from their Broker and:

(i) who are Retail Applicants who have a registered address in Australia and New Zealand; or

(ii) who are Institutional Applicants which have a registered address in Australia, New Zealand, Hong Kong and Singapore. Restrictions apply to investors located in Hong Kong and Singapore (see Section 12.13).

An investor who has been offered a firm allocation by a Broker will be treated as an Applicant under the Broker Firm Offer in respect of that allocation. Investors should contact their Broker to determine whether they may be allocated Units under the Broker Firm Offer.

The Offer is expected to open for Applications on 29 April 2019.

Discretion under the Offer

The Responsible Entity reserves the right not to proceed with the Offer at any time before the allotment of Units under the Offer. If the Offer does not proceed, all Application Amounts received by the Responsible Entity will be refunded in full (without interest). The Responsible Entity takes no responsibility for any Application Amounts lodged with the Lead Arranger, Joint Lead Managers, the Co-Managers or Brokers until these are received by the Responsible Entity.

The Responsible Entity also reserves the right to close the Offer early, to accept late Applications or to extend the Offer without notifying any recipient of this PDS or any Applicant.

12.2. Minimum Subscription

The Minimum Subscription required for the Offer to proceed is $100,000,000.

If the Minimum Subscription is not obtained within four months after the date of this PDS, the Responsible Entity will repay all Application Amounts in full without interest as soon as practicable or issue a supplementary or replacement product disclosure statement and allow Applicants one month in which to withdraw their Applications and be repaid their Application Amount in full without interest.

12.3. What is the minimum and maximum Application under the Offer?

Applications must be for a minimum of 2,000 Units (i.e. a minimum subscription amount of $5,000). Applications in excess of the minimum number of Units must be in multiples of 500 Units.

There is no maximum amount that may be applied for under the Offer. The Responsible Entity reserves the right to aggregate any Applications under the Offer which it believes may be multiple Applications from the same person.

12.4. Is the Offer underwritten?

No, the Offer is not underwritten.

National Australia Bank Limited is acting as Lead Arranger to the Offer. Bell Potter Securities Limited, Evans Dixon Corporate Advisory Pty Limited, Morgans Financial Limited, Morgan Stanley Australia Securities Limited, Ord Minnett Limited, Shaw and Partners Limited, Taylor Collison Limited and Wilsons Corporate Finance Limited are acting as Joint Lead Managers to the Offer. Baillieu Ltd, First NZ Capital Securities Limited and Patersons Securities Limited are acting as the Co-Managers to the Offer. The Responsible Entity, the Lead Arranger and the Joint Lead Managers have entered into an Offer Management Agreement with respect to the Offer, details of which are set out in Section 13.3.

12.5. How do I apply under the General Offer?

In order to apply for Units under the General Offer, please complete the General Offer Application Form that forms part of, is attached to, or accompanies this PDS.

Applicants may apply for Units online and pay their Application Amount by BPAY. Applicants wishing to pay by BPAY should complete the online Application Form accompanying the electronic version of this PDS, which is available at www.regalfm.com, and follow the instructions on the online Application Form (which includes the Biller Code and your unique (**CRN**).

You will only be able to make a payment via BPAY if you are the holder of an account with an Australian financial institution which supports BPAY transactions.

When completing your BPAY payment, please make sure you use the specific Biller Code and your unique CRN provided on the online Application Form. If you do not use the correct CRN your Application will not be recognised as valid.

It is your responsibility to ensure that payments are received by 5.00pm (Sydney time) on the Closing Date (expected to be 29 May 2019). Your bank, credit union or building society may impose a limit on the amount which you can transact on BPAY, and policies with respect to processing BPAY transactions may vary between banks, credit unions or building societies. The Responsible Entity accepts no responsibility for any failure to receive Application Amount or payments by BPAY before the Closing Date arising as a result of, among other things, processing of payments by financial institutions.

Alternatively, you can apply using the General Offer Application Form that is attached to, or accompanies this PDS.

The General Offer Application Form must be completed in accordance with the instructions on the reverse side of the General Offer Application Form.

Once completed, please lodge your General Offer Application Form and Application Amount so that they are received at the following address by 5.00 pm (Sydney time) on the Closing Date.

By mail to:	**By hand delivery to:**
Regal Investment Fund – Offer C/o- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235	Regal Investment Fund – Offer C/o- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138

12.6. How do I apply under the Broker Firm Offer?

If you are applying for Units under the Broker Firm Offer, you should complete and lodge your Broker Firm Offer Application Form with the Broker from whom you received your firm allocation. Broker Firm Offer Application Forms must be completed in accordance with the instructions given to you by your Broker and the instructions set out on the reverse of the Broker Firm Offer Application Form.

Applicants under the Broker Firm Offer must lodge their Broker Firm Offer Application Form and Application Amount with their Broker in accordance with the relevant Broker's directions. Applicants under the Broker Firm Offer must not send their Application Forms to the Unit Registry.

The allocation of Units to Brokers will be determined by the Manager, the Lead Arranger and the Joint Lead Managers. Units that have been allocated to Brokers for allocation to their clients will be issued to the Applicants who have received a valid allocation of Units from those Brokers.

It will be a matter for the Brokers how they allocate Units among their clients, and they (and not the Manager, Responsible Entity nor the Lead Arranger or the Joint Lead Managers) will be responsible for ensuring that clients who have received an allocation from them, receive the relevant Units.

The Responsible Entity, the Unit Registry, the Lead Arranger, the Joint Lead Managers and the Co-Managers take no responsibility for any acts or omissions by your Broker in connection with your Application, Application Form and Application Amount (including, without limitation, failure to submit Application Forms in accordance with the deadlines set by your Broker).

The Responsible Entity and the Unit Registry take no responsibility in respect of an Application Form or Application Amount which are delivered to your Broker in connection with your Application until such time as your Application Form and Application Amount are received by the Unit Registry.

Please contact your Broker if you have any questions.

12.7. How to complete and attach your cheque for the Application Amount

The Application Amount may be provided by BPAY (if applying online see above), cheque(s) or bank draft(s).

Cheque(s) or bank draft(s) must be:

- in Australian currency;
- drawn on an Australian branch of a financial institution;
- crossed "Not Negotiable"; and
- made payable:
  - for Applicants in the General Offer: to "Regal Investment Fund – IPO OFFER"; or
  - for Applicants in the Broker Firm Offer: in accordance with the directions of the Broker from whom you received a firm allocation.

Applicants should ensure that sufficient funds are held in the relevant account(s) to cover your cheque(s). If the amount of your cheque(s) or bank draft(s) for Application Amount (or the amount for which those cheques clear in time for the allocation) is insufficient to pay for the amount you have applied for in your Application Form, you may be taken to have applied for such lower amount as your cleared Application Amount will pay for (and to have specified that amount in your Application Form) or your Application may be rejected.

12.8. Allocation policy

The basis of allocation of Units under the Offer will be determined by the Responsible Entity in accordance with this allocation policy.

The General Offer will be capped at $50 million and will be allocated after applicants in the Broker Firm Offer. There is no guarantee on the number of Units available for allocation, if any, in the Broker Firm Offer or General Offer.

The Responsible Entity has discretion in relation to any allocations to participants in the Broker Firm Offer and the total amount of Units to be allocated to participants in the General Offer (subject to the $50 million cap).

Certain Applicants approved by the Responsible Entity may be given preference in allotment of Units under the Broker Firm Offer.

The Responsible Entity has the right to scale back any Application received. If Applications in the Broker Firm Offer are subject to scale-back, any scale-back will be undertaken on a pro rata basis and any remaining Units will be added to the General Offer. With respect to the General Offer, if Applications in the General Offer are subject to scale-back, any scale-back will be undertaken on a pro rata basis (inclusive of any excess Broker Firm Offer applications which are added to the General Offer).

The Responsible Entity reserves the right in its absolute discretion not to issue Units to Applicants under the General Offer.

12.9. Application Amount

The Unit Registry will hold all received Application Amounts in a trust account for Application Amounts in relation to the Offer until the Allotment Date when the Units are issued to successful Applicants.

Applicants under the Broker Firm Offer must lodge their Application Amount with their Broker, who will act as the Applicant's agent in providing their Application Amount to the Responsible Entity.

The Application Amount will be refunded in Australian dollars to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. No interest will be paid on refunded amounts. The Fund will retain any interest earned on any Application Amount.

12.10. Allotment

Subject to the ASX granting approval for the Fund to be admitted to the Official List the Responsible Entity will issue the Units to successful Applicants as soon as practicable after the Closing Date.

Allotment is expected to occur on 11 June 2019.

Normal settlement trading in the Units, if quotation is granted, will commence as soon as practicable after the allotment and issue of holding statements to successful Applicants. Trading of the Units on the ASX is expected to commence on 17 June 2019 on a normal T + 2 settlement basis.

It is the responsibility of Applicants to determine their allocation prior to trading in the Units. If you sell your Units before receiving an initial holding statement, you do so at your own risk

Holding statements confirming Applicant's allocations under the Offer are expected to be sent to successful Applicants on or around 11 June 2019.

12.11. ASX listing

No later than seven days after the date of this PDS, the Responsible Entity will apply to ASX for admission of the Fund to the Official List and for the Units to be granted official quotation by ASX. The Responsible Entity is not currently seeking a listing of the Units on any stock exchange other than ASX.

The fact that ASX may admit the Fund to the Official List and grant official quotation of the Units is not to be taken in any way as an indication of the merits of the Fund or the Units offered for subscription under the Offer. ASX takes no responsibility for the contents of this PDS.

If permission for quotation of the Units is not granted within three months after the date of this PDS (or such long period permitted by ASIC), all Application Amounts received by the Responsible Entity will be refunded without interest as soon as practicable.

12.12. Tax implications of investing in the Fund

The taxation consequences of any investment in the Units will depend on your particular circumstances. It is your responsibility to make your own enquiries concerning the taxation consequences of an investment in the Fund.

A general overview of the Australian taxation implications of investing in the Fund are set out in Section 14 and are based on current tax law and ATO tax rulings. The information in Section 14 is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances.

12.13. Overseas distribution

No action has been taken to register the offer of Units under this PDS, or to otherwise permit a public offering of Units, in any jurisdiction outside Australia and New Zealand.

Offer only made where lawful to do so

The distribution of this PDS in jurisdictions outside Australia and New Zealand may be restricted by law. This PDS does not constitute an offer in any place in which, or to whom, it would not be lawful to make such an offer. Persons into whose possession this document comes should inform themselves about and observe any restrictions on acquisition or distribution of the PDS. Any failure to comply with these restrictions may constitute a violation of securities laws.

New Zealand investors – Warning Statement

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 (Aust) and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

This Offer and the content of the offer document are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act 2001 (Aust) and the regulations made under that Act set out how the offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime. The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (http://www.fma.govt.nz). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant. If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

The dispute resolution process described in this offer document is available only in Australia and is not available in New Zealand.

Hong Kong investors – Warning Statement

WARNING: This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Units have not been and will not be offered or sold in Hong Kong other than to “professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the New Units has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Units which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Singapore investors – Warning Statement

This document has not been registered as a prospectus with the Monetary Authority of Singapore ("MAS") and, accordingly, statutory liability under the Securities and Futures Act, Chapter 289 (the "SFA") in relation to the content of prospectuses does not apply, and you should consider carefully whether the investment is suitable for you. The Fund is not a collective investment scheme authorised under Section 286 of the SFA or recognised by the MAS under Section 287 of the SFA and the New Units are not allowed to be offered to the retail public.

This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Units may not be circulated or distributed, nor may the New Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the SFA), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an "institutional investor", please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Units being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

United States

This PDS does not constitute a direct or indirect offer of securities in the U.S. or to any U.S. Person as defined in Regulation S under the U.S. Securities Act of 1933, as amended (**U.S. Securities Act**). The Responsible Entity may vary this position and Applications may be accepted on merit at the Responsible Entity’s discretion. The Units have not been, and will not be, registered under the U.S. Securities Act unless otherwise approved by the Responsible Entity and may not be offered or sold in the U.S. to, or for, the account of any U.S. Person except in a transaction that is exempt from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

12.14. Who do I contact if I have further queries?

If you have queries about investing under the Offer, you should contact your stockbroker, financial adviser, accountant or other professional adviser.

If you have queries about how to apply under the Offer or would like additional copies of this PDS, please go to the Fund's website www.regalfm.com, call the Fund's Offer Information Line on 1800 221 227 Monday to Friday between 8.30am and 5.30pm (Sydney time) or email regalfund@linkmarketservices.com.au.

13. Material Contracts

Summary of Material Contracts relating to the Fund

The Responsible Entity considers that the material contracts described below are those which an investor would reasonably regard as material and which investors and their professional advisers would reasonably expect to find described in this PDS for the purpose of making an informed assessment of an investment in the Fund under the Offer.

This Section contains a summary of the material contracts and their substantive terms. As this Section is only a summary of the material agreements, it does not set out all rights and obligations under each material contract and these agreements will only be fully understood by reading the documents in full.

13.1. Investment Management Agreement

The Responsible Entity has appointed the Manager to be the manager of the Fund and has entered into the Investment Management Agreement. A summary of the material terms of the Investment Management Agreement are set out below.

Services

Pursuant to the Investment Management Agreement, the Manager agrees and has accepted to invest, promote (subject to its AFSL authorisations) and manage the Fund's Portfolio in accordance with the terms of the Investment Management Agreement.

Other duties and obligations of the Manager under the Investment Management Agreement include, but are not limited to:

(a) acting in the best interests of its Unitholders and, if there is a conflict between the interests of Unitholders and its own interests, give priority to the interests of the Fund's Unitholders;

(b) having adequate risk management systems;

(c) monitoring market liquidity and ensure that appropriate portfolio management techniques are in place in order to minimise risks;

(d) giving proper instructions to the Fund's Prime Broker(s) and Administrator in relation to transactions concerning the Portfolio;

(e) promptly notifying the Responsible Entity of any instructions given to it by the Responsible Entity which have not been complied with; and

(f) promptly notifying the Responsible Entity of any changes to its directors and key senior management staff (including terminations and changes of their functions), including any member of the Investment Team, that may adversely affect the Manager's ability to perform its obligations.

Powers of the Manager

Subject to the Corporations Act and the Listing Rules, the Manager has the power to carry out its functions, obligations and duties under the Investment Management Agreement to deal with the Portfolio and to execute all documents for the purpose of managing the Portfolio. The Investment Management Agreement outlines duties in which the Manager must procure the written consent of the Responsible Entity. These include, but are not limited to:

(a) delegating any of its discretionary management powers, subject to the terms of the Investment Management Agreement;

(b) charge or encumber any asset in the Portfolio; or

(c) engage in securities lending in relation to the Portfolio.

Permitted Investments

The Manager is permitted to make investments permitted by the Investment Guidelines as outlined in Section 3.5 on behalf of the Fund. If an investment, or a proposed investment, is not consistent with the Investment Guidelines, the Manager may seek approval from the Responsible Entity to undertake that investment or amend the Investment Guidelines.

The Manager must provide information to the Responsible Entity regarding the investment so it can determine how the investment deviates from the Investment Guidelines.

Exclusivity and conflict management

The Responsible Entity appoints the Manager on an exclusive basis. The Manager may from time to time perform investment and management services for itself and other entities similar to the services performed for the Fund under the Investment Management Agreement.

The Manager may have an interest in similar investments as the Fund, which could form part or all of the Fund's Portfolio.

The Investment Management Agreement provides that the Responsible Entity gives its express consent to the Manager to invest the Fund's assets in Regal Funds. The Responsible Entity acknowledges that conflicts of interest may occur, however the Manager must fully disclose these conflicts to the Responsible Entity.

To manage potential conflicts of interest, the Manager must comply with its trade allocation policy outlined in Section 4.5, the Investment Guidelines and the confidentially requirements (see below). The Investment Management Agreement does not provide the Manager with any option, pre-emptive right or right of first refusal in respect of any of the Fund's assets.

Confidentiality

To protect the confidential information related to the Fund and its assets under management, the Investment Management Agreement provides that confidential information may only be disclosed in certain circumstances with prior written consent of the disclosing party, or as required by law. The Investment Management Agreement further provides for security and control provisions, whereby the Manager and Responsible Entity must take all reasonable precautions to maintain the confidential nature of confidential information and must notify the other of a potential or actual breach.

The Manager and Responsible Entity must, if requested to do so by the other, immediately cease the use of the confidential information, and either return or destroy all materials that were used or created in relation to the confidential information.

Delegation to related bodies corporate

The Manager may, with notice to the Responsible Entity, invest in, deal with or employ the services of the Manager's related bodies corporate in separate business activities. The related bodies corporate will be entitled to charge fees, brokerage and commission provided that they are in the ordinary course of business and on arm's length terms. The Manager must notify the Responsible Entity of such fees, brokerage or commission, including to whom it is paid.

However, the Manager must ensure the Fund does not incur management or performance fees in respect of any investment in a Regal Fund either by the Fund investing in a fee free class of unit or the Manager rebating or reimbursing to the Fund any such fees.

Expenses

Other than the costs and expenses the Manager has expressly agreed to pay, the Responsible Entity must pay all taxes, costs, charges and expenses incurred in connection with the investment and management of the Portfolio or in acting under the Management Agreement and the Manager may cause them to be deducted from the Portfolio.

Under the Investment Management Agreement, the Manager has agreed that it will pay the following ongoing costs and expenses:

(a) ongoing fees payable in respect of the Fund to ASX, ASIC, or other regulatory body, the Fund's Unit Registry, fees associated with compliance of the Listing Rules, CHESS fees and fees payable in respect of valuations;

(b) the costs of the Fund's administration arrangements;

(c) all marketing expenses, printing costs, incurred by the Responsible Entity in respect of the Fund including costs associated with future capital raisings, Unitholders meetings and Unitholder communications.

The Manager is not entitled to be reimbursed by the Responsible Entity for the above costs.

The Responsible Entity has agreed to personally bear the cost of, and not be reimbursed from the Fund's assets for the following ongoing costs:

(a) any compliance committee established by the Responsible Entity in connection with the Fund;

(b) while there is no compliance committee, any costs and expenses associated with the board of directors of the Responsible Entity carrying out the functions which would otherwise be carried out by a compliance committee;

(c) the cost of membership of the Australian Financial Complaints Authority;

(d) the cost of the Responsible Entity employing a compliance officer to carry out compliance duties under the compliance plan, in so far as the allocation of their time is attributable to matters connected with the Fund.

Responsible Entity Indemnity

The Responsible Entity must indemnify the Manager out of the assets of the Fund against any direct losses or liabilities reasonably incurred by the Manager arising out of, or in connection with, and any direct costs, charges and expenses incurred in connection with the Manager or any of its officers or agents acting under the Investment Management Agreement or on account of any bona fide investment decision made by the Manager or its officers or agents except insofar as any loss, liability, cost, charge or expense is caused by the gross negligence, fraud or dishonesty of the Manager or its officers or supervised agents. This obligation continues after the termination of the Investment Management

Agreement. The indemnity does not extend to any consequential, incidental, punitive or special damages or indirect costs, charges, expenses or damages and the Responsible Entity is not otherwise liable to the Manager for any other loss or liability.

The Manager may enforce its rights under the Investment Management Agreement against the Responsible Entity only to the extent of the Responsible Entity's right of indemnity out of the assets of the Fund and the Responsible Entity cannot be held liable in its personal capacity except to the extent that any liability arises from the fraud, gross negligence or a breach of trust by the Responsible Entity as responsible entity of the Fund.

Manager Indemnity

The Manager must indemnify the Responsible Entity against any direct losses or liabilities reasonably incurred by the Responsible Entity arising out of, or in connection with, and any direct costs, charges and expenses incurred in connection with, any gross negligence, fraud or dishonesty of the Manager or its officers or supervised agents, except to the extent such loss or liability has been caused by the gross negligence, fraud, wilful default, breach of trust or dishonesty of the Responsible Entity or its officers or agents. This obligation continues after the termination of the Investment Management Agreement. The indemnity does not extend to any consequential, incidental, punitive or special damages or indirect costs, losses, liabilities, charges, expenses or damages or loss of profit or revenue, and the Manager is not otherwise liable to the Responsible Entity or the Scheme for any other loss or liability.

Fees

Various fees are payable to the Manager under the Investment Management Agreement at the rate indicated in the "*Fees and Other Costs*" Section of this PDS.

For the term of the Investment Management Agreement, the Responsible Entity has agreed with the Manager it is only entitled to fees at the rates indicated in the "*Fees and Other Costs*" Section of this PDS.

The Investment Management Agreement does not provide for the fees to be reviewed or varied over the term of the Investment Management Agreement. Nor does it give the Manager the right to receive Units in satisfaction of fees.

Term

The initial term of the Investment Management Agreement is currently five years. Following the initial term, the term are automatic five year extensions (on a rolling basis), unless and until the Investment Management Agreement is terminated.

The Manager will apply to ASX for a waiver to extend the initial term to 10 years. If the waiver application is refused, the initial term will remain five years.

Termination by the Responsible Entity

The Responsible Entity may terminate the Investment Management Agreement and remove the Manager by written notice to the Manager on the occurrence of any one of the following events:

(i) a receiver, administrator or similar is appointed with respect to the assets of the Manager;

(ii) the Manager goes into liquidation or ceases to carry on its business;

(iii) the Manager materially breaches any provision, or fails to perform its duties and services, and the Manager fails to correct such breach or failure within 10 Business Days of receiving notice in writing from the Responsible Entity

(iv) the Manager sells or transfers or makes any agreement for the sale or transfer of the main business and undertaking of the Manager or of a beneficial interest therein, other than to a related body corporate for purposes of corporate reconstruction on terms previously approved in writing by the Responsible Entity; or

(v) relevant law requires the Investment Management Agreement to terminate.

The Responsible Entity may also terminate the Investment Management Agreement following the initial term on three months' notice to the Manager if Unitholders pass an ordinary resolution directing the Responsible Entity to terminate. The Constitution gives Unitholders the ability to requisition a general meeting to consider a resolution to terminate the Manager following expiry of the agreements' initial fixed term. The Manager is entitled to a termination fee payable out of the Fund's assets if this occurs. Refer to Section 11 for more information.

Termination by the Manager

The Manager may immediately terminate the Investment Management Agreement by written notice to the Responsible Entity if one of the following events occur:

(i) a receiver, administrator or similar is appointed with respect to the assets of the Responsible Entity;

(ii) the Responsible Entity goes into liquidation or ceases to carry on its business;

(iii) the Responsible Entity is removed as the responsible entity of the Fund (other than at the request of the Manager); or

(iv) if a person (alone or together with the person's associates) acquires a relevant interest in Units where because of the acquisition that person's or someone else's voting power in the Fund exceeds 50%.

The Manager may terminate the Investment Management Agreement following the initial term on six months' notice to the Responsible Entity.

After termination

If the Investment Management Agreement is terminated, the Manager may deal with the Portfolio for up to 30 Business Days from the effective date. During this time, the Manager:

(a) may enter into transactions or offset obligations incurred by the Manager in relation to the Portfolio, subject to the consent of the Responsible Entity;

(b) must with respect to obligations not capable of settlement, create provision for the contingent liability as will arise and notify the Responsible Entity of that provision. The Responsibly Entity must use reasonable endeavours to procure that the custodians hold sufficient assets of the Portfolio to satisfy that liability;

(c) after giving notice to the Responsible Entity of its intention, instruct the custodians to deduct from the Portfolio any costs, charges and expenses due on the date the transfer of the Portfolio is effected; and

(d) may deal with the Portfolio in accordance with instructions from a new manager that is appointed by the Responsible Entity.

The Responsible Entity must take all necessary steps to facilitate the transfer of the Portfolio from the Manager. The Manager must also provide the Responsible Entity with a report that contains complete and accurate information regarding the Portfolio, and all investment transactions conducted since its last report.

If the Investment Management Agreement is terminated while the Fund remains a listed investment trust, the Portfolio would need to be assigned to a replacement manager and a new management agreement would need to be put in place. The Responsible Entity would seek all necessary Unitholder approvals if this were to occur.

Assignment and Amendment

Neither the Manager nor the Responsible Entity can assign any of its rights and obligations under the Investment Management Agreement without the prior written consent of the other party.

The Investment Management Agreement (include the fees payable to the Manager) may be amended by written agreement of the Responsible Entity and the Manager. To the extent required by ASX, any material amendments to the Investment Management Agreement must be approved by an ordinary resolution of Unitholders.

13.2. Investment Advisory Agreement

The key terms of the Investment Advisory Agreement between the Manager and Regal Asia dated 5 April 2019 are summarised below.

Services

Under the Investment Advisory Agreement, Regal Asia will provide fund management services to the Manager in respect of the Fund as well as administrative services as needed from time to time. The fund management services will include:

(a) making recommendations and investment advice to the Manager in relation to the management of assets of the Fund; and

(b) support to the Manager on the selection of the investments of the Fund and trading execution, with a focus on investments in Asia.

Liability and Indemnification

Under the Investment Advisory Agreement, Regal Asia will not be liable to the Manager except in respect of losses, claims or liabilities caused by the gross negligence, fraud or wilful default of Regal Asia.

Regal Asia, and its directors, managers, officers, employees and affiliates are indemnified by the Manager in respect of all costs incurred in the proper performance of Regal Asia's powers and duties. The indemnity does not respond in respect of liabilities or losses caused by the gross negligence, wilful default or fraud of Regal Asia or its affiliates, directors and employees.

Fees

All fees payable to Regal Asia are borne by the Manager. The Manager must also pay or reimburse to the Regal Asia for all reasonable expenses it incurs.

Term and Termination

The Investment Advisory Agreement is intended to run concurrently with the Investment Management Agreement and automatically end when the Investment Management Agreement is terminated. In certain circumstances the Investment Advisory Agreement can be terminated before the Investment Management Agreement, including by agreement between the parties or if Regal Asia has been declared bankrupt or liquidated.

13.3. Offer Management Agreement

The Responsible Entity and the Manager entered into an Offer Management Agreement with the Joint Lead Managers on or about the date of this PDS. Under the Offer Management Agreement, the Joint Lead Managers have agreed to jointly manage the Offer and use their reasonable endeavours to procure Applications under the Offer. A summary of the key terms of the Offer Management Agreement is set out below.

The Joint Lead Managers will be entitled to the following fees set out in the Offer Management Agreement (and paid by the Manager, and not the Fund):

(a) an arranger fee paid to the Lead Arranger only equal to 0.25% (plus GST) of the total proceeds raised under the Broker Firm Offer.

(b) a management fee equal to 1.20% (plus GST) of the total proceeds raised under the Broker Firm Offer as follows:

 (i) for Offer proceeds of up to $350 million, split evenly between the Joint Lead Managers that, together with their associated Brokers (excluding Co-Managers) raise $30 million or more under the Broker Firm Offer;

 (ii) for Offer proceeds in excess of $350 million, proportionate to the Offer proceeds in excess of $38,888,889 raised by a Joint Lead Manager (together with its Brokers, excluding Co-Managers) and the Offer proceeds over $350 million. Joint Lead Managers that, together with their Brokers, (excluding Co-Managers) raise less than $38,888,889 will not be paid a fee in respect of Offer proceeds in excess of $350 million.

(c) a Broker Firm selling fee of 1.50% (plus GST) of the total proceeds of the Broker Firm Offer raised by the relevant Joint Lead Manager, its associated Brokers and Co-Managers.

The Joint Lead Managers that receive the management fee will have sole responsibility to pay any other commissions and fees payable to a Co-Manager, any Joint Lead Manager that does not, together with its associated Brokers (excluding Co-Managers) raise $30 million or more under the Broker Firm Offer.

The Manager has agreed to pay or reimburse the Lead Arranger and the Joint Lead Managers for all reasonable legal costs and expenses incurred by them in connection with the Offer, of up to $25,000 (plus GST and disbursements), as well as other additional out-of-pocket expenses.

In accordance with the Offer Management Agreement and as is customary with these types of arrangements:

(a) the Responsible Entity and the Manager have (subject to certain limitations such as fraud, wilful misconduct, negligence or reckless breach) agreed to indemnify the Lead Arranger and the Joint Lead Managers, their related bodies corporate, their directors, officers, advisers and employees against all liabilities directly incurred in connection with the Offer (including for publicity, regulatory reviews or non-compliance of the PDS), or a breach by the Responsible Entity or the Manager of any provision of the Offer Management Agreement, including representation or warranty given by the Responsible Entity or the Manager under the Offer Management Agreement becoming untrue, inaccurate or misleading in any material respect;

(b) customary and representations and warranties are given by the Responsible Entity, the Manager and the Joint Lead Managers in relation to matters such as the power to enter into the Offer Management Agreement, corporate authority and approvals and the Responsible Entity's compliance with the ASX Listing and applicable laws in relation to making the Offer. The Responsible Entity and Manager make a number of further representations and warranties, including that the PDS will not contain any untrue, inaccurate, misleading or deceptive statements and will not omit information necessary to ensure the statements in the PDS are not misleading;

(c) the Lead Arranger and the Joint Lead Managers are entitled to appoint co-lead managers and Brokers to the Offer;

(d) the Lead Arranger and the Joint Lead Managers may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Offer Management Agreement and be released from their obligations under it on the occurrence of certain events on or prior to the final settlement date of the Offer, including (but not limited to) where:

    (i) a statement contained in the offer materials is or becomes misleading or deceptive or likely to mislead or deceive or the Offer materials omit any information they are required to contain (having regard to the relevant Corporations Act requirements);

    (ii) the ASX does not approve the Fund's Listing;

    (iii) material adverse changes to the Australian financial market, political or economic conditions in Australia, Australian banking moratoriums amongst other things;

    (iv) the Responsible Entity or the Manager breaches any law or regulatory requirements or the Responsible Entity fails to conduct the Offer in accordance with the law;

    (v) there is, or is likely to be, a material adverse change, or event involving a prospective material adverse change, in the assets, liabilities, financial position or performance, profits or losses of the Responsible Entity;

    (vi) a regulatory investigation or legal action is commenced in relation to this PDS or the Offer; or

    (vii) a breach of the representations, warranties and undertakings or default of the Offer Management Agreement (provided the breach or default is materially adverse).

Please note that the above is not an exhaustive list of the termination events in the Offer Management Agreement.

13.4. Prime Broker Agreement

The Responsible Entity has appointed UBS AG, Australia Branch (ABN 47 088 129 613 and AFSL number 231087) to be the Initial Prime Broker and UBS Nominees Pty Ltd (ABN 32 001 450 522 and AFSL number 231088) as Custodian for the Fund (**UBS**). The appointments were made pursuant to the prime brokerage customer documents (**UBS Customer Documents**) entered into between the Responsible Entity and UBS AG, Australia Branch and UBS Nominees Pty Ltd.

The services of UBS AG, Australia Branch as Prime Broker to the Fund include the clearing and settlement of transactions, cash loans, borrowing and lending of securities and other services as agreed between the parties. UBS AG, Australia Branch may also provide a cash account which is a ledger for recording the Fund's cash balances under the UBS Customer Documents. UBS Nominees Pty Ltd as Custodian to the Fund will provide custody services for some or all of the Fund's investments. The

Custodian may appoint sub-custodians, agents or nominees (including a related entity of the Custodian) to perform the services of the Custodian under the UBS Customer Documents. The assets of the Fund held by the Custodian will be subject to a security interest to secure the Fund's obligations to UBS and its related entities.

Subject to limitations, the Initial Prime Broker may request that the Custodian pay or deliver assets to the Initial Prime Broker. The Initial Prime Broker is entitled to borrow, lend, charge, rehypothecate, dispose of or otherwise use such assets for its own purposes, subject to an obligation to return equivalent assets. In the event of the insolvency of the Initial Prime Broker or the Custodian, the Fund will rank as an unsecured creditor to the value of those assets, and may not be able to recover the equivalent assets in full.

Under the terms of the UBS Customer Documents, the Fund may seek to borrow securities from the Initial Prime Broker with a borrowing request. If the Initial Prime Broker accepts the Fund's borrowing request, the Initial Prime Broker will deliver the securities borrowed to the Fund or as the Fund directs. The Fund will have an obligation to redeliver the securities borrowed or equivalent securities on an agreed date, or otherwise the Initial Prime Broker may call for the redelivery at any time by giving notice on the terms of the UBS Customer Documents.

Under the UBS Customer Documents, the Initial Prime Broker is not responsible for and is not liable for any loss on settlement of a transaction, any acts or omission of an executing broker, non-compliance with any regulatory requirements to report transactions, refusing to settle a transaction or failing to notify the Fund of its failure to settle a transaction, amongst other things, (except to the extent that any loss arises directly as a result of the negligence, wilful default or fraud of UBS).

To the extent permitted by law, neither the Initial Prime Broker, the Custodian nor any related entity will be liable for any loss suffered by the Fund under or in connection with the UBS Customer Documents unless such loss results directly from the negligence, wilful default or fraud of the Initial Prime Broker, Custodian or related entity as set out in the terms of the UBS Customer Documents. The Custodian is not liable to the Fund for the solvency, acts or omissions of any agent, nominee, sub-custodian, settlement agent, securities depository or other third party appointed in accordance with the UBS Customer Documents (other than related entities), but the Custodian will make available to the Fund, when and to the extent reasonably so requested, any rights that the Custodian may have against such person.

Under the UBS Customer Documents the Responsible Entity on behalf of the Fund indemnifies UBS and its related entities against certain claims, demands, damages, losses, costs, expenses and liabilities incurred in connection with the UBS Customer Documents other than as a result of the negligence, wilful default or fraud of UBS or the relevant related entity.

Neither the Initial Prime Broker nor the Custodian will participate in the investment decision-making process for the Fund. Although UBS will provide reporting and information to the Fund about the assets held by UBS, UBS is not responsible for monitoring the Fund's Positions for the purpose of determining their composition or performance.

The Responsible Entity may remove UBS AG, Australia Branch as the Initial Prime Broker and UBS Nominees Pty Limited as the Initial Custodian by giving written notice.

UBS consents to being named in the PDS and any electronic version of the PDS in the form and context in which we are named in the PDS. UBS is not responsible for the preparation of, and has not authorised or caused the issue of, the PDS, and has not made or purported to make any statement included in or any statement on which a statement in the PDS is based. To the maximum extent permitted by law, UBS expressly disclaims and takes no responsibility for any statements in, or omissions from, the PDS other than the statements made with its consent. UBS is not responsible for the activities of the Fund, will not participate in the Fund's investment decision-making process and makes no representation in respect of the Fund or the Fund's investments.

UBS AG, Australia Branch is a foreign Authorised Deposit-Taking Institution (Foreign ADI) under the Banking Act 1959 (Cth) and is supervised by the Australian Prudential Regulation Authority. Note that provisions in the Banking Act 1959 for the protection of depositors do not apply to Foreign ADIs, including UBS AG, Australia Branch.

14. Taxation

The following information summarises certain Australian resident taxation issues you may wish to consider before making an investment in the Fund and assumes that you hold your investment in the Fund on capital account and are not considered to be carrying on a business of investing, trading in investments, investing for the purpose of profit making by sale or subject to the taxation of financial arrangements rules. The information should be used as a guide only and does not constitute professional tax advice as individual circumstances may differ.

This summary is based on the Australian taxation laws in effect as at the date of this PDS. Investing in a registered managed investment scheme is likely to have tax consequences. However, it is noted that taxation laws can change at any time, which may have adverse taxation consequences for Unitholders. It is recommended that Unitholders seek their own professional advice, specific to their own circumstances of the taxation implications of investing in the Fund.

General overview of the Australian taxation implications of investing in the Fund

14.1. Australian taxation considerations

The disclosure in Sections 14.1 to 14.3 are based on the Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997, A New Tax System (Goods and Services Tax) Act 1999, the interpretation of the ATO and the courts and the relevant stamp duties legislation as at the date of this PDS.

14.2. Australian taxation implications of an investment in the Fund

General

The income tax treatment of the Fund and its Unitholders will depend on whether the Responsible Entity is eligible, and elects to apply the Attribution Managed Investment Trust (**AMIT**) provisions. The AMIT provisions are an elective income tax regime for qualifying Managed Investment Trusts (**MIT**) that provide for flow-through taxation to Unitholders. Where the Fund qualifies as a MIT for income tax purposes, the Responsible Entity may seek to make an election to treat the disposal of covered assets on capital account.

It is expected that the Fund will meet the eligibility requirement to qualify as an AMIT and, accordingly, the Responsible Entity intends to make the election to become an AMIT.

If the Fund does not fall within the AMIT rules, the general taxation rules on trusts will continue to apply to the Fund. If this is the case, it is intended that Unitholders will be presently entitled to all of the net taxable income of the Fund for each financial year such that no taxation liability will accrue to the Responsible Entity.

Attribution Managed Investment Trusts

Funds that meet the eligibility criteria to quality as an AMIT, and that have made an irrevocable election, may apply the AMIT rules.

If the AMIT election is made by the Responsible Entity, the following will apply:

(a) Fair and reasonable attribution

Each year, the Fund's trust components of assessable income, exempt income, non-assessable non-exempt income and tax offsets (i.e. credits) will be attributed to Unitholders on a ‘fair and reasonable’ basis, having regard to their income and capital entitlements in accordance with constituent documents.

(b) *'Unders' or 'Overs' adjustments*

Where the Fund’s trust components for a year are revised in a subsequent year (e.g. due to actual amounts differing to the estimates of income, gains/losses or expenses), then 'unders' and 'overs' may arise. 'Unders' and 'overs' will generally be carried forward and adjusted in the year of discovery.

(c) *Cost base adjustments*

Where the distribution made by the Fund is less than (or more than) certain components attributed to Unitholders, then the cost base of a Unitholder’s Units may be increased (or decreased). Details of net annual tax cost base adjustments will be included on a Unitholder’s annual tax statement, referred to as an 'AMIT Member Annual Statement' (**AMMA**).

(d) *Multi-class AMITs*

A choice is available to elect to treat separate classes of units as separate AMITs, where applicable. The purpose of this election is to quarantine the income tax calculation on a class-by-class basis. This can allow income, deductions and tax losses referable to a class of units to be quarantined in that class, so that they are not spread to Unitholders holding other classes of units. In the absence of the Fund being an AMIT and having made the multi-class election, the tax treatment of each Unitholder may differ significantly.

Non-AMIT Provisions

On the basis that Unitholders are presently entitled to all of the Fund’s net taxable income (which is the Responsible Entity’s intention) and the Fund is not a public trading trust, the Fund should be treated as a flow-through trust for income tax purposes. This means that Unitholders should be taxed on their share of the Fund’s net taxable income, and the Fund should not be subject to Australian income tax.

Multi-class non-AMITs

In the absence of an AMIT multi-class election being made, the Fund is treated as a single entity. As the classes are not quarantined, it is possible under the current taxation regime that the tax character of distributions made to a particular class may be impacted by transactions associated with another class.

Other taxation considerations

(a) *Public trading trust rules*

The Fund does not intend to derive income other than from an ‘eligible investment business’. Accordingly, it should not be subject to income tax as a public trading trust. Further, the Responsible Entity will seek to ensure it does not control entities that carry on trading activities.

(b) *Losses*

In the case where the Fund makes a loss for income tax purposes, the Fund cannot distribute the tax loss to Unitholders. However, the tax loss may be carried forward by the Fund for offset against future assessable income of the Fund, subject to the operation of the trust loss rules.

(c) Taxation of Financial Arrangements 'TOFA'

The TOFA rules may apply to financial arrangements held by the Fund when calculating the Fund's assessable income. Broadly, the TOFA rules may impact the timing of the recognition of gains and losses in the Fund for tax purposes and will also treat relevant gains and losses as being on revenue account.

14.3. Taxation treatment of Australian resident Unitholders

Attribution– AMIT

The AMIT provisions require the taxable income of the Fund to be attributed to Unitholders on a fair and reasonable basis, having regard to their income and capital entitlements in accordance with the constituent documents. The Responsible Entity will seek to allocate taxable income having regard to the Units held by Unitholders, entitlements to income and capital, as well as cash distributions made to such Unitholders during the relevant period. Under the AMIT provisions, there could be a mismatch between cash distributions and taxable income attributed to Unitholders.

Unitholders will be subject to tax on the taxable income of the Fund that is attributed to them. Unitholders will receive an AMMA tax statement after the end of each financial year providing them with details of the amounts that have been attributed to them by the Fund to assist in the preparation of their tax return.

Distributions – Non-AMIT

Provided that the Fund is treated as a flow-through vehicle, Unitholders will be assessed on the net taxable income derived by the Fund, based on their proportionate share of the annual income of the Fund that is distributed to them in that income year. Unitholders will be required to include their share of net taxable income in their tax return.

Franking credits

The Fund will seek to attribute/distribute franking credits received from its investments in Australian companies.

Foreign income

The Fund may derive foreign sourced income that might be subject to foreign tax. Australian resident Unitholders should include their share of both foreign income and the amount of any foreign tax withheld in their assessable income. In such circumstances, Unitholders may be entitled to a Foreign Income Tax Offset (**FITO**) for the foreign tax paid, against the Australian tax payable on the foreign sourced income. FITO’s that are not utilised cannot be carried forward to a future income year.

Non-assessable distribution payments – AMIT

Under the AMIT provisions, a Unitholder’s cost base in their Units held is increased where certain income is attributed to them. The cost base is decreased where certain cash distribution entitlements are made to the Unitholder in respect of their Units, irrespective of whether the amounts distributed are classified as income or capital. Additional reductions are made for certain tax offsets, such as franking credits and FITOs.

The net annual tax cost base adjustment amount will be detailed in an AMMA tax statement, which will be sent annually to Unitholders after year-end.

Non-assessable distribution payments – Non-AMIT

Tax-deferred distributions may occur where the Fund distributes an amount of cash that exceeds the net taxable income allocated to a Unitholder. Certain tax-deferred distributions that are not assessable to a Unitholder result in a reduction in the cost base of the Units held by the Unitholder. A capital gain will arise where those tax-deferred distributions exceed the cost base of the Units.

Disposal of Units by Australian resident Unitholders

If an Australian resident Unitholder transfers their units in the Fund, this will constitute a disposal for Capital Gains Tax (**CGT**) purposes.

Where a Unitholder holds their units in the Fund on capital account, a capital gain or loss on the disposal may arise and each Unitholder should calculate their capital gain or loss according to their own particular facts and circumstances. Proceeds on disposal may include a component of taxable income/net taxable income.

A component of the attribution/distribution made to Unitholders may include capital gains.

In calculating the taxable amount of a capital gain, a discount of 50% for individuals and trusts (conditions apply) or 33.33% for complying Australian superannuation funds may be allowed where the units in the Fund have been held for 12 months or more. No CGT discount is available to corporate Unitholders.

Any capital losses arising from the disposal of the investment may be used to offset other capital gains the Unitholder may have derived. Net capital losses may be carried forward for offset against capital gains of subsequent years but may not be offset against ordinary income.

GST

The Fund will be registered for GST. The acquisition and disposal of units in the Fund by Unitholders should not be subject to GST. Similarly, the distributions paid by the Fund should not be subject to GST. GST is payable on some ongoing expenses, however the Fund may be able to claim a RITC of at least 55% of the GST paid and depending on the precise nature of the expenses incurred, a further entitlement may be available. Unless stated otherwise, all fees and expenses are quoted inclusive of GST.

Duty

No stamp duty should arise on the initial issue of Units at a time when the Fund is not entitled to any assets, and/or, has not agreed to acquire any assets. Any issues or transfers of Units subsequent to this time should not give rise to a stamp duty liability provided the Fund is a member of the Official List, its Units are quoted on the exchange and no person, either alone or together with associated persons, obtains an interest of 90% or more in the Fund. Unitholders should confirm the stamp duty consequences of issues or transfer of Units with their taxation adviser.

Tax File Number 'TFN' and Australian Business Number 'ABN'

It is not compulsory for a Unitholder to quote their TFN or ABN. If a Unitholder is making this investment in the course of a business or enterprise, the Unitholder may quote an ABN instead of a TFN. Failure by a Unitholder to quote an ABN or TFN or claim an exemption may cause the Responsible Entity to withhold tax at the top marginal rate, plus levies, on gross payments including distributions of income to the Unitholder. The Unitholder may be able to claim a credit in their tax return for any TFN or ABN tax withheld. Collection of TFNs is permitted under taxation and privacy legislation.

Foreign Account Tax Compliance Act 'FATCA'

In compliance with the US income tax laws commonly referred to as FATCA and the Intergovernmental Agreement signed with the Australian Government in relation to FATCA, the Fund will be required to provide information to the ATO in relation to:

(a) Unitholders who are individuals that are US citizens or tax residents (US persons);

(b) Unitholders which are entities that are US tax residents or controlled by US persons; and

(c) Unitholders which are financial institutions that do not comply with FATCA.

The Fund is intending to conduct its appropriate due diligence (as required) to collect information about Unitholders (and their controlling persons). Where the Fund's Unitholders do not provide appropriate information to the Fund, the Fund may be required to report those accounts to the ATO.

*Common Reporting Standard (**CRS**)*

CRS is the single global standard for the collection of financial account information of Unitholders (and their controlling persons, where applicable) and the reporting and exchange of financial account information of those Unitholders (and their controlling persons, where applicable) who have tax residency of a foreign jurisdiction, which commenced on 1 July 2017. CRS is similar to FATCA, whereby the Responsible Entity will need to collect information relating to the tax residency of each Unitholder (subject to limited exceptions at the Responsible Entity's determination) and report similar financial account information of Unitholders (and their controlling persons) who have tax residency of a foreign jurisdiction to the ATO. Where the Fund's Unitholders do not provide appropriate information to the Fund, the Fund may be required to report those accounts to the ATO. The ATO may exchange this information with the participating foreign tax authorities of those non-residents.

By making an Application, each prospective Unitholder agrees to provide the required information requested by the Responsible Entity (related to its and its controlling persons, if applicable, tax residency and related information) in order to comply with FATCA and CRS regimes and upon becoming a Unitholder, to update the Responsible Entity promptly if there is any change to this information provided.

*Annual Investment Income Report (**AIIR**)*

The Responsible Entity is required to lodge annually an AIIR to the ATO containing Unitholder identity details, investment income paid and transaction data in relation to Unitholders for the relevant financial year.

14.4. Taxation implications of non-resident Unitholders

Distributions of any foreign sourced income to non-resident Unitholders will not be subject to Australian withholding tax. Distributions of any Australian sourced income and certain capital gains to non-resident Unitholders may be subject to Australian withholding tax. The rate of withholding tax applicable to such distributions will depend on factors including the types of income and capital gains being distributed, the country of residence of the Unitholder and whether the Fund qualifies as a MIT for withholding tax purposes.

Non-residents should be disregarded from Australian capital gains tax on disposal of Units in the Fund on the basis that the Fund is not expected to hold material interests in Australian real estate. Non-Resident Unitholders should seek their own professional advice regarding the taxation implications of investing in the Fund, as the precise tax implications may vary depending on personal circumstances and depending on whether the investment is held individually, through a trust or company, or other entity.

15. Additional Information

Additional information about the Fund and its Units

15.1. Capital structure

The capital structure of the Fund as at the date of this PDS and immediately following completion of the Offer is set out below.

		Following Completion of the Offer	
Class of Units	Number of Units currently on issue	Number of Units based on Minimum Subscription	Number of Units based on Maximum Subscription
Ordinary	1	40,000,000	200,000,000

15.2. Rights and obligations attaching to the Units

The rights and liabilities attaching to ownership of Units arise from a combination of the Constitution, the Corporations Act, Listing Rules and general law. A summary of the significant rights and liabilities attaching to Units and a description of the material provisions of the Constitution are set out below. This summary is not exhaustive nor does it constitute a definitive statement of the rights and liabilities of Unitholders.

If you invest in the Fund, you agree to be bound by the terms of the PDS and the Constitution. Copies of the Constitution are available, free of charge, on request from the Responsible Entity at www.regalfm.com. Please consider the Constitution before investing in the Fund.

Units

Applicants will be issued Units in the Fund under the Offer, which are ordinary units in the Fund. No other class of unit in the Fund will be on issue at the time of Listing. Subject to the rights, obligations and restrictions of a class of units, each Unit represents an equal undivided fractional beneficial interest in the assets of the Fund attributable to that class as a whole subject to liabilities attributable to that class, but does not give Unitholders an interest in any particular asset of the Fund. A Unit does not confer any rights over the management of the Fund. A Unitholder holds a Unit subject to the rights and obligations attaching to that Unit. Applicants will be issued with Units under the Offer.

No redemption of Units While the Fund is listed on ASX

Units are not able to be redeemed. However, the Responsible Entity may undertake a Buy-Back of Units which satisfies the requirements of the Corporations Act and the Listing Rules. Any Units acquired by the Responsible Entity under a Buy-Back will be immediately cancelled, as required by the Corporations Act.

Following Listing, the Responsible Entity may, in consultation with the Manager, exercise its discretion to purchase Units on-market with a view to addressing any unsatisfied liquidity in the Units or any material discount in the price at which the Units may have been trading to the NAV per Unit. See Section 3.9(b) for further details.

The Responsible Entity can determine to conduct a Buy-Back or a return of capital without obtaining the Manager's consent. However, if the Responsible Entity exercises this discretion within the first 2 year of Listing without the Manager's consent, a fee maybe payable to the Manager under the Investment Management Agreement (see Section 11 for details).

Issue of Units

The Responsible Entity may issue new Units in accordance with and subject to the terms of the Constitution, including by way of placement, rights issue, Unit purchase plan, distribution reinvestment plan or consideration for a takeover.

The Constitution gives the Responsible Entity the discretion to determine the issue price in relation to Units where permitted by the Listing Rules and any applicable ASIC relief. The Responsible Entity has policies and procedures that it will follow when exercising any discretion it has in relation to unit pricing, and a copy of this documentation will be provided by the Responsible Entity on request at no charge.

Income and distributions

The income for a particular class of units is the net income attributable to each class of for the relevant class of units that is available for distribution for that period. Such income will be distributed equally among all unit holders in the relevant class of units.

Meetings of Unitholders and voting

Meetings are to be held in accordance with the Corporations Act. The Responsible Entity may convene and arrange to hold a general meeting of the Fund whenever it thinks fit and must do so if required under the Corporations Act.

Unitholders' rights to requisition a meeting are contained in the Corporations Act. The Constitution includes an additional right for Unitholders to requisition a meeting to consider a resolution to terminate the Manager following expiry of the initial fixed term of the Investment Management Agreement.

Voting at a general meeting is by a show of hands unless a poll is validly demanded. On a show of hands each Unitholder (and each proxy, attorney or representative) has one vote, and on a poll, each Unitholder (and each proxy, attorney or representative) has one vote for each dollar value of units held. For voting purposes, the value of a unit in the Fund is the last sale price on the ASX on the trading day immediately before the day on which the poll is taken.

Holders of ordinary Units have the same voting rights, other than on matters affecting the rights of a particular class of unitholders as noted further below.

U.S. Persons

U.S. Persons are prohibited from acquiring units in the Fund. The Responsible Entity can request the disposal of Units held by U.S. Persons. This is to ensure that the Fund does not breach rules in other countries relating to the Fund.

Small holdings

As permitted under the Listing Rules, the Fund may purchase "small holdings" of units comprising units worth a total of less than $500. It must give notice to the Unitholder, and give the Unitholder time to object. This is to avoid the administrative cost and inconvenience of maintaining a register of multiple small holdings.

Amendment of Constitution and variation of class rights

The Responsible Entity may alter the Constitution if it reasonably considers the amendments will not adversely affect Unitholders' rights. Otherwise, the Responsible Entity must obtain Unitholders' approval to a special resolution at a meeting of Unitholders. Any amendment to the Constitution will not be effected until the modification is lodged with ASIC.

If the Responsible Entity reasonably considers the amendment will adversely affect the unitholders' rights of a particular class of units, a resolution of the unitholders of the affected class is also required.

Pursuant to the Constitution, the Responsible Entity may issue another class of units other than the class of Units the subject of this Offer.

Management of the Fund

Subject to the Corporations Act and the Listing Rules, the Responsible Entity has broad powers to invest, borrow and generally manage the Fund, and power to issue units and financial instruments, borrow money and register (including being able to decline to register) transfers of units. The Responsible Entity has the power to buy and sell assets of the Fund and can enter into contracts. The Responsible Entity can also delegate its powers and duties.

In accordance with the Constitution of the Fund, the Corporations Act, Listing Rules and general trust law, the Responsible Entity must:

- act in the best interest of Unitholders and, if there is a conflict between Unitholders' interests and its own, give priority to Unitholders;
- ensure the property of the Fund is clearly identified, held separately from other funds and the Responsible Entity's assets, and is valued regularly;
- ensure payments from the Fund's property are made in accordance with the Constitution and the Corporations Act; and
- report to ASIC any significant breach of the Corporations Act in relation to the Fund.

The Responsible Entity's remuneration and recovery of expenses

The Constitution provides that the Responsible Entity is entitled to charge the fees summarised in Section 11 of this PDS. All costs, charges, expenses and outgoings reasonably and properly incurred by the Responsible Entity in the proper performance of its duties may be payable or reimbursable out of the Fund's assets and, if appropriate, such expenses may be referrable to a particular class of Unitholders.

The Manager has agreed to be responsible for the payment of the certain day to day costs of operating the Fund that the Responsible Entity would normally pay out of the Fund's assets. The Manager will pay these costs in full out of its own pocket (i.e. there will be no charge back, loan or other recovery mechanisms utilised to reimburse the Manager for such fees and costs). See Section 11 for further details.

The Responsible Entity's indemnity

Where the Responsible Entity acts without fraud, negligence or breach of trust, the Responsible Entity is indemnified out of the Fund's assets for any liability (including tax liability) properly incurred by it or through an agent, manager, adviser or delegate in relation to the Fund. This indemnity is in addition to any indemnity under law.

Retirement of the Responsible Entity

Subject to the Listing Rules, the Responsible Entity may retire in accordance with the Corporations Act and must retire when required under the Corporations Act.

Replacement and removal of Responsible Entity

The Responsible Entity may retire if it chooses, provided that it must call a meeting of the Unitholders to explain its reason to retire and to enable the Unitholders to vote on a resolution to choose a company to be the new responsible entity. The Responsible Entity must retire when required by law, for example, by way of resolution of Unitholders under section 601FM of the Corporations Act.

Term of the Fund and Winding up

The Fund is an open-ended unit trust. The Fund will terminate upon the earlier of (among other things) an extraordinary resolution of the Unitholders resolving such or as notified by the Responsible Entity to Unitholders. On a winding up of the Fund, holders of a particular class of units are entitled to a pro rata proportion of the realised pool of assets relating to that particular class of units (after taking account of liabilities of the Fund).

15.3. Complaints resolution

The Responsible Entity has an established complaints handling process and is committed to properly considering and resolving all complaints. If you have a complaint about your investment, please contact us on:

Mail:	Complaints Officer - Enterprise Risk Equity Trustees Limited GPO Box 2307 Melbourne, Victoria, 3001, Australia
Email:	compliance@eqt.com.au
Phone:	1300 133 472

We will acknowledge receipt of the complaint as soon as possible and in any case within 3 days of receiving the complaint. We will seek to resolve your complaint as soon as practicable but not more than 45 days after receiving the complaint.

If you are not satisfied with our response to your complaint, you may be able to lodge a complaint with the Australian Financial Complaints Authority (AFCA):

Mail:	Australian Financial Complaints Authority GPO Box 3 Melbourne VIC 3001
Phone:	1800 931 678
Online:	www.afca.org.au
Email:	info@afca.org.au

The external dispute resolution body is established to assist you in resolving your complaint where you have been unable to do so with us. However, it's important that you contact us first.

15.4. ASX waivers and confirmations

ASX Listing Rule 15.16 sets a maximum fixed term of 5 years for an investment management agreement. In connection with the Listing, the Responsible Entity will apply for a waiver of ASX Listing Rule 15.16 to allow the Manager to act as manager of the Fund's investment portfolio, in accordance with the terms of the Investment Management Agreement, for an initial period of up 10 years from the commencement of the Fund.

15.5. Related Party Transactions and Conflicts of Interest

Except as otherwise disclosed in this PDS, the Responsible Entity has not entered into any Related Party transactions which remain in place or under which the Responsible Entity still has obligations.

Policy for approval of Related Party transactions

The Board is responsible for reviewing and approving all transactions in which the Responsible Entity is a participant and in which any parties related to the Responsible Entity, including its executive officers, Directors, beneficial owners of more than 5% of the Units, immediate family members of the foregoing persons and any other persons whom the Board determines may be considered related parties of the Responsible Entity, has or will have a direct or indirect material interest.

The Board or its Chairperson, as the case may be, will only approve those Related Party transactions that are determined to be in, or are not inconsistent with, the best interests of the Fund and its

Unitholders, after taking into account all available facts and circumstances as the Board or its Chairperson determines in good faith to be necessary. Transactions with related parties will also be subject to Unitholder approval to the extent required by the Listing Rules.

Investment Advisory Agreement

The Manager has entered into an Investment Advisory Agreement with its wholly owned subsidiary, Regal Asia. Regal Asia has been delegated certain investment management duties in relation to the Fund. For further details on this agreement see Section 13.2.

Regal Asia is controlled by the Manager. The Investment Advisory Agreement does not prohibit Regal Asia from sub-contracting the performance of its services to affiliates.

No member of Regal is a related party of the Responsible Entity. No other service providers to the Fund are related to the Manager or the Responsible Entity.

15.6. Consents

Each of the parties listed below has given and has not, before the issue of this PDS, withdrawn its written consent to being named in the PDS and to the inclusion, in the form and context in which it is included, of any information described below as being included with its consent None of the parties referred to below has caused the issue of this PDS.

Name	Role / Responsible
Regal Funds Management Pty Limited	The Manager of the Fund In its capacity as trustee and manager of each of the following Regal Funds: Tasman Market Neutral Fund, Atlantic Absolute Return Fund, Regal Australian Small Companies Fund, Regal Australian Long Short Equity Fund, Regal Emerging Companies Fund and Regal Emerging Companies Fund III. As investment advisor for the Zambezi Absolute Return Fund and the Amazon Market Neutral Fund. All information about the Manager, including its investment process. All information regarding the Regal Funds and Initial Regal Investment Strategies, including the performance history of Initial Regal Investment Strategies in Section 5 and elsewhere in this PDS.
KardosScanlan Pty Limited (**Kardos Scanlan**)	Australian Solicitor to the Responsible Entity in respect of the Offer
Webb Henderson	New Zealand Solicitor to the Responsible Entity in respect of the Offer
Ernst & Young	Auditor of the Fund and the Investigating accountant The Investigating Accountant's Independent Limited Assurance Report on Pro Forma

Name	Role / Responsible
	Historical Statement of Financial Position is in Section 8.
Link Market Services Limited	Unit Registry - Unit registrar for the Fund.
National Australia Bank Limited	Lead Arranger and Joint Lead Manager to the Offer.
Each of Bell Potter Securities Limited, Evans Dixon Corporate Advisory Pty Limited, Morgans Financial Limited, Morgan Stanley Australia Securities Limited, Ord Minnett Limited, Shaw and Partners Limited, Taylor Collison Limited and Wilsons Corporate Finance Limited	Joint Lead Managers to the Offer.
Baillieu Ltd, First NZ Capital Securities Limited and Patersons Securities Limited.	Co-Managers to the Offer.
UBS AG, Australia Branch and UBS Nominees Pty Ltd	The Initial Prime Broker and Custodian of the Fund.

Part 7.9 of the Corporations Act imposes a liability regime on the Responsible Entity (as the offeror of the Units), the Directors of the Responsible Entity, persons named in this PDS with their consent as having made a statement in this PDS and persons involved in a contravention in relation to this PDS with regard to misleading or deceptive statements made in the PDS. Although the Responsible Entity bears primary responsibility for this PDS, other parties involved in the preparation of this PDS can also be responsible for certain statements made in it.

In light of the above, each of the parties referred to above, to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this PDS other than the reference to its name and any statement or report included in this PDS with the consent of that party as described above.

15.7. Legal proceedings

To the knowledge of the Directors, there is no material current, pending or threatened litigation with which the Responsible Entity, in its capacity as responsible entity of the Fund is directly or indirectly involved. See Section 4.10 for details regarding litigation involving the Manager.

15.8. Anti-Money Laundering and Counter Terrorism Financing (AML/CTF)

Australia's AML/CTF laws require the Responsible Entity to adopt and maintain an AML/CTF Program. A fundamental part of the AML/CTF Program is that the Responsible Entity knows certain information about investors in the Fund. To meet this legal requirement, we need to collect certain identification information and documentation (**KYC Documents**) from new investors. Existing investors may also be asked to provide KYC Documents as part of a re-identification process to comply with AML/CTF laws. Processing of Applications will be delayed or refused if investors do not provide the applicable KYC Documents when requested. Under the AML/CTF laws, the Responsible Entity is required to submit regulatory reports to AUSTRAC. This may include the disclosure of your personal information. The Responsible Entity may not be able to tell you when this occurs.

15.9. Statement of Directors

Other than as set out in this PDS, the Directors report that after due enquiries by them there have not been any circumstances that have arisen or that have materially affected or will materially affect the assets and liabilities, financial position, profits or losses or prospects of the Fund, other than as disclosed in this PDS

Each Director has authorised the issue of this PDS and has consented to the lodgement of this PDS with ASIC and has not withdrawn that consent.

15.10. Investor considerations

Before deciding to participate in this Offer, you should consider whether the Units to be issued are a suitable investment for you. There are general risks associated with any investment in an entity listed on the ASX. The value of securities listed on the ASX may rise or fall depending on a range of factors beyond the control of the Fund.

If you are in doubt as to the course you should follow, you should seek advice on the matters contained in this PDS from a stockbroker, solicitor, accountant or other professional adviser immediately.

The potential tax effects relating to the Offer will vary between Unitholders. Investors are urged to consider the possible tax consequences of participating in the Offer by consulting a professional tax adviser.

The Fund is not engaged in any litigation at the date of this PDS, and as far as the Responsible Entity is aware, no litigation involving the Fund is pending or threatened.

15.11. Auditor

The Responsible Entity is required to appoint an auditor to the Fund within one month after the day on which the Fund is registered with ASIC. Ernst & Young has been appointed by the Responsible Entity as the independent auditor of the Fund's financial statements.

The Responsible Entity is also required to appoint an auditor of the Compliance Plan. The auditor is required to conduct an audit of the Compliance Plan within 3 months of the end of the financial year of the registered scheme and provide a report to the Responsible Entity. Ernst & Young has been appointed by the Responsible Entity to conduct this audit on the Fund's Compliance Plan on an annual basis.

15.12. Private Information

When investors apply to invest in the Fund, they acknowledge and agree that:

- they are required to provide the Responsible Entity with certain personal information to facilitate their Application; and
- the Responsible Entity may be required to disclose their information to:
  - third parties carrying out functions on behalf of the Responsible Entity on a confidential basis;
  - third parties if that disclosure is required by or to the extent permitted by law;
  - an investor's adviser;
  - related entities to the Responsible Entity, whether in Australia or any overseas jurisdiction; and
  - government or regulatory bodies (such as the ATO) when required by law.

We collect personal information from you in the Application and any other relevant forms to be able to process your Application, administer your investment and comply with any relevant laws. If you do not provide us with your relevant personal information, we will not be able to do so.

Privacy laws apply to our handling of personal information and we will collect, use and disclose your personal information in accordance with our privacy policy, which includes details about the following matters:

- the kinds of personal information we collect and hold;
- how we collect and hold personal information;
- the purposes for which we collect, hold, use and disclose personal information; and
- how you may access personal information that we hold about you and seek correction of such information (note that exceptions apply in some circumstances).

15.13. Governing Law

This PDS and the contracts that arise from the acceptance of the Applications under this PDS are governed by the law applicable in New South Wales and each Applicant submits to the exclusive jurisdiction of the courts of New South Wales.

Approval

This PDS has been approved by unanimous resolution of the Directors of the Responsible Entity.

Dated: 8 April 2019

Philip Gentry

16. Defined Terms

Definitions of words, terms and abbreviations which are used in this PDS

In this PDS:

$ or **AUD**	Australian dollars.
AAS	Australian Accounting Standards.
AASB	Australian Accounting Standards Board.
Administrator	The independent administrator of the Fund. The Responsible Entity will appoint Link Fund Solutions Pty Limited as the Fund's initial Administrator.
AFSL	Australian Financial Services Licence.
Allotment Date	The date on which the Units are allotted under the Offer.
Applicant	A person who submits a valid Application Form and required Application Amount pursuant to this PDS.
Application	An application for Units under this PDS.
Application Amount	Subscription money submitted by Applicants under the Offer.
Application Form	The application form attached to or accompanying this PDS for investors to apply for Units under the Offer.
ASIC	The Australian Securities and Investments Commission.
ASX	ASX Limited (ABN 98 008 624 691) or the market it operates, as the context requires.
ASX Corporate Governance Principles and Recommendations	The corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this PDS.
ATO	The Australian Taxation Office.
Board	The board of directors of the Responsible Entity.
Broker	Any ASX participating organisation selected by the Lead Arranger and the Joint Lead Managers in consultation with the Responsible Entity to act as a broker to the Offer.
Broker Firm Offer	Has the meaning ascribed to that term in Section 12.
Business Day	A day other than a Saturday or Sunday on which banks located in the Sydney metropolitan area are open for general banking business.

Closing Date	The date that the Offer closes.
Collateral	Such Securities or financial instruments or cash which the Fund delivers or is required to deliver to a Prime Broker for the purpose of meeting any margin requirement in accordance with the terms of that Prime Broker's agreement with the Fund and includes any certificate or other documents of title and transfer in respect of such Securities, financial instruments or cash.
Co-Managers	Baillieu Ltd, First NZ Capital Securities Limited and Patersons Securities Limited, individually a Co-Manager.
Commencement Date	The date assets are first vested in the Responsible Entity (or a custodian appointed by the Responsible Entity) in respect of the relevant class.
Compliance Plan	The compliance plan of the Fund.
Constitution	The constitution of the Fund.
Corporations Act	The *Corporations Act 2001* (Cth).
CRN	Customer Reference Number.
Custodian	Each Custodian appointed by the Responsible Entity from time to time to hold assets of the Fund and at the date of this PDS, UBS Nominees Pty Ltd (ABN 32 001 450 522, AFSL 231088).
Derivatives	A security, such as an option or futures contract whose value depends on the performance of an underlying asset and includes Exchange Traded Derivatives and Over-the-counter Derivatives.
Directors	The directors (including any alternate directors) of the Responsible Entity as at the date of this PDS.
DRP	The distribution reinvestment plan established by the Responsible Entity in respect of distributions made by the Fund.
Electronic PDS	The electronic copy of the PDS, a copy of which can be downloaded at www.regalfm.com.
Emerging Markets	Markets where the country is becoming a developed nation as determined through many socio-economic factors; where such markets are included in the MSCI Emerging Markets Index.
EQT Group	All entities within the EQT Group of companies, including the Responsible Entity.
Exchange Traded Derivatives	A derivative that is quoted and may be traded on a regulated exchange.
Exposure Period	The period of 7 days after the date of lodgement of the PDS with ASIC, which may be extended by ASIC by not more than 7 days pursuant to Section 727(3) of the Corporations Act.

Frontier Markets	Markets where the country is considered more developed than the least developed countries but is not developed enough to be considered an emerging market, where such markets are included in the MSCI Frontier Markets index.
Fund	Regal Investment Fund (ARSN 632 283 384).
Fund's NAV	The Net Asset Value of the Fund's Portfolio from time to time.
General Offer	The offer referred to in Section 12.
GST	Goods and Services Tax has the meaning set out in *A New Tax System (Goods and Services Tax) Act 1999* (Cth).
Income Tax Assessment Act	The *Income Tax Assessment Act 1936* (Cth) and the *Income Tax Assessment Act 1997* (Cth).
Initial Prime Broker	UBS AG, Australia Branch (ABN 47 088 129 613, AFSL 231087)
Initial Portfolio	The initial portfolio of the Fund as described in Section 3.4.
Initial Regal Investment Strategies	The Regal Investment Strategies which are described in Section 5 of this PDS.
Institutional Applicant	An Applicant who is not a Retail Applicant.
Investment Advisory Agreement	The agreement by which Regal Asia is engaged by the Manager to undertake certain investment management duties in relation to the Fund.
Investment Guidelines	The guidelines for the construction of the Portfolio agreed between the Responsible Entity and the Manager from time to time (initially being the guidelines in Section 3.5).
Investment Management Agreement	The agreement between the Responsible Entity and the Manager appointing the Manager to manage the Fund, as summarised in Section 13.1.
Investment Objectives	The investment objective of the Fund as outlined in Section 3.2.
Investment Team	The team of key investment professionals responsible for the implementation and management of a Regal Investment Strategy.
Joint Lead Managers	Bell Potter Securities Limited, Evans Dixon Corporate Advisory Pty Limited, Morgans Financial Limited, Morgan Stanley Australia Securities Limited, Ord Minnett Limited, Shaw and Partners Limited, Taylor Collison Limited and Wilsons Corporate Finance Limited individually a Joint Lead Manager.
Lead Arranger	National Australia Bank Limited**.**
Listing	The Fund's admission to the Official List of ASX and the official quotation of the Units by ASX becoming effective.

Listing Rules	The official Listing Rules of ASX as amended or waived from time to time.
Long and Short Positions	Long Positions and Short Positions.
Long Position	Holding either physically or via a Derivative a positive amount of an asset in the expectation that the value of that asset will appreciate.
Manager	Regal Funds Management Pty Limited (ACN 107 576 821, AFSL 277737).
Management Fee	The management fees payable to the Manager in accordance with the Investment Management Agreement.
Maximum Subscription	The maximum amount being sought by the Responsible Entity under the Offer, being $500,000,000.
Microcap Companies	Generally, companies with a market capitalisation of less than about $200 million at the time of the initial investment, however the Manager may continue to invest in these companies as they grow in market capitalisation.
Minimum Subscription	The minimum subscription being sought by the Responsible Entity under the Offer, being $100,000,000.
NAV	Net Asset Value.
NAV per Unit	Net Asset Value backing per Unit.
Net Asset Value	As it relates to the Fund is equal to its assets, less liabilities and accrued but unpaid expenses and reasonable reserves.
Offer	The offer of up to 200,000,000 fully paid ordinary Units (at a Subscription Price of $2.50 per Unit) to raise a maximum of $500,000,000.
Offer Costs	The costs and expenses incurred by the Responsible Entity in relation to the Offer.
Offer Information Line	The Offer Information Line for the Fund's, being 1800 221 227 Monday to Friday between 8.30am and 5.30pm (Sydney time). Investors can also email: regalfund@linkmarketservices.com.au
Offer Management Agreement	The agreement between the Responsible Entity, the Manager, the Lead Arranger and the Joint Lead Managers in respect of the Offer dated on or around the date of this PDS, a summary of which is included in Section 13.3.
Offer Period	The period during which investors may subscribe for Units under the Offer commencing on 29 April 2019 and ending on the Closing Date (expected to be 29 May 2019).
Official List	The official list of ASX.
Over-the-counter Derivatives	Over-the-counter Derivatives are a Derivative that is not quoted on a regulated exchange and so may only be traded in an unregulated or over-the-counter fashion.

PDS	This product disclosure statement dated 8 April 2019 for the issue of Units to raise up to $500,000,000 (including the electronic form of this PDS).
Performance Fee	The performance fees payable to the Manager in accordance with the Investment Management Agreement.
Performance Period	(a) for the first Performance Period, the period commencing on the Commencement Date and ending on 31 December 2019; and (b) subsequently, the period commencing after the end of the previous Performance Period and ending as of the close of business on 30 June or 31 December or the date the Investment Management Agreement is terminated, whichever is the first to occur.
Portfolio	The portfolio of Positions of the Fund from time to time.
Position	Any investment held from time to time including Long and Short Positions, Securities, Derivatives as well as cash.
Prime Broker	A prime broker appointed by the Responsible Entity in respect of the Fund and includes the Initial Prime Broker, UBS AG, Australia Branch (ABN 47 088 129 613, AFSL 231087).
Prime Broker Agreement	The agreement between the Responsible Entity, the Initial Prime Broker and Custodian, the terms of which are summarised in Section 13.4.
Regal	The Manager, Regal Asia and Regal Affiliates.
Regal Asia	Regal Funds Management Asia Pte Limited.
Regal Affiliates	Any entity in which the Manager or Regal Asia holds 50% or more of the voting power and has a right to participate in control of (for example, through board representation).
Regal Funds	Entities or funds for which a member of Regal provides investment management or advisory services to, and which employs a Regal Investment Strategy including but not limited to, the Tasman Market Neutral Fund, Regal Australian Small Companies Fund, Atlantic Absolute Return Fund, Regal Long Short Equity Fund, Regal Emerging Companies Fund, Regal Emerging Companies Fund III.
Regal Investment Strategies	The Regal Investment Strategies are alternative investments strategies that are implemented by a member of Regal.
Related Party	Has the meaning as set out in the Corporations Act.
Responsible Entity	Equity Trustees Limited (ABN 46 004 031 298, AFSL 240975).
Retail Applicant	An Applicant who is not an Institutional Applicant.
Sector	The 11 sectors based on the Global Industry Classification Standard methodology, at the date of the PDS being: Energy, Materials, Industrials, Consumer Discretionary, Consumer Staples, Health Care, Financials, Information Technology, Communication Services, Utilities and Real Estate.

Short Position	Holding, either physically or via a Derivative, a negative amount of an asset in the expectation that the value of that asset will decrease.
Short Selling	Selling an investment (which has been borrowed from another party) with the intention of buying it back at a later date. Short selling also includes achieving this outcome through the use of Derivatives.
Subscription Price	The amount payable by Applicants to the Responsible Entity for the issue of Units under the Offer being $2.50 per Unit.
Unit	An ordinary unit.
Unitholder	A registered holder of a Unit.
Unit Registry	Link Market Services Limited.
United States or **U.S.**	United States of America.
US$ or **USD**	United States dollars.
U.S. Person	A "U.S. Person" as defined in Rule 902 in Regulation S under the Securities Act of 1933, of the United States.
Volatility	The extent of fluctuation such as share prices, exchange rates and interest rates. The greater the volatility, the less certain an investor is of return, and hence volatility is one measure of risk.

DIRECTORY

RESPONSIBLE ENTITY

Equity Trustees Limited
Level 1, 575 Bourke Street
Melbourne VIC 3000
AFS Licence No 240975
Phone +61 3 8623 5000
Fax +61 3 8623 5200
Email productteam@eqt.com.au

MANAGER

Regal Funds Investment Pty Limited
Level 47, Gateway
1 Macquarie Place
Sydney NSW 2000
AFS Licence No 277737
Phone +61 2 8197 4333
Fax +61 2 8197 4334
Email info@regalfm.com
Web https://www.regalfm.com/

LEAD ARRANGER AND JOINT LEAD MANAGERS

National Australia Bank Limited
Level 25, 255 George Street
Sydney NSW 2000

Bell Potter Securities Limited
Level 38 / 88 Philip Street,
Sydney 2000

Evans Dixon Corporate Advisory Pty Limited
15/100 Pacific Hwy,
North Sydney NSW 2060
Morgans Financial Limited
Level 29, Riverside Centre
123 Eagle Street Brisbane QLD 4000

Morgan Stanley Australia Securities Limited
Level 26, Chifley Tower,
2 Chifley Square, Sydney NSW 2000

Ord Minnett Limited
Level 8, NAB House
255 George Street
Sydney NSW 2000

Shaw and Partners Limited
Level 7, Chifley Tower
2 Chifley Square
Sydney NSW 2000

Taylor Collison Limited
Level 16, 211 Victoria Square
Adelaide SA 5000

Wilsons Corporate Finance Limited
Level 30, Waterfront Place1 Eagle Street
Brisbane QLD 4000

CO-MANAGERS
Baillieu Ltd
Level 40, 259 George Street
Sydney NSW 2000

First NZ Capital Securities Limited
Level 14, 171 Featherston Street
Wellington, 6011, New Zealand

Patersons Securities Limited
Level 23, Exchange Tower
The Esplanade
Perth WA 6000

LEGAL ADVISERS

Australia
Kardos Scanlan Lawyers
Level 5
151 Castlereagh Street
Sydney NSW 2000
Phone: (02) 9146 5290
Fax: (02) 9146 5299
Web: www.kardosscanlan.com.au

New Zealand
Webb Henderson
Level 3
110 Customs Street West
Auckland City 1010
New Zealand
Phone: +64 9 970 4100
Email: enquiries@webbhenderson.com

INVESTIGATING ACCOUNTANT

Ernst & Young
200 George Street
Sydney NSW 2000
Phone: +61 2 9248 5555
Fax: +61 2 9248 5959
Web: https://www.ey.com/au/en/home

MANAGER'S CORPORATE ADVISER

Seed Partnerships Pty Limited
Level 10, 135 Macquarie Street
Sydney NSW 2000
Phone: +61 (2) 9251 8845
Email: info@seedpartnerships.com

UNIT REGISTRY

Link Market Services Limited
Level 12
680 George Street,
Fax: +61 2 9287 0303
Email: info@linkmarketservices.com.au
Web: www.linkmarketservices.