

19 February 2019

Dear Investor,

## Announcement of a partnership with Kilter Rural

I am pleased to announce that on 21st December 2018, Regal Funds Management acquired a 50% interest in Kilter Rural Pty Ltd. Kilter Rural shares many similar values and characteristics with Regal Funds Management: our clients come first, we develop deep and productive relationships and we believe that great teams develop great outcomes.

Both businesses have developed a track record of generating attractive returns for clients through a range of market conditions for over 15 years. Importantly, like many of Regal's funds, Kilter Rural's funds generate returns that are uncorrelated to traditional financial indices and can provide valuable diversification to client's portfolios.



### OVERVIEW OF KILTER RURAL

Kilter Rural is a specialist manager of Australian farmland, water and ecosystem assets. Established in 2004, Kilter Rural manages over \$350 million on behalf of a large institutional Australian pension fund and several wholesale and high net worth investors.

Kilter Rural has three open wholesale strategies:

#### Kilter Water Fund

Inception: June 2014  
Annualised return: 16.5%  
Volatility: 12.9%  
Correlation to S&P/ASX300  
Accum: -0.03

#### Murray-Darling Basin Balanced Water Fund

Impact fund in association with The  
Nature Conservancy

Inception: June 2015  
Annualised return: 14.9%  
Volatility: 7.4%  
Correlation to S&P/ASX 300  
Accum: 0.07

#### Australian Farmlands Funds

Inception: October 2018  
Target return: 10% - 12%

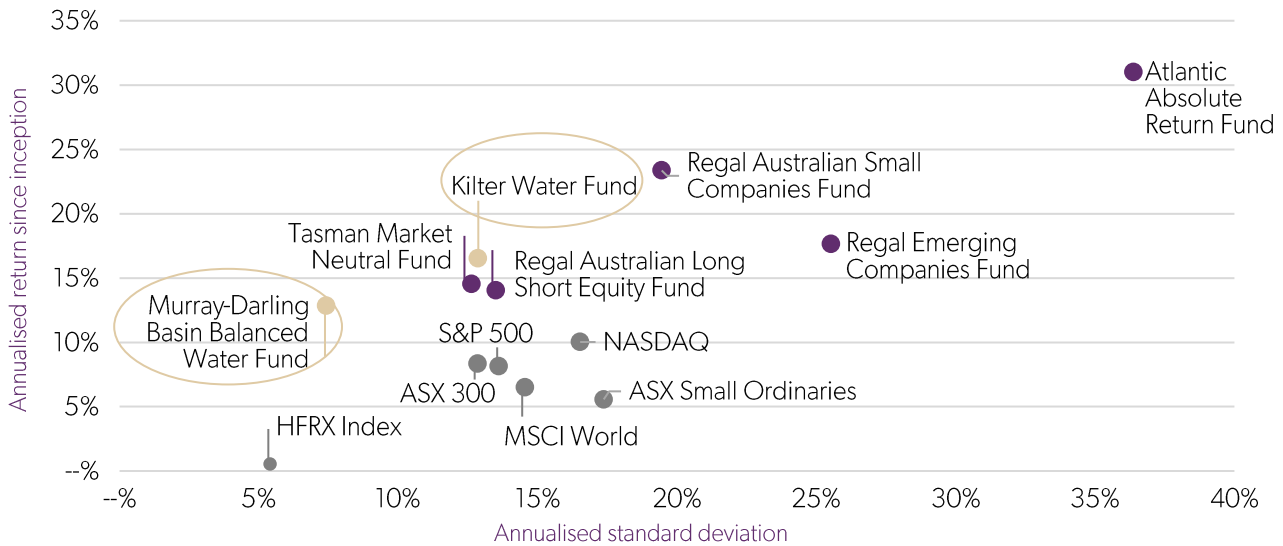
The Australian Farmlands Funds were established in late 2018 and provide an opportunity for sophisticated and wholesale investors to gain access to an agribusiness portfolio of irrigated farmland and water assets in the southern Murray-Darling Basin (sMDB). A unique opportunity currently exists for Kilter to secure and develop value accretive and productive farmland assets. Target returns are 10–12% and are expected to be uncorrelated to traditional asset classes.

For further information on Kilter Rural, please visit [www.kilterrural.com](http://www.kilterrural.com).

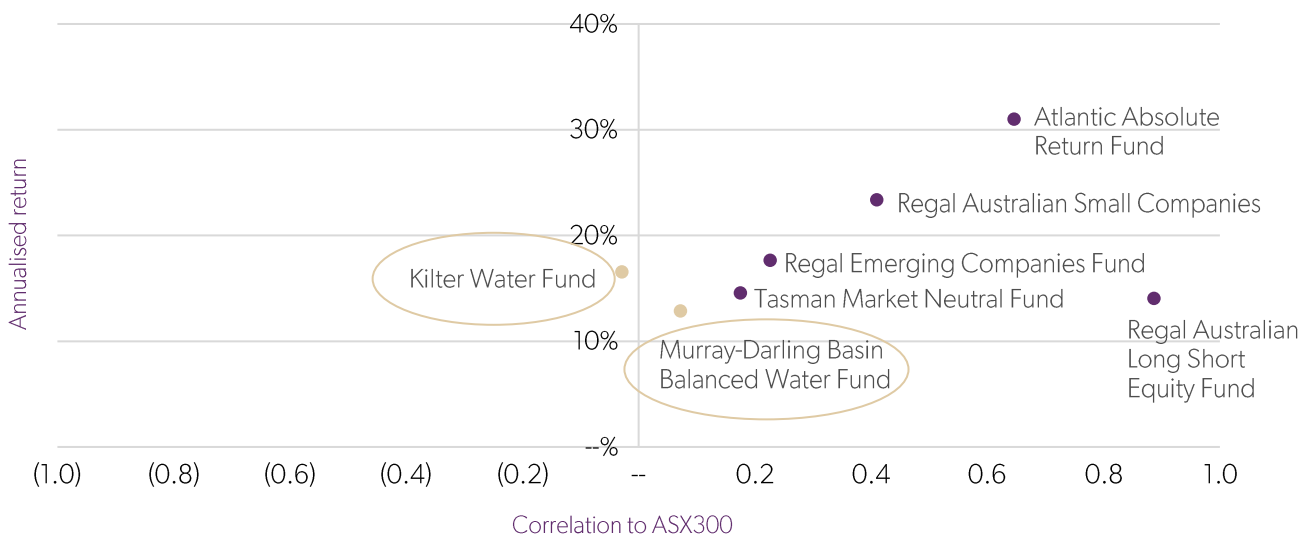


Regal partnership with Kilter Rural

## RETURN AND VOLATILITY



## RETURN AND CORRELATION



Notes: Past performance is not a reliable indication of future performance. Data shown as at 31 January 2019. Index returns measured since May 2004. All Index returns are inclusive of dividends paid.

For further information, please contact Regal Investor Relations on 02 8197 4333 or via email at [investorrelations@regalfm.com](mailto:investorrelations@regalfm.com).

Kind regards,

Brendan O'Connor  
 CEO  
 Regal Funds Management