



Regal Australian Small Companies Fund

**INFORMATION MEMORANDUM –
AN OFFERING TO WHOLESALE CLIENTS
25 MAY 2020**

Regal Funds Management Pty Limited ACN 107 576 821 ('we' 'Regal', 'Investment Manager' or 'Trustee') is the investment manager and trustee of the Regal Australian Small Companies Fund ('Fund'). Regal is the issuer of this information memorandum ('Information Memorandum') dated 25 May 2020, relating to the offer of units in the Fund ('Offer'). Terms are defined throughout this Information Memorandum and in the Glossary.

The Fund is governed by the Constitution and the online application or Subscription Agreement (as applicable) (Investment Documents) which regulate, among other things, the rights and obligations of the Trustee, Investment Manager and the investor. A copy of the Constitution is available free of charge by contacting Regal. The information in this Information Memorandum is subject to (i) change and (ii) the Investment Documents. To the extent of any inconsistency between this Information Memorandum and the Investment Documents, the Investment Documents prevail.

Note – the return of capital and the performance of the Fund are not guaranteed by any person or organisation, including Regal Funds Management Pty Limited, the Unit Registry, the Administrator, the Prime Brokers or the Custodians.

This Information Memorandum is intended solely for the use of the person to whom it has been delivered for the purpose of evaluation of a possible investment by the recipient in the units described in it. The information contained in this Information Memorandum is provided on a confidential basis and is not to be reproduced or distributed to any other persons (other than professional advisers of the prospective investor receiving this Information Memorandum).

All information provided in this Information Memorandum is correct as at the issue date of this Information Memorandum, being 25 May 2020 and statements in the Information Memorandum are only made at that date. Its delivery at any time after that date does not imply that the information contained in it is accurate, timely or complete at any time subsequent to that date. Regal may in its absolute discretion without notice, but without being under any obligation to do so, update or supplement this Information Memorandum. Any further information shall be provided subject to these conditions.

Information contained in this Information Memorandum is general information only and does not take into account your individual objectives, financial situation or needs. This Information Memorandum has not been, and is not required to be, lodged with the Australian Securities and Investments Commission under the Corporations Act 2001. The Fund is not required to be and is not registered as a managed investment scheme under the Corporations Act 2001. Accordingly, an invitation to subscribe for units in the Fund will be an offer that does not need disclosure for the purposes of the Corporations Act 2001 (Cth).

This Offer to subscribe for units in the Fund is only made to wholesale clients (as defined under the Corporations Act 2001). In addition, this Information Memorandum may only be distributed in New Zealand

to NZ Eligible Investors (as defined in the Glossary). This Information Memorandum is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 (NZ) and does not contain all the information typically included in such offering documentation. This offer to subscribe for units in the Fund does not constitute a "regulated offer" for the purposes of the Financial Markets Conduct Act 2013 and, accordingly, there is neither a product disclosure statement nor a register entry in respect of the offer.

Unless otherwise indicated, all fees quoted in this Information Memorandum are exclusive of the effect of GST and any input tax credit, and all dollar amounts refer to Australian dollars.

This Offer is only principally available to eligible wholesale investors who receive this Information Memorandum in Australia or NZ Eligible Investors who receive this Information Memorandum in New Zealand. Applications from outside Australia and New Zealand will generally not be accepted. This Offer does not constitute an offer in any jurisdiction in which, or to any person to whom it would be unlawful to make such an offer.

There is no cooling off period or cooling off rights in relation to an investment in the Fund as cooling off rights which are provided under Corporations Act 2001 (Cth) are not available to wholesale clients. Investments in this Fund are subject to risk and market fluctuations. Investors should ensure that they understand the risks and where necessary seek independent professional advice before investing in this product. Investors should be aware that the risks may result in possible loss of income and principal and may involve delays with repayment.

To the maximum extent permitted by law, the Fund and Regal:

- do not warrant or represent the origin, validity, accuracy, completeness or reliability of the information contained in this Information Memorandum (or any accompanying or subsequent information), and do not accept any responsibility for errors or omissions in this Information Memorandum (or any accompanying or subsequent information); and
- disclaim and exclude all liability for all losses, claims, damages, costs and expenses of any nature arising out of or in connection with this Information Memorandum.

There may be no secondary public market for units in the Fund and no market is expected to develop in the future. An investment in the Fund may not be transferred, resold, exchanged or otherwise disposed of except in accordance with the terms of this Information Memorandum and Constitution.

By accepting this Information Memorandum you are:

- representing that you are a wholesale client or NZ Eligible Investor; and
- agreeing to keep the Information Memorandum and its content confidential and not to provide it to other persons other than your advisers provided they also maintain such confidentiality.

WARNING FOR NZ ELIGIBLE INVESTORS RELYING ON THE MINIMUM SUBSCRIPTION PRICE EXCLUSION

NEW ZEALAND LAW NORMALLY REQUIRES PEOPLE WHO OFFER FINANCIAL PRODUCTS TO GIVE INFORMATION TO INVESTORS BEFORE THEY INVEST. THIS REQUIRES THOSE OFFERING FINANCIAL PRODUCTS TO HAVE DISCLOSED INFORMATION THAT IS IMPORTANT FOR INVESTORS TO MAKE AN INFORMED DECISION.

THE USUAL RULES DO NOT APPLY TO THIS OFFER BECAUSE THERE IS AN EXCLUSION FOR OFFERS WHERE THE AMOUNT INVESTED UPFRONT BY THE INVESTOR (PLUS ANY OTHER INVESTMENTS THE INVESTOR HAS ALREADY MADE IN THE FINANCIAL PRODUCTS) IS NZ\$750,000 OR MORE. AS A RESULT OF THIS EXCLUSION, YOU MAY NOT RECEIVE A COMPLETE AND BALANCED SET OF INFORMATION. YOU WILL ALSO HAVE FEWER OTHER LEGAL PROTECTIONS FOR THIS INVESTMENT.

INVESTMENTS OF THIS KIND ARE NOT SUITABLE FOR RETAIL INVESTORS.

ASK QUESTIONS, READ ALL DOCUMENTS CAREFULLY, AND SEEK INDEPENDENT FINANCIAL ADVICE BEFORE COMMITTING YOURSELF.

Letter to Investors

REGAL
FUNDS MANAGEMENT

DEAR INVESTOR,

It gives us great pleasure to offer you the opportunity to invest in the Regal Australian Small Companies Fund (the Fund).

Launched in February 2015, the Fund has been recognised for a number of awards, including the 2018 AsiaHedge Australian Fund of the Year. The Fund invests using a long / short approach, allowing investors the ability to benefit from both the rise and fall in the value of selected Australian small companies. The Fund differs from traditional 'long only' small company funds in that it can take short positions in companies in which Regal has a negative view and utilise gearing to enhance returns. This ability is an important source of performance and we believe gives the Fund a significant advantage versus long only competitors.

The objective of the Fund is to outperform the S&P/ASX Small Ordinaries Accumulation Index over a rolling five year period and is suited to wholesale investors with a longer-term investment horizon.

REGAL FUNDS MANAGEMENT

Regal Funds Management was established in 2004 and has grown to become one of Australia's most recognised and awarded alternative investment managers.

With offices in Sydney and Singapore, Regal manages investments for a broad number of institutions, wealthy families, charities and individuals across Australia, the Americas, Europe and Asia. With a heritage in long / short investing and fundamental research, our strategies typically utilise a research driven, bottom-up stock selection process, drawing on the significant investment experience of our founder and Chief Investment Officer, Philip King, and team of portfolio managers, analysts and dedicated industry sector specialists. When coupled with our extensive experience investing across events and equity market price dislocations, our strategies aim to exploit both short and long-term equity market mispricing, to the benefit of our investors.

Throughout our history we have invested heavily in data and technology. Our in-house trading systems, technology infrastructure and robust operational procedures ensure that the business meets the operational and risk requirements of our institutional investor partners.

Finally, it has always been of utmost importance to us that Regal maintains the benchmark for alignment between investors and investment managers. Founders, partners, and staff are 100% owners of the Regal business and hold significant personal investments across all the Regal strategies, making up approximately one third of our funds under management today. Our investors can be assured that we are managing their capital in the same way we manage our own.

I encourage you to read the enclosed Information Memorandum in detail and look forward to welcoming you to invest alongside us in the Regal Australian Small Companies Fund.

Kind regards,



BRENDAN O'CONNOR
Chief Executive Officer
Regal Funds Management

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Overview

Investment Vehicle	Regal Australian Small Companies Fund (Fund), an unregistered managed investment scheme
Investment Manager and Trustee	Regal Funds Management Pty Limited (Regal)
Unit Registry	Boardroom Pty Ltd (Boardroom) ABN 14 003 209 836, a company incorporated in Australia, having its registered office at Level 12, 225 George Street, Sydney NSW 2000
Administrator	The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch (Fund Services, Australia - HSBC Securities Services)
Fund Domicile	Australia
Investment Horizon	5 years or more
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Investment Type	Long/short Australian Equity
Investment Objective	The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index net of fees over a rolling five year period.
Investor Eligibility	Wholesale Clients, as defined in the Corporations Act 2001
Minimum Investment	\$100,000*
Minimum Redemption	\$100,000*
Buy/Sell Spread	30bp
Applications	Daily on a Sydney Business Day
Redemptions	Daily on a Sydney Business Day
Fees	Management fee: 1% pa of the net asset value of the Fund. Performance fee: 20% pa of the increase in net asset value above the benchmark, subject to a high-water mark.
Valuations	Daily on a Sydney Business Day (Any day other than Saturday, Sunday, a bank holiday or public holiday in Sydney) or such other Business Days determined by Regal
Distributions	Half yearly (as at 31 December and 30 June)

Regal Funds Management

INVESTMENT MANAGER

Regal Funds Management Pty Limited (referred to throughout this document as 'we' and 'Regal') is the investment manager and trustee of the Fund. Regal was founded in January 2004. It is based in Sydney and holds an Australian financial services licence (AFS licence no. 277737).

AWARDS

The Manager has achieved industry recognition for its skills as a hedge fund manager on many occasions over the past 16 years. Specifically, the Manager has won "Australian Hedge Fund of the Year" in 2011, 2014, 2016 and 2019 at the Australian Hedge Fund awards and "Management Firm of the Year" in 2018 at the AsiaHedge Awards in Hong Kong.

In addition, the Regal Australian Small Companies Fund won the 2018 Best Single Country Manager Fund at the AsiaHedge Awards, the Best Australian Fund at the 2018 HFM Asia Hedge and the Golden Calf Award at the Australian Fund Manager Awards in 2016.

REGAL'S INVESTMENT STRATEGIES

Regal's Australian small companies investment strategy is applied by Regal in its capacity as manager of the Fund. The Australian small companies investment strategy is also one of the various strategies which is applied by Regal in its capacity as investment manager of the Regal Investment Fund (RF1.ASX).

Regal's Australian small companies investment strategy primarily relies on Regal's fundamental investment process, a research driven investment process which was launched in 2004. Regal's fundamental investment process is applied across several different products managed by Regal. Through fundamental research Regal selects shares that it believes are undervalued and are expected to rise in price. In addition, the investment process utilises Regal's expertise and systems to sell shares that it believes are overvalued and take advantage of a falling share price. This practice is known as 'shorting' and sets Regal apart from many other traditional investors as it creates more opportunity for alpha generation.

Regal Australian Small Companies Fund

FUND STRUCTURE

The Fund is an unregistered wholesale Australian resident unit trust. Regal is the investment manager and Trustee of the Fund. The governing rules of the Fund are detailed in the Fund's Constitution. A copy of the Constitution is available from Regal.

INVESTMENT OBJECTIVE

The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index net of fees over a rolling five year period.

To fulfil the objective, the Fund will focus on long/short investments in listed small companies in Australia. The Fund may also use derivatives such as index futures to hedge portfolio risk and enhance returns.

INVESTMENT PROCESSES

Regal employs the following investment processes in building the Fund's portfolio of investments.

FUNDAMENTAL INVESTMENT PROCESS

The fundamental investment process for the Fund generally focuses on a four-step stock selection process, which emphasises the bottom-up valuation of companies.

Figure 1 shows the key factors that are considered when selecting investments. It is important to note that the 'starting point' for all investments by the Fund is almost always bottom-up stock selection.

As a result, the investment management team spends considerable time meeting with the management of companies in which we invest and talking to their suppliers, customers and competitors. However, meeting management is not a pre-requisite for investing.

Unlike many traditional long-short managers our investment process does not stop with a bottom-up valuation. We seek to identify the macro factors and trends affecting a company. This allows us to choose whether we hedge these risks away or seek to benefit from them.

We also seek to identify a catalyst that will change the market's perception of value and as a result will time the purchase or sale of shares very carefully.

And finally, we ask ourselves the question, 'What is our insight in this trade'? We admit we are fallible and identifying our insight in a trade helps us to minimise mistakes.

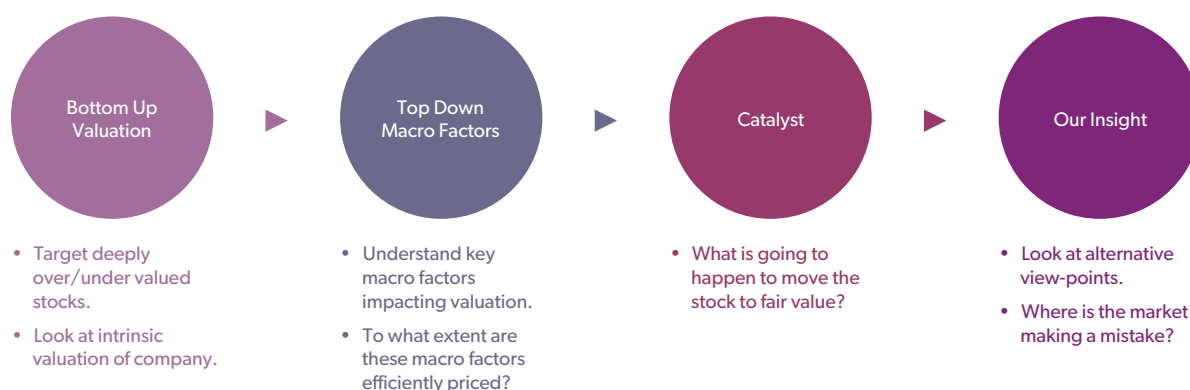


Figure 1 - Four Step Stock Selection Process

MARKET DRIVEN INVESTMENT PROCESS

Regal can also apply the market driven investment process in the Fund. 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.

Investment opportunities Regal 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.

PORTFOLIO CONSTRUCTION

The Fund is sometimes described as a '130/30' or active extension product.

AN EXAMPLE OF HOW THE STRATEGY WORKS

1. Buy a share portfolio with 100% of the capital.
2. Borrow shares worth 30% of the capital and sell shares in market ('short selling').
3. Buy an additional 30% in shares with the capital released from short selling.

WHAT IS THE FINAL EXPOSURE?

1. The net exposure (long minus short exposure) to the market is 100% of the original capital.
2. The gross exposure (long plus short exposure) to the market is 160% of the original capital.

An illustration of the construction of such a portfolio and the resultant market exposure is shown below in *Figure 2*.

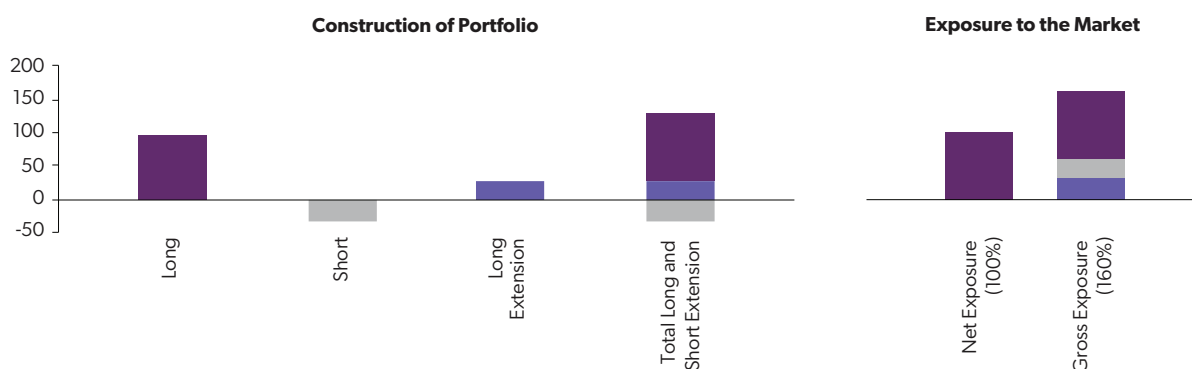


Figure 2 Illustration of a portfolio with 100% net exposure and 160% gross exposure

WHAT ARE THE IMPLICATIONS OF 160% GROSS EXPOSURE?

The extra exposure the portfolio has to the market will magnify any positive performance the portfolio has, however it will also magnify any losses. Investors should be aware that it adds extra risk to the Fund.

It is important to remember that at any time the net exposure to the equity market will be close to 100%. It is therefore anticipated that the Fund performance will move in the same direction as the benchmark (S&P/ASX Small Ordinaries Accumulation Index) however Regal aims to outperform the benchmark.

WHAT ARE THE INVESTMENT GUIDELINES?

Regal has made significant investments in internal risk management systems to appropriately monitor and control a number of risks including those associated with leverage and short selling. The Fund aims to invest according to the Investment Guidelines in *Figure 3* below. This is a general guideline only and gearing may be higher or lower during certain periods.

INVESTMENT GUIDELINES	
Net exposure range	90%-110%
Gross exposure range	90%-200%
Single Position Limit	+/-10%

Figure 3 - Investment Guidelines

Risks

Unit holders should be aware that there is no guarantee that the implementation of the investment objective or process will not result in losses to unit holders. The return of capital and the performance of the Fund are not guaranteed by any person or organisation, including Regal, the Prime Brokers or the Custodians. We also do not guarantee the liquidity of the Fund's investments or that you will be able to redeem your investment from the Fund within the timeframes specified in this IM. Therefore, each investor should carefully consider the risks of investing and, where necessary, seek professional advice as to the suitability of investing in the Fund. Some risks of investing in the Fund include, but are not limited to:

MANAGER SKILL

The Fund relies heavily on the ability of Regal to identify equities (long equities) that will outperform other equities (short equities). If Regal makes the wrong decisions, the Fund can have negative returns. The Fund's trading is largely dependent on the continuation of the services and skills of Regal's officers and employees. The loss of Regal's services (or that of one or more of its key personnel) could materially and negatively impact the value of the Fund as it may lead to the loss of the use of any proprietary investment methodology developed by Regal.

LEVERAGE

The Fund may leverage its capital because Regal believes that the use of leverage may enable the Fund to achieve a higher rate of return. Accordingly, the Fund may pledge its securities in order to borrow additional funds for investment purposes. The Fund may also leverage its investment return with derivatives and short sales. The amount of borrowings which the Fund may have outstanding at any time may be substantial in relation to its capital. Leverage can magnify both the gains and losses and investors may experience increased volatility in the value of their investments.

LIQUIDITY

Liquidity refers to the ease with which an asset can be bought or sold, without a negative impact on its value. The Fund may invest in listed or unlisted stocks or small cap stocks which are subject to liquidity risk. Under certain conditions the liquidity of a particular market or security may be restricted, thus affecting the performance of the Fund. An asset subject to liquidity risk may be more difficult to buy or sell and it may take longer for the full value to be realised. The Fund may be forced to sell investments in stressed scenarios including

to meet claims related to unit holder redemptions or to meet loan commitments on leveraged capital. Lack of liquidity or market depth can affect the valuation of the Fund's assets as it looks to realise securities at quoted prices and the ability of the Fund to exit a position in a timely manner.

Regal may suspend redemptions and the calculation of the unit price if sufficient Fund assets cannot be realized at an appropriate price on adequate terms, to meet withdrawal requests.

SHORT SELLING

The Fund engages in short selling. Selling securities short creates the risk of losing an amount greater than the initial investment, and can also involve borrowing and other costs which can reduce profits or create losses in particular positions.

LIMITED DIVERSIFICATION

Regal intends to seek to diversify the Fund's investments as it deems appropriate and consistent with the Fund's investment objective. If the Fund's investment portfolio is concentrated in a small number of investments, the portfolio will be subject to a greater level of volatility. Also, reliance on a single Investment Manager applying generally similar trading programs could mean lack of diversification and, consequentially, higher risk.

SPECULATIVE NATURE OF CERTAIN INVESTMENTS

Certain investments by the Fund may be regarded as speculative in nature and involve increased levels of investment risk. An inherent part of a strategy may be to identify securities which are undervalued (or, in the case of short positions, 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. Equity positions, including IPOs, may involve highly speculative securities.

DERIVATIVES RISK

Derivatives, such as options, futures and swaps, may be used by the Fund for hedging and non-hedging purposes such as:

- To manage particular risks;
- To implement an investment strategy in a cost efficient manner;

- As a substitute for direct investment in securities; or
- To reduce risk or gain exposure to other types of investments when appropriate.

The risks of using derivatives might include: the value of the derivative failing to move in line with the underlying asset, potential illiquidity of the derivative, the possibility that the derivative position is difficult or costly to reverse, the derivative not performing as expected and counterparty risk.

COUNTERPARTY RISK

Counterparty risk is the risk of loss caused by another party defaulting on its financial obligations either because they become insolvent or cannot otherwise meet their obligations to the Fund. For example, the Fund's investments may be borrowed, lent or otherwise used by the Prime Brokers for their own purposes. These assets become the property of the Prime Broker and the Fund has a right against the Prime Broker for the return of equivalent assets. The Fund ranks as an unsecured creditor for the equivalent assets and there is a risk that the Prime Broker does not return equivalent assets or value to the Fund (for example, because of insolvency). A party defaulting on its obligations could subject the Fund to substantial losses because the Fund will still be required to fulfil its obligations on any transactions which were to have substantially offset other contracts.

MARKET RISK

Any investment made in a specific group of securities is exposed to the universal risks of the securities market. There can be no guarantee that losses equivalent to or greater than the overall market will not be incurred as a result of investing in such securities.

CONFLICTS OF INTEREST

Conflicts of interest exist in the structure and operation of the Fund's business: Regal serves as the investment manager and/or investment advisor to other client accounts, and its compensation for managing the other client accounts may be more than its compensation for managing the Fund, thus providing an incentive to focus its efforts on such other client accounts. Such other clients may have investment objectives or may implement investment strategies similar to those of the Fund. Regal may also give advice or take action with respect to the other clients that differs from the advice given with respect to the Fund. To the extent a particular investment is suitable for both the Fund and the other clients, these other clients may compete with the Fund with respect to these investments. Where this occurs, the Investment Manager will allocate, under normal conditions, investments in a fair and equitable manner taking into account applicable laws and regulations and

the surrounding circumstances, including the risk profile, investment objective and guidelines of the Fund and the other client accounts.

From the standpoint of the Fund, simultaneous identical portfolio transactions for the Fund and the other clients 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. Where less than the maximum desired number of shares of a particular security to be purchased or sold is available at a favourable price, the shares purchased or sold will, under normal conditions, be allocated among the Fund and the other clients in a fair and equitable manner, subject to applicable laws and regulations and taking into account surrounding circumstances, including the risk profile and investment objectives and guidelines of the Fund and the other client accounts.

The Fund may participate in transactions in which the Investment Manager, its affiliates and/or their respective officers, employees, directors or affiliates are, directly or indirectly, interested. In connection with such transactions, the Fund, on the one hand, and the Investment Manager, its affiliates and/or their respective officers, employees, directors or affiliates, on the other, may have conflicting interests.

Subject to internal compliance policies and approval procedures, directors, shareholders, officers and employees of the Investment Manager may engage, from time to time, in personal trading of securities and other instruments, including securities and instruments in which the Fund may invest.

The Investment Manager or its affiliates may manage separate managed accounts or dedicated investment vehicles for investors that pursue strategies similar to, or that overlap with, those of the Fund. These clients may have access to detailed information about their accounts, including current portfolio holdings, which the Investment Manager or its affiliates do not customarily make available to investors in the Fund or other pooled investment vehicles. Such clients may be able to take action, including more timely action, with respect to their accounts that investors in pooled vehicles with similar or parallel strategies cannot take.

In addition, purchase and sale transactions (including swaps) may be effected between the Fund and other clients for cash consideration at the current market price of the particular securities.

As a result of the foregoing, Regal and its affiliates may have conflicts of interest in allocating their time and activities between the Fund and the other clients, in allocating Investments among the Fund and the other clients, and in effecting transactions between the Fund and the other clients.

REGULATORY MATTERS AND LEGAL RISKS

Regal has an established regulatory compliance and governance framework. Regal monitors compliance with existing laws and regulations, the political and regulatory environment and its adherence to internal processes.

Regal has and may become subject to regulatory investigations. The inherent uncertainty of the investigative processes may have an effect on Regal's operational and/or financial position, through demands on management time and increased costs. Such investigations may result in administrative actions or legal proceedings against Regal or its key persons. If any such action or proceeding is commenced, Regal will make appropriate disclosures. Such actions or proceedings, if successful, could attract fines and civil and criminal liability or other regulatory action. There is also the risk that Regal's reputation may suffer due to the profile of, and public scrutiny surrounding, any regulatory investigation, regardless of the outcome.

On 26 November 2019, Regal learnt that ASIC was conducting an investigation, including by way of search warrant, in relation to its trading in certain securities. Regal understands that ASIC's investigation is continuing.

Regal is a respondent in civil proceedings commenced by applicants in the Federal Court in March 2019. Regal is defending this claim and has engaged legal advisers. The Fund is not a party to the civil claim.

Regal will provide investors with further disclosures if it forms the view that either matter could have a material impact on the Fund.

As a result of concerns which ASIC had arising out of a particular instance of the purchase and sale of parcels of listed securities in May 2013 by Mr King, as Chief Investment Officer of Regal, both Mr King and Regal offered, and ASIC agreed to accept, in December 2015, an enforceable undertaking (EU) by Mr King and Regal. By a final report dated 25 January 2019, ASIC confirmed Mr King's and Regal's compliance with each of the undertakings given pursuant to the EU. Accordingly, the conditions of the EU have concluded. There have been no adverse regulatory findings against Regal or any member of its team.

PAST PERFORMANCE

The past performance of this Fund and of other funds managed by Regal cannot be relied upon in assessing the merits of the Fund. Applicants should read the Information Memorandum in full and obtain independent advice prior to investment.

OPERATIONAL AND INFORMATION SECURITY RISK FROM CYBERATTACKS

The Fund and its service providers may be subject to operational and information security risks resulting from cyberattacks. Cyberattacks include, among other behaviours, efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss or corruption of data, software, hardware or other computer equipment, stealing or corrupting data maintained online or digitally, the unauthorised release of confidential information or various other forms of cybersecurity breaches. Cyberattacks are viewed as a constantly evolving risk and the scope of the risk and related mitigation techniques are subject to continuing change.

Investing In The Fund

WHO CAN INVEST?

Regal may only issue interests in the Fund to wholesale clients as defined in the Corporations Act 2001 and, in the case of offers in New Zealand, to persons who are also NZ Eligible Investors.

Please contact us if you are unsure as to whether you are eligible to invest in the Fund.

This Information Memorandum offers investors who are wholesale clients (as defined under the Corporations Act 2001) and, in the case of offers in New Zealand, to persons who are also NZ Eligible Investors, the opportunity to invest in the Fund.

APPLICATIONS

MINIMUM INITIAL INVESTMENT

The minimum initial investment is \$100,000, subject to Regal's discretion to accept a lower amount. Regal may in its discretion raise or lower the minimum initial investment amount provided that the status of the investor as a wholesale client, and in the case of offers in New Zealand, the status of the investor as a NZ Eligible Investor is not prejudiced. Certification of wholesale status will be required as a prerequisite for investing in the Fund.

MINIMUM ADDITIONAL INVESTMENT

The minimum amount for additional investments is \$20,000, subject to Regal's discretion to accept a lower amount.

Additional unit holders may be admitted to the Fund upon such terms and conditions as are permitted by Regal (without the consent of any other unit holders), which terms and conditions may differ from those applicable to other unit holders on matters relating to, without limitation, notice periods, fee waivers, rebates or reductions and information rights. New classes of units in the Fund may be established by Regal without the approval of the existing unit holders. However, Regal will provide existing unit holders with written notice of the issue of any new classes of units.

APPLICATION ACCEPTANCES

In respect of each initial and additional investment, an investor must qualify as a wholesale client, and in the case of offers in New Zealand, also as a NZ Eligible Investor.

Applications are accepted at the absolute discretion of Regal. Rejected, invalid or incomplete applications will be returned to applicants as soon as possible. Interest is not payable on rejected application monies.

APPLICATION PROCESS AND CUT-OFF TIMES

Applications can be made online at <https://boardroomlimited.com.au/regalfunds/wholesale-investment-products/> or alternatively by completing a Subscription Agreement for initial investments or the Additional Subscription Form for subsequent additional investments and forwarding it to the Unit Registry (see How to Invest on page 26). Applications will generally be processed each Business Day ('Subscription Day'). The application price will be the unit price for that day adjusted for the buy/sell spread (see page 16 for a discussion of the unit pricing/valuation process).

Cleared funds must be electronically transferred into the Fund's Application Account (see below for bank account details) no later than 12pm AEST on the relevant Subscription Day (or such earlier or later time as Regal may determine). The relevant online application, Subscription Agreement or Additional Subscription Form must be received by the Unit Registry no later than 12pm AEST on the relevant Subscription Day (or such earlier or later time as Regal may determine).

The bank account details are as follows:

BSB: 332-027
Account Number: 555539376
Account Name: Boardroom Pty Limited itf Regal Australian Small Companies Fund Application Account
Bank: St George Bank

Any interest earned on application money (less applicable withholding tax) paid in advance of a Valuation Day will be retained by the Fund, it will not be credited in favour of the applicant.

Investors using the paper based Subscription Agreement can send a copy of the original executed and completed Subscription Agreement to the Unit Registry by email at regal.funds@boardroomlimited.com.au or fax 02 9252 1987, but Subscription Agreements may be refused if the Unit Registry has not received a properly completed original.

Subsequent additional investments may be effected online at <https://boardroomlimited.com.au/regalfunds/wholesale-investment-products/> or alternatively by properly completing the Additional Subscription Form and sending the original executed and completed Additional Subscription Form to the Unit Registry.

Early submission of applications is recommended to ensure the deadlines are met, as applications received after these cut off times for any particular Subscription Day may be processed at the next relevant Subscription Day. Regal will retain any interest earned on unallocated application monies and pay it to the Unit Registry.

REDEMPTIONS

MINIMUM REDEMPTION

The minimum redemption is \$100,000 (or such lesser amount as Regal may determine). A requested partial redemption which would cause the unit holder's investment to fall below the minimum holding of \$100,000 (or such lesser amount as Regal may determine) or which could cause the unit holder's status as a NZ Eligible Investor to be prejudiced will not be permitted.

REDEMPTION PROCESSES AND CUT OFF TIMES

Redemptions are generally permitted daily on a Sydney business day ('Redemption Day'), provided the request is received by the Unit Registry by 12pm AEST on the Redemption Day. Regal may at its discretion allow redemptions at other times and with longer or shorter notice periods. The redemption price will be the unit price as at that day adjusted for the buy/sell spread (see page 16 for a discussion of the unit pricing/valuation process). If the redemption request is received by the Unit Registry after the deadline for receipt of requests for any particular Redemption Day, it will be treated as a request for redemption on the next relevant Redemption Day.

Unit holders may redeem all or part of their investments in the Fund by completing the Redemption Request form which is available on our website (<https://www.regal.com/site/our-funds/australian-nz-wholesale-investors/regal-australian-small-companies-fund>). Full redemptions require the original executed copy of the properly completed Redemption Request to be sent to the Unit Registry. A copy may also be sent to the Unit Registry by email at regal.funds@boardroomlimited.com.au or fax 02 9252 1987, but the Unit Registry will not process any full Redemption Request until it has received a properly completed original. Partial Redemption Requests do not require an original to be posted to the Unit Registry.

In normal circumstances, proceeds from redemptions will be available within ten (10) Business Days after the redemption has been processed. Redemptions will be effected by electronic funds transfer to the bank account registered with the Unit Registry.

A Redemption Request must be made in the form approved by Regal and the Unit Registry, and it must be signed by the unit holder.

If required, please contact the Unit Registry for a copy of this form (contact details are set out in page 25 of this IM).

STAGGERING OF LARGE REDEMPTION AMOUNTS

Should redemption requests representing more than 25% of the number of units in issue for a class of the Fund be received in respect of any Redemption Day, Regal may pro-rata each request to ensure that only 25% (or such percentage as Regal may determine) of the value of that class of the Fund is redeemed and may defer the residual redemption requests in excess of that amount by treating them as though they were received for the next relevant Redemption Day (subject again to the 25% restriction for that Redemption Day).

SUSPENSIONS

Regal may suspend for a reasonable period the application, redemption or both, of units, the payment of redemptions and the calculation of the unit price in certain circumstances. These circumstances include where Regal considers it is desirable for the protection of the Fund or the interests of the unit holders as a whole including if any relevant financial or foreign exchange market is closed or trading is restricted, if a state of affairs exists as a result of which is not reasonably practicable for Regal to acquire or dispose of assets or to determine fairly the application price or the redemption price, or if sufficient assets cannot be realized at an appropriate price on adequate terms. Applications and redemptions received during a suspension period will be processed as of the next Subscription Day or Redemption Day (as the case may be) after the end of the suspension period, on the basis of the unit price as at that Subscription Day or Redemption Day (as the case may be).

EMAIL AND FAX ARRANGEMENTS

Where paper based Subscription Agreements or full Redemption Requests are initially sent by email or fax, the original signed document must, unless otherwise determined by Regal, also be sent to the Unit Registry. Subscriptions may be refused, and full redemption proceeds will not be paid, if the Unit Registry does not receive the original properly completed and signed document. None of the Unit Registry, Regal or their duly appointed agents will be responsible to an applicant for any loss resulting from any delayed receipt, non-receipt or illegibility of any fax notice or for any loss caused in respect of any action taken as a consequence of such fax believed in good faith to have originated from properly authorised persons.

UNIT HOLDER COMMUNICATION

As a unit holder in the Fund, you will normally receive the following reports:

MONTHLY REPORT

A monthly report showing the unit price and performance of the Fund will generally be sent to all unit holders by email.

TAX, DISTRIBUTION AND ANNUAL STATEMENTS

Taxation and distribution statements are sent to all unit holders at least annually. In addition, an annual statement which contains the transaction history of a unit holder for the year is also sent to all unit holders. Taxation, distribution and annual statements are made available to unit holders online via email communication or sent in hard copy via mail (depending on unit holder communication preferences).

AUDITED FINANCIAL STATEMENTS

Audited Financial Statements of the Fund are issued annually for the year ending 30 June. They will be prepared in accordance with Accounting Standards applicable to general financial statements in Australia to the extent that the fund is required to comply with those standards by the Corporations Act 2001 or under the Constitution. The audited financial statements are available to any unit holder on request.

Fees

The fees listed below are currently applicable for all investments in the Fund as at the date of this Information Memorandum. Regal will give unit holders prior written notice of any variation of fees or charges by the Fund.

MANAGEMENT FEE

A management fee of 1% per annum (plus GST net of reduced input tax credits) of the net asset value of the Fund is payable by the Fund to Regal each month.

The 'net asset value' of the Fund is the value of all its assets less all its liabilities.

It is calculated daily and paid monthly in arrears based on the net asset value of the Fund (before deduction of any accrued management fee and any accrued performance fee) and reflected in the unit price of the Fund.

PERFORMANCE FEE

A performance fee of 20% (plus GST net of reduced input tax credits) of the amount by which the net asset value of the Fund (adjusted for applications and redemptions and before the payment of any distribution) exceeds the performance of the Benchmark and the 'high-water mark', is payable by the Fund to Regal. The 'high-water mark' means the highest net asset value of the Fund at the end of a period where a performance fee has been paid, adjusted for applications, redemptions and subsequent distributions. This means that a performance fee is only payable if the Fund's investment performance after management fees is positive and has exceeded the Benchmark return.

The performance fee is calculated and accrued daily against the Fund as a whole and paid in arrears at the end of each half year.

The performance fee paid to Regal is equal to the performance fee accrual since the performance fee was last paid. It is payable only if the Fund's return over the performance fee period is positive.

In addition, Regal must make up any under-performance from the previous period before Regal can start accruing a performance fee.

OTHER FEES

ENTRY FEE

The Fund does not charge an entry fee.

BUY/SELL SPREAD

A buy/sell spread of 0.30% is charged on all

redemptions and subscriptions. This is paid into the Fund to the benefit of other unit holders. Please see the following section, 'Unit Pricing/Valuation Process', for further details.

EXIT FEE

The Fund does not charge an exit fee.

SOFT COMMISSIONS

Regal may receive benefits (sometimes referred to as 'soft dollar commissions') from brokers and counterparties selected to execute transactions on behalf of the Fund. The benefits (such as, for example, research services or market data) provided under such arrangements will generally assist Regal in the provision of investment services to the Fund. Regal is entitled to retain these benefits, and is not accountable in any way to the Fund nor any unit holders. In selecting brokers or dealers to effect portfolio transactions, Regal need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

Portfolio transactions for the Fund will be allocated to brokers on the basis of a number of factors including, but not limited to, best execution and in consideration of a broker's ability to effect the transactions, its facilities, reliability and financial responsibility and the provision or payment by the broker of the costs of research and research-related services that are of benefit to the Fund, the Investment Manager its affiliates or related funds and accounts. Accordingly, the commission rates (or dealer mark-ups and markdowns arising in connection with riskless principal transactions) charged to the Fund by brokers in the foregoing circumstances may be higher than those charged by other brokers who may not offer such services. Where a product or service obtained with commission dollars provides both research and non-research assistance to the Investment Manager or its affiliates, the Fund will make a reasonable allocation of the cost which may be paid for with commission dollars.

OTHER FEES AND EXPENSES

The Fund incurs other expenses, such as audit fees, legal fees, unit registry fees, administrator fees, transaction costs, taxes, fund formation costs and other expenses allowable under the Constitution, including abnormal expenses (if any). An abnormal expense would, for example, be the cost of holding a unit holder meeting. The Constitution allows for such expenses to be paid directly by the Fund, or paid by Regal and reimbursed to Regal from the Fund.

Unit Pricing, Distributions & Taxation

UNIT PRICING/VALUATION PROCESS

When you invest in the Fund you are allocated a number of units in the Fund. Each of these units represents an equal undivided part of the market value of the portfolio of investments that the Fund holds. As a result, each unit has a dollar value or unit price. The unit price is calculated by dividing the total asset value of the Fund, less its liabilities, by the total number of units held by unit holders on that day. All unit prices are calculated to four (4) decimal places. The number of units issued is calculated and rounded to the nearest whole number.

Units are priced each Business Day with reference to the last traded share price for that day, and/or such other time or times as Regal may determine ('Valuation Day').

The net asset value of the Fund includes the value of income accumulated since the previous distribution date.

There is a difference between the application and the redemption unit price which is a result of transaction costs. The buy/sell spread is applied because an application or redemption may necessitate the purchase or sale of Fund assets, incurring transaction costs such as brokerage, government duties and taxes. So that existing unit holders do not continually bear the transaction costs resulting from new investments or redemptions that are made, each unit holder pays a spread of up to 0.30% when they transact in the Fund. This is paid into the Fund for the benefit of all unit holders.

The spread of the Fund may be reviewed by Regal and altered or waived from time to time. Regal may also determine a reasonable estimate of the actual amount necessary to avoid an adverse impact on other unit holders due to the acquisition or disposal of assets carried out because of a particular application or redemption and apply this as the buy/sell spread for that particular application or redemption.

A nil or reduced buy/sell spread may also be applied where an application from one unit holder coincides with a redemption from an existing unit holder i.e. a 'crossing'.

In calculating the net asset value of the Fund, the Administrator or their affiliates may rely upon, and will not be responsible for the accuracy of, financial data furnished to it by third parties including automatic processing services, brokers, market makers or

intermediaries, the Investment Manager, Trustee and any administrator or valuations agent of other collective investments into which the Fund invests. If and to the extent that Regal is responsible for or otherwise involved in the pricing of any of the Fund's assets (for example in the case of unlisted or suspended stocks), the Administrator may accept, use and rely on such prices, without verification, in determining the net asset value of the Fund and shall not be liable to the Fund, any unit holder or any other person in doing so.

DISTRIBUTIONS

Distributions will usually be determined half yearly as at 30 June and 31 December each year or more frequently at Regal's discretion. Distributions will generally be paid within 30 calendar days after the distribution date.

Distributions are automatically reinvested unless a unit holder elects for the distribution to be paid out in cash. Distributions are reinvested at the unit price effective immediately after the end of the distribution period. No buy/sell spread is applied in respect of such units. A unit holder can change their distribution option by notifying the Unit Registry in writing at least twenty (20) Business Days prior to the relevant distribution date. Unit holders will still have to pay tax on a distribution, even if it is reinvested.

In certain circumstances, such as where shares are sold to meet a significant redemption, Regal may choose to allocate undistributed income and any net realised capital gains to redeeming unit holders based on a pro-rata allocation with reference to the number of units being redeemed. This would only be utilised to ensure a fair and reasonable allocation of any undistributed income and net realised capital gains amongst all unit holders.

Regal has absolute discretion in performing its obligations as trustee and may accept or reject a written direction from a unit holder. Regal may also in its discretion waive the minimum initial investment and minimum holding amount requirements.

Regal reserves the right to cancel distribution reinvestments. Unit holders will be notified if this occurs.

Distribution statements are sent to all unit holders annually.

TAXATION

There are tax implications when investing, redeeming and receiving income from the Fund. Regal cannot give tax advice and we recommend that you consult your tax adviser. The following summary is general in nature and does not constitute tax advice. You should seek independent professional advice on the tax consequences of an investment in the Fund, based on your particular circumstances, before making a decision to invest.

Generally, the Fund will not pay Australian income tax because the unit holders will be 'presently entitled' to all of the income (including net capital gains) of the Fund. Your taxable income will include your share of the net taxable income of the Fund (including net capital gains) which is allocated to you in respect of that income year, even if your distribution is reinvested or received in the following year. If there is income of the Fund to which no unit holder is 'presently entitled', the Fund will be subject to tax at the highest marginal tax rate (plus Medicare levy).

The following summary is relevant for Australian resident unit holders who are individuals, complying superannuation entities and companies that hold their units on capital account.

The Fund will seek to distribute franking credits (if any) received from its investments in Australian companies. Any franking credits attached to distributions will be shown in unit holders' annual tax statements. To the extent franking credits exceed tax payable by a unit holder, any excess may be refundable to individuals and complying superannuation funds.

The tax regime for Attribution Managed Investment Trusts ("AMITs") has been operative in Australia since 1 July 2016. The AMIT regime is designed to improve the operation of the taxation law for funds by increasing certainty, allowing greater flexibility and reducing compliance costs. Trusts which meet the eligibility criteria may make an irrevocable election to become an AMIT. The Fund has elected into the AMIT regime. The Fund monitors its ability to meet the AMIT eligibility criteria on an ongoing basis.

The following summary is relevant for Australian resident unit holders who are individuals, complying superannuation entities and companies that hold their units on capital account.

At the end of the Fund's tax year we will send to you the details of assessable income, capital gains, tax credits and any other relevant tax information to include in your tax return.

CAPITAL GAINS TAX

Your assessable income for each year includes net capital gains (i.e. after offsetting capital losses). You may derive capital gains from either:

- A component of the distribution made to you as a unit holder in the Fund; or
- Redeeming units from the Fund.

The Fund has made the Managed Investment Trust CGT election to treat certain assets including shares held by the Fund as CGT assets. The Fund's ability to make this election is subject to it continuing to satisfy certain criteria, which the Fund cannot guarantee.

Individuals, trusts and complying superannuation entities may be eligible for a CGT discount in relation to capital gains derived upon the disposal of units where they have held the units continuously for at least twelve (12) months. Certain capital gains distributed to unit holders from the Fund may also qualify as discount capital gains. The CGT discount percentage is 50% for individuals and trusts and 33 $\frac{1}{3}$ % for complying superannuation entities.

The distribution by the Fund of certain non-taxable amounts (if any) may give rise to capital gains tax cost base adjustments to a unit holders' units in the Fund. This may result in a larger capital gain or reduced capital loss on the subsequent disposal of the units, or may result in an immediate capital gain to the extent that any non-taxable amounts received exceed the CGT cost base of the units.

GOODS AND SERVICES TAX (GST)

The issue and redemption of units in the Fund and receipt of distributions will not be subject to GST. GST is payable by the Fund on Regal's fees and certain reimbursement of expenses. The Fund will generally be able to claim input tax credits and/or reduced input tax credits of either 55% or 75%.

NON-RESIDENT TAXATION

Australian tax will be deducted from distributions of certain Australian sourced taxable income to non-resident unit holders. The amounts will be withheld at the rates of tax applicable to non-resident unit holders and will depend on the type of income and country of residence of the unit holder. Non-resident unit holders may also be subject to tax in the country they reside in, but may be entitled to a credit for some of all of the tax deducted in Australia.

On the basis that the assets of the Fund are unlikely to be direct or indirect interests in Australian real property, no Australian capital gains tax consequences should arise for non-resident unit holders who hold their units on capital account.

Non-residents seeking to invest in the Fund should obtain tax advice on their specific circumstances.

FOREIGN TAX CREDITS

Australian residents are required to include in their assessable income their share of any foreign taxes paid by the Fund. Unit holders may be entitled to a tax offset for foreign taxes paid by the Fund, subject to certain conditions.

TAX FILE NUMBER (TFN) AND AUSTRALIAN BUSINESS NUMBER (ABN) (AUSTRALIAN UNIT HOLDERS ONLY)

It is not compulsory for unit holders to provide their TFN or ABN, and it is not an offence if they decline to provide them. However, unless exempted, if they are not provided, tax will be deducted from income distributions at the highest personal marginal rate plus the Medicare levy and any other applicable levies or taxes. The ABN, TFN or an appropriate exemption can be provided in the online application or on the Subscription Agreement when making an initial investment.

FOREIGN ACCOUNT TAX COMPLIANCE ACT (FATCA) THE COMMON REPORTING STANDARD (CRS) AND OTHER SIMILAR REGIMES

The Foreign Account Tax Compliance Act of 2010 (FATCA) is United States (U.S.) tax legislation which aims at enabling the U.S. Internal Revenue Service (IRS) to identify and collect tax from U.S. residents that invest via non-U.S. entities, such as the Fund.

FATCA requires certain foreign financial institutions (FFIs) to register with the IRS and collect and provide certain information about U.S. investors (relating to their identity, account balance and payments) to the IRS. Such U.S. investor account information is either reported to the IRS directly, or via the appropriate local tax authority such as the Australian Taxation Office (ATO). If you or (where you are applying on behalf of an entity) a Controlling Person of the entity (including 25% or greater owners) are a U.S. citizen or U.S. tax resident, you must contact Regal at the time of applying for Units in the Fund. Non-compliance with FATCA may result in a flat rate of 30% withholding tax on payments of certain U.S. source income.

The Common Reporting Standard (CRS) is a standardised set of information sharing rules which have been developed by the OECD with the aim of preventing tax evasion. Australia has enacted legislation to implement the CRS from 1 July 2017. Unlike FATCA, there is no withholding applicable under CRS.

Under FATCA and the CRS, Regal and the Fund, will be required to implement due diligence procedures to document and identify unit holders that are non-residents or entities that are controlled by non-residents and report certain information about those unit holders to the ATO. The ATO may exchange this information with the relevant foreign tax authorities.

Regal and the Fund, as registered FFI's under FATCA and reporting entities under CRS, intend to comply with their FATCA and CRS obligations (and any other obligations which may arise under similar regimes to be implemented in the future).

Regal will request that you provide certain information about yourself, and your tax status.

Any unit holder who does not provide information requested by Regal for FATCA or CRS purposes, or for the purposes of any similar regime in another country, is subject to a compulsory redemption of their units. In addition, if you do not provide us with the required information for FATCA or CRS compliance, Regal may be required to report your account details to the appropriate local tax authority such as the ATO.

In certain instances the Fund may not be able to escape the imposition of withholding tax or other taxes under FATCA or any similar regime. While the Fund will seek to apportion any such tax burden on unit holders whose actions or inactions have caused the Fund to be subject to tax, there can be no assurance that it will be able to do so, and if the Fund cannot, any such tax will reduce the amount of cash available to pay all unit holders, including those unit holders who have provided all requested information.

Additional Information

FUND CONSTITUTION

The Fund commences on 2 February 2015, pursuant to the Fund Constitution dated 25 November 2014 (as amended from time to time). The Constitution in respect of the Fund provides an operational framework for the ongoing management of the Fund. Regal and the unit holders are bound by the terms of the Constitution. It sets out the rights, duties and obligations of the Trustee in respect of the Fund.

The main operative provisions outlined in the Constitution include:

- Applications, redemptions, reinvestments and suspension of units;
- Rights of unit holders;
- Valuation of assets;
- Fees and expenses;
- Meetings of unit holders;
- Trustee's power and indemnity;
- Distributions of income in the Fund (including income distributions when the Fund is an AMIT); and
- Termination of the Fund.

The Constitution also allows Regal to compulsorily redeem units where Regal determines it is appropriate or necessary.

Holding units in the Fund does not give a unit holder the right to participate in the management or operation of the Fund.

Regal is not liable to unit holders in contract, tort or otherwise for any loss suffered in relation to the Fund except to the extent to which the loss is caused by a failure by Regal to properly perform its duties. As trustee, Regal is entitled to be indemnified from the assets of the Fund against all expenses, losses and liabilities that are incurred by it in the proper performance of its duties. The Fund Constitution is available by contacting Regal (refer to the contact details on page 25).

Regal may amend or withdraw this Information Memorandum at any time and may reissue a new or amended Information Memorandum from time to time.

TRANSFER OF UNITS

Please contact Regal if you would like to transfer units. Transferring units may have tax implications and you should consult your taxation adviser before you arrange any transfer of units. Regal may in its discretion refuse to register any transfer of units and is not required to give any reasons. Where Regal refuses to register a transfer, it may redeem those units in accordance with the Fund's Constitution.

REGISTER OF UNIT HOLDERS

The register of unit holders is maintained by the Unit Registry or its affiliates.

COMPLAINTS

If you have any queries or complaints, please contact Regal in writing. Please refer to page 25 for full address and contact details. We will acknowledge your query or complaint in writing within ten (10) Business Days. We will then give proper consideration to the complaint and advise you of the outcome as soon as practicable.

APPOINTING AN AUTHORISED REPRESENTATIVE

If you wish to appoint someone else to operate your investment on your behalf, the following conditions apply:

1. Your authorised representative can do everything you can do with your investment except appoint another authorised representative;
2. To cancel your authorised representative you must give Regal seven (7) Business Days written notice; and
3. You release and indemnify Regal (including for the purposes of this section each of its respective affiliates, directors and other officers, shareholders, employees, agents, permitted delegates and sub-delegates) from and against all liability which may be suffered by you or by Regal or brought against Regal in respect of any acts or omission of your authorised representative, whether authorised by you or not.

To appoint an authorised representative complete the relevant sections in the online application or the Subscription Agreement.

ANTI-MONEY LAUNDERING

The *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) ('AML Act') and the AML Requirements regulate financial services and transactions in a way that is designed to detect and prevent money laundering and terrorism financing. The AML Act is enforced by the Australian Transaction Reports and Analysis Centre ('AUSTRAC').

In order to comply with the AML Requirements, Regal or the Unit Registry is required to, amongst other things:

- Verify your identity and source of your application monies before providing services to you, and to re-identify you if they consider it necessary to do so; and
- Where you supply documentation relating to the verification of your identity, keep a record of this documentation for 7 years.

Regal, the Unit Registry and their respective subsidiaries, affiliates, directors, officers, shareholders, employees, agents, permitted delegates and sub-delegates (collectively 'the entities'), reserve the right to request such information as is necessary to verify the identity of an applicant and the source of the payment before applications can be processed. In the event of delay or failure by the investor to produce this information, the entities may refuse to accept an application and the application monies relating to such application or may suspend the payment of redemption proceeds if necessary to comply with AML Requirements applicable to them. The entities and their delegates shall not be liable to the applicant for any loss suffered by the applicant as a result of the rejection or delay of any subscription or payment of redemption proceeds.

The entities have implemented a number of measures and controls to ensure they comply with their obligations under the AML Requirements, including carefully identifying and monitoring unit holders. As a result of the implementation of these measures and controls:

- Transactions may be delayed, blocked, frozen or refused where an entity has reasonable grounds to believe that the transaction breaches the law or sanctions of Australia or any other country, including the AML Requirements;
- Where transactions are delayed, blocked, frozen or refused the entities are not liable for any loss you suffer (including consequential loss) caused by reason of any action taken or not taken by them as contemplated above, or as a result of their compliance with the AML Requirements as they apply to the Fund; and
- Any of the entities may from time to time require additional information from you to assist it in this process.

The entities have certain reporting obligations under the AML Requirements and are prevented from informing you that any such reporting has taken place. Where required by law, an entity may disclose the information gathered to regulatory or law enforcement agencies, including AUSTRAC.

The entities are not liable for any loss you may suffer as a result of their compliance with the AML Requirements.

PRIVACY

We respect your privacy. Any personal information provided to Regal and the Unit Registry when you invest, or at any other time in relation to your investment, will be used to administer and report on your investment, and for purposes related to that. For example, your personal information may be used to establish your initial investment, process ongoing transactions, respond to any queries you may have, provide you with transaction, distribution, tax and annual statements and to provide you with information on the performance of your investment, change in product features, fund commentary and other topical information. This collection of your personal information may be required under the AML Act and the Corporations Act.

As well as using your personal information within Regal, we may disclose your personal information to other persons and may be required to transfer your personal information to entities located outside Australia, to enable us to provide services to you. Such people include:

- Third parties we appoint as advisers, agents or service providers such as auditors, custodians, unit registries, administrators or legal advisers or any of their affiliates in Hong Kong, Singapore or other countries; and
- Third parties you authorise to act on your behalf in relation to your investment, such as your investment consultant, financial adviser, broker or solicitor or any of their affiliates.

If you provide incomplete or inaccurate information, Regal may not be able to process your application. We may also disclose your personal information to other persons and entities as permitted under the Privacy Act 1988 (Cth).

We aim to keep your personal information as up-to-date and accurate as possible. Regal's privacy policy contains information about how you are able to access and correct any of your personal information held by Regal or the Unit Registry that is incorrect or has changed, by writing to us. The privacy policy also addresses how complaints may be made and how they will be dealt with by Regal. A copy of Regal's Privacy Policy can be found at www.regalfm.com

Each investor will be required to consent in its online application or Subscription Agreement that the Fund, the Unit Registry and/or Regal may disclose personal information to each other, to affiliated entities, to any other service provider or to any regulatory body in Singapore, Hong Kong or other overseas countries in which they operate. Further information on the privacy policy and disclosure of personal information by the Unit Registry can be found at <https://boardroomlimited.com.au/corp/privacy-policy>. Personal information disclosed to these overseas recipients might not receive the level of protection afforded under Australian law. Any such disclosure shall not be treated as a breach of any restriction upon the disclosure of information imposed on such person by the Privacy Act 1988 (Cth) or otherwise.

If you wish to find out what personal information we hold with respect to you, please contact us.

Regal may also use personal information collected about you to notify you of other products. By completing and returning the online application or the Subscription Agreement, you consent, for the purposes of the Spam Act 2003 (Cth) to receiving commercial electronic messages from Regal.

SERVICE PROVIDERS

As at the date of this Information Memorandum, Regal has appointed the service providers (listed on page 25), to provide services to the Fund. The service providers may be changed and added to at any time without notice to unit holders.

UNIT REGISTRY

Boardroom Pty Ltd (also referred to as 'Unit Registry' in this Information Memorandum) has been appointed as unit registry for this Fund. The Unit Registry will be responsible for keeping the register of unitholders and arranging for the issue and redemption of units in the Fund. The Unit Registry will also be responsible for the payment of distributions and providing communications to unitholders.

The Unit Registry is generally entitled to be indemnified by the Fund against all claims suffered or incurred by the Unit Registry arising from, or in connection with the conduct of the unit registry services in accordance with the agreed terms, or in accordance with proper instructions given by Regal (other than those arising from or in connection with the fraud, gross negligence or wilful misconduct of the Unit Registry).

ADMINISTRATOR

The Hongkong and Shanghai Banking Corporation Limited - Sydney Branch (also referred to as 'Administrator' in this Information Memorandum) has been appointed as the administrator of the Fund. The Administrator has not been involved in the preparation

of this Information Memorandum and takes no responsibility for its contents.

The Administrator and its affiliates are responsible for the calculation of asset valuations and fees.

The Administrator and its affiliates are entitled to be indemnified by the Fund against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, gross negligence or wilful default on the part of the Administrator) which may be imposed on, incurred by or asserted against the Administrator in performing its obligations or duties.

The Administrator and its affiliates are a service provider to the Fund and have no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Fund. The Administrator is not responsible for, and accepts no responsibility or liability for any losses suffered by the Fund as a result of any investment decision.

None of the Administrator, any of its affiliates or any of its related bodies corporate, guarantees in any way the performance of the Fund, repayment of capital from the Fund, any particular return from, or any increase in, the value of the Fund.

The Administrator and its affiliates are not responsible for any failure by the Fund or the Investment Manager to adhere to the investment objective, policy, investment restrictions, borrowing restrictions or operating guidelines. The Administrator will not participate in transactions or activities or make any payments denominated in U.S. dollars, which, if carried out by a U.S. person, would be subject to OFAC sanctions.

The Administrator has delegated certain of its functions and duties to the Administrator's affiliates in Hong Kong and may use other affiliates in other countries to perform obligations in connection with the Fund in the future.

PRIME BROKERS AND CUSTODIANS

The Fund has appointed each of the Prime Brokers and their related Custodians listed on page 25 for the Fund. The appointments of the Prime Brokers were made pursuant to the prime brokerage customer documents (the "Customer Documents") entered into between the Fund and the relevant Prime Broker and Custodian. The relevant Custodians may appoint sub-custodians, agents or nominees (including a related entity of the Custodian) to perform the services of the Custodian under the Customer Documents.

Prime broking is the term given to bundled service packages offered by brokerage firms to funds which require cash or securities lending facilities - prime brokerage services may include the provision to the Fund of margin financing, clearing, settlement, stock

borrowing and foreign exchange facilities and may also involve their broker and dealer networks for the purposes of executing transactions. Fees for prime brokerage services are payable by the Fund and are therefore included in the returns you receive.

To enter into margin financing and stock borrowing arrangements, assets of the Fund are generally placed with the Prime Brokers (or their Custodians) to form collateral under a custodial arrangement. The Prime Brokers are entitled to sell, lend, or otherwise use this collateral for their own purposes, subject to an obligation to return equivalent securities or cash value.

Subject to limitations, the Prime Broker may request that the relevant Custodian pay or deliver assets to the Prime Broker. The Fund's investments may be borrowed, lent or otherwise used by the Prime Brokers for their own purposes. These assets become the property of the Prime Broker and the Fund has a right against the Prime Broker for the return of equivalent assets. The Fund ranks as an unsecured creditor for the equivalent assets, and if the Prime Broker becomes insolvent the Fund may not be able to recover the equivalent assets in full.

The Prime Brokers have no decision making discretion relating to the investment of the assets of the Fund and make no representation in respect of the Fund or the investment of the assets.

Under the relevant Customer Documents, the relevant Prime Broker, the Custodian and their related entities will not be liable for any loss suffered by the Fund under or in connection with the Customer Documents (other than where such loss is suffered as a result of the negligence, wilful default or fraud of the relevant Prime Broker, Custodian or related entity or as otherwise set out in the relevant Customer Documents).

Under the relevant Customer Documents, the Fund indemnifies the relevant Prime Broker, the Custodian and their related entities against certain claims, demands, damages, losses, costs, expenses and liabilities incurred in connection with the Customer Documents (other than where such loss is suffered as a result of the negligence, wilful default or fraud of the relevant Prime Broker, Custodian or related entity or as otherwise set out in the relevant Customer Documents).

The Fund reserves the right to change prime brokerage and custody arrangements by agreement with the existing Prime Brokers, and to appoint additional or alternative Prime Brokers or Custodians without notice to unit holders. The Prime Brokers and the Custodians are service providers to the Fund and are not responsible for the preparation of, and have not authorised or caused the issue of, this Information Memorandum or the activities of the Fund and therefore accept no responsibility for any information contained in this document. Neither the Prime Brokers nor the Custodians will participate in the investment decision-making process for the Fund.

To the maximum extent permitted by law, the Prime Brokers and their related Custodians expressly disclaim and take no responsibility for any statements in, or omissions from, the Information Memorandum other than the statements made with their consent.

Glossary

Capitalised terms used in this Information Memorandum and the Fund forms have the following defined meanings unless the context provides otherwise.

TERM	DEFINITION
Accounting Standards	The Australian equivalents to International Financial Reporting Standards
Administrator	The Hongkong and Shanghai Banking Corporation Limited, Sydney Branch - Fund Services, Australia - HSBC Securities Services
AML Requirements	The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth) ('AML Act') and other applicable anti-money laundering and counter terrorism laws, regulations, rules and policies which apply to Regal in respect of the Fund
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Business Day	Any day other than Saturday, Sunday, a bank holiday or public holiday in Sydney
Constitution	The deed establishing the Fund dated 25 November 2014 and includes any supplementary deeds and amendments from time to time
Controlling Person	Means the natural persons who exercise control over an entity through the capacity to determine decisions about financial or operating policies; or by means of trusts, agreements, arrangements, understanding & practices; voting rights of 25% or more; or power of veto. In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. In the case of a company (including a company acting in the capacity of trustee) it includes each of those owners that hold a 25% or greater interest in the company. For a partnership, it includes each of the partners
Custodians	UBS Nominees Pty Ltd Credit Suisse AG, Dublin Branch
Fund	Regal Australian Small Companies Fund
GST	Goods and services tax as defined in the A New Tax System (Goods and Services Tax) Act 1999
Investment Manager and Trustee	Regal Funds Management Pty Limited
Minimum Subscription Price Exclusion	Means the exclusion referred to at paragraphs (e) and/or (f) of the definition of "NZ Eligible Investors"

TERM	DEFINITION
NZ Eligible Investors	Means: <ul style="list-style-type: none"> (a) an entity whose principal business consists of investing in financial products, acting as an underwriter, providing a financial adviser service or a broking service in relation to financial products, or trading in financial products on behalf of other persons, or any other person that is an 'investment business' for the purposes of clause 37 of schedule 1 of the Financial Markets Conduct Act 2013 ('FMCA'); (b) a person that owns, or at any time during the 2-year period before the application is accepted has owned, a portfolio of 'specified financial products' (as defined in clause 38 of schedule 1 of the FMCA) of a value of at least NZ\$1 million, or a person that otherwise meets the investment activity criteria specified in clause 38 of schedule 1 of the FMCA; (c) a person whose net assets exceeded NZ\$5 million as at the last day of each of the 2 most recently completed financial years before the application is accepted, or whose total consolidated turnover exceeded NZ\$5 million in each of those 2 financial years, or any other person that is 'large' for the purposes of clause 39 of schedule 1 of the FMCA; (d) a person who is a 'government agency' for the purposes of clause 40 of schedule 1 of the FMCA; (e) a person who pays a minimum subscription price of at least NZ\$750,000 for units in the Fund on acceptance of the application in accordance with clause 3(3)(b)(i) of schedule 1 of the FMCA; or (f) a person whose subscription price for units under the application, together with the subscription price previously paid by the person for units in the Fund, add up to at least NZ\$750,000 in accordance with clause 3(3)(b)(ii) of the FMCA
Prime Brokers	UBS AG Australia Branch ¹ Credit Suisse AG, Dublin Branch and any additional prime broker(s) that may be appointed by Regal from time to time
Redemption Day	Daily on a Sydney Business Day
Redemption Request	The document with that title available at https://www.regalfm.com/site/our-funds/australian-nz-wholesale-investors/regal-australian-small-companies-fund
Regal	Regal Funds Management Pty Limited
Subscription Agreement	The document with that title available at https://www.regalfm.com/site/our-funds/australian-nz-wholesale-investors/regal-australian-small-companies-fund
Subscription Day	Daily on a Sydney Business Day
Unit Registry	Boardroom Pty Ltd (Boardroom) ABN 14 003 209 836, a company incorporated in Australia, having its registered office at Level 12, 225 George Street, Sydney NSW 2000
Valuation Day	Daily on a Sydney Business Day or such other Business Days determined by the trustee

¹ 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

Service Providers

INVESTMENT MANAGER/TRUSTEE

Regal Funds Management Pty Limited

ABN 30 107 576 821

AFSL 277737

Level 47, Gateway 1 Macquarie Place

Sydney NSW 2000

Phone: +61 2 8197 4333

Fax: +61 2 8197 4334

E-mail: info@regalfm.com

UNIT REGISTRY

Boardroom Pty Ltd

Level 12, 225 George Street

Sydney NSW 2000

Phone: 1300 737 760 (in Australia)

+61 2 9290 9600 (International)

Fax: 02 9252 1987

ADMINISTRATOR

The Hongkong and

Shanghai Banking Corporation Limited

Sydney Branch

Fund Services, Australia

HSBC Securities Services

Level 3, 10 Smith Street Parramatta

NSW 2150, Australia

AUDITOR

Ernst & Young

200 George Street

Sydney NSW 2000

Phone: +61 2 9248 5555

Fax: +61 2 9248 5959

CUSTODIANS

UBS Nominees Pty Ltd

Level 16, Chifley Tower

2 Chifley Square

Sydney NSW 2000

Phone: +61 2 9324 2000

Fax: +61 2 9324 2001

Credit Suisse AG, Dublin Branch

Kilmore House, Park Lane,

Spencer Dock, Dublin 1, Ireland

Phone: +353 (1) 523 5800

PRIME BROKERS

UBS AG, Australia Branch

Level 16, Chifley Tower

2 Chifley Square

Sydney NSW 2000

GPO Box 4151

Sydney NSW 2001

Phone: +61 2 9324 2000

Fax: +61 2 9324 2001

Credit Suisse AG, Dublin Branch

Kilmore House, Park Lane,

Spencer Dock, Dublin 1, Ireland

Phone: +353 (1) 523 5800

How To Invest

Application process:

1. Read this Information Memorandum
2. Complete the online application at <https://boardroomlimited.com.au/regalfunds/wholesale-investment-products/> or alternatively complete the paper based Subscription Agreement (including the relevant Identification Form) which is available on our website (<https://www.regalfm.com/site/our-funds/australian-nz-wholesale-investors/regal-australian-small-companies-fund>). To request a copy of the Subscription Agreement free of charge, please contact Regal Investor Services on +61 (0) 2 8197 4333 (Australia) or via email (info@regalfm.com).
3. Make payment in cash via wire transfer direct to the Fund's bank account. Follow the instructions in the online application or Section 8 of the Subscription Agreement.
4. Applicants should note the times by which online applications or paper based Subscription Agreements must be received in order to be processed on a Subscription Day. Applicants should also note that cleared funds must be received into the account for value before 5pm AEST at least three (3) Business Days prior to the relevant Subscription Day as specified in this Information Memorandum. All application monies must originate from an account held in the name of the applicant. No third party payments will be permitted.

IF USING THE PAPER BASED SUBSCRIPTION AGREEMENT, PLEASE SEND THE ORIGINAL COMPLETED SUBSCRIPTION AGREEMENT AND ALL REQUIRED DOCUMENTS* TO:

Boardroom Pty Limited

GPO Box 3993 Sydney NSW 2001

Attention: Unlisted Fund Services (Regal Funds Management)

Fax: +61 2 9252 1987

* Please note that Applications may be refused or not processed if the required documents are not provided.

Additional subscriptions can be made by online at <https://boardroomlimited.com.au/regalfunds/wholesale-investment-products/> or by completing the paper based Additional Subscription Form which is available on our website (<https://www.regalfm.com/site/our-funds/australian-nz-wholesale-investors/regal-australian-small-companies-fund>).