

**REGAL INVESTMENT FUND
MODERN SLAVERY
STATEMENT
2023**

Table of contents

Table of contents	2
Background	3
Structure, operations and supply chains of the reporting entity	3
Fund Structure	3
About Equity Trustees Limited	3
About Regal Funds Management	3
Operations and supply chains	4
Risks of modern slavery practices in operations and supply chains of the reporting entity	5
Actions taken by the Reporting Entity and ETL to assess and address risks, including due diligence and remediation processes.	6
How the Reporting Entity and ETL assesses the effectiveness of actions to assess and address risks	7
Consultation process	7
Other relevant information	8
Approval	8

Background

This document is a Modern Slavery Statement (**'Statement'**) made pursuant to section 14 of the *Modern Slavery Act 2018(Cth)* (the **'Act'**) in respect to the financial year ending 30 June 2023 (the **'Reporting Period'**) in relation to the Regal Investment Fund, a 'Reporting Entity' under the Act.

The Statement is issued by Equity Trustees Limited ABN 46 004 031 298 (**'ETL'** or **'Responsible Entity'**) in its capacity as the responsible entity of the Reporting Entity in accordance with the Act and has been approved by the Board of ETL as their principal governing body

This Statement discloses ETL and the Fund's commitment and steps taken in identifying and addressing modern slavery risks within its business and supply chain, which includes the activities implemented in financial year ending 30 June 2023.

This is the second Statement for the Regal Investment Fund.

Structure, operations and supply chains of the reporting entity

Fund Structure

The Regal Investment Fund (also referred to as the **"Fund"**) is a registered managed investment scheme, ARSN 632 283 384. ETL is the responsible entity of the Fund. Its investors are classified as retail clients pursuant to the Corporations Act (Cth) 2001.

The Board of Directors of ETL govern the Fund's operations. Its investments and investment strategy are managed by Regal Funds Management Pty Ltd pursuant to an Investment Management Agreement (**"IMA"**) between ETL and Regal Funds Management Pty Ltd (**"RFM"**).

The business activities of the Fund are conducted in accordance with high levels of ethical and professional standards and in accordance with relevant laws in Australia. The Fund is committed to mitigating the risk of modern slavery in the business and supply chains of the Fund and the assets in which it invests.

About Equity Trustees

ETL is a wholly owned subsidiary of EQT Holdings Ltd which is a diversified financial services company publicly listed on the Australian Securities Exchange (ASX: EQT). ETL holds an Australian Financial Services Licence ('AFSL') no. 240975. It acts as a trustee and responsible entity for a range of managed investment schemes and unit trusts of which the Fund is one. ETL's registered office is Level 1, 575 Bourke Street, Melbourne, VIC 3000, Australia.

About Regal Funds Management

RFM is a private company founded in Australia in 2004. RFM specialises in alternative investment strategies with a primary focus on long/short investment strategies. RFM performs investment management and investment advisory services from its Sydney office for a number of Australian unit trusts and international investment companies. In this capacity, RFM manages capital for a range of clients including institutional investors, private banks, financial planning groups, asset consultants, offshore institutions, family offices and high net worth individuals.

Part of ASX-listed 'Regal Partners Limited' (ASX:RPL), RFM sits alongside VGI Partners, Kilter Rural and Attunga Capital, managing capital across a diverse range of alternative investment strategies covering long / short equities, private markets, real and natural assets, and capital solutions. RFM's registered office is at Level 47, Gateway, 1 Macquarie Place Sydney NSW Australia. As at 30 June 2023 RFM employed a team of 43 people in Sydney, including 25 investment professionals across its different investment strategies.

Operations and supply chains

The Fund's investment objective is to provide investors with exposure to a selection of alternative investment strategies managed by RFM, 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 investment strategy is to construct a portfolio of assets including long and short positions, securities, derivatives and cash using multiple RFM investment strategies. As manager of the Fund, RFM selects multiple RFM investment strategies and determines the relative weight given to each investment strategy at any given time. 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. The Fund primarily invests in securities in Australia and Asia and it may also hold positions in other countries including emerging and frontier markets.

RFM applies a number of different investment processes when implementing its investment management activities on behalf of the Fund. This includes:

- (a) the **Fundamental Investment Process** which generally focuses on a four-step security selection process, which emphasises the bottom-up valuation of specific investment entities.
- (b) the **Market Driven Investment Process** which 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.
- (c) The **Global Alpha Investment Process** is based on a five-step investment process beginning with identifying what the Manager perceives to be a market inefficiency. The second step involves analysing the market inefficiency in greater detail and back-testing the investment hypothesis by using historical data and comparable situations. RFM 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.
- (d) The **Private Credit and Resources Royalties Investment Process** focuses on carrying out a detailed due diligence on each individual investment opportunity or project including financial, legal, and industry due diligence.
- (e) **The Water Investment Process** leverages the Kilter Rural investment management team's experience in Australian water markets to invest in Australian water entitlements and water allocation assets.

In preparing this statement, the Fund's direct supply chain has been considered.

The Fund's operations and supply chains involve custody and administration of assets and also include several support functions including marketing and communication, governance, risk and compliance services and human resources. These support functions are provided by ETL, the investment manager and other external service providers. Internal policies and procedures in relation to the selection of service providers are followed and service providers are typically selected after a due diligence (financial & operational) process which includes risk assessments and thorough reviews with internal subject matter experts.

ETL, as Responsible Entity of the Fund, has entered into agreements with each of the service providers which govern the nature and scope of the services to the Fund.

Administration and Custody of the Fund's assets are primarily held via UBS, Morgan Stanley, Bank of America Merrill Lynch, Goldman Sachs and JP Morgan which have operations globally.

The Fund's operations and supply chains involve custody and administration of assets and also include several support functions including marketing and communication, governance, risk and

compliance services and human resources. These support functions are provided by ETL, RFM and other external service providers. Internal policies and procedures in relation to the selection of service providers are followed and service providers are typically selected after a due diligence (financial & operational) process which includes risk assessments and thorough reviews with internal subject matter experts.

RPL group staff provide investment management and advisory and other administrative support services for the Fund. These staff are based in offices in Sydney, Bendigo, Singapore and New York. The Fund also directly engages global regulated entities to perform Fund Administrative and Custody services. Registry services are performed by a local Australian registry provider.

Risks of modern slavery practices in operations and supply chains of the reporting entity

Modern slavery has been defined by the Act to include eight types of serious exploitation, including:

1. Trafficking in persons;
2. Slavery;
3. Servitude;
4. Forced labour;
5. Forced marriage;
6. Debt bondage;
7. The worst forms of child labour;
8. Deceptive recruiting for labour services.

It is acknowledged that the following types of modern slavery risks and their indicators that can exist in the Fund's operations and supply chains as well as in the equity holdings of the Fund:

- **Sector and industry risk:**

Certain sectors and industries may have high modern slavery risks because of their characteristics, products and processes. Indicators of this type of risk include the use of unskilled, temporary or seasonal labour, use of short term contracts and outsourcing, use of foreign workers or temporary or unskilled labour to carry out functions which are not immediately visible (ie. at nighttime) for example, security and cleaning.

In respect of the Fund based on the sectors identified using the Responsible Investment Association Australasia (RIAA) investor toolkit and the Australian Council of Superannuation Investors (ACSI) Modern Slavery Risks, Rights and Responsibilities: A Guide for Companies and Investors and the Responsible Sourcing Tool, we have identified the following operations/supply chains that exhibit sector and industry risk:

- Agriculture and fishing; delete or add as appropriate for your Funds explicitly calling out any specific sectors as needed for individual Funds
 - Apparel;
 - Construction and building materials;
 - Electronics manufacturing and electronics recycling;
 - Food and beverage;
 - Healthcare;
 - Hospitality;
 - Transport and warehousing; and
 - Financial services.
- **Product and services risk:** where certain products and services have high modern slavery risks because of the way they are produced, provided or used. We have not identified any significant areas of product services risk in the Fund's operations or supply chains
 - **Geographic risk:** where some countries may have higher risk of modern slavery, including due to poor governance, weak rule of law, conflict, migration flows and socio-economic factors. We have analysed the Fund's material investments in respect of geographic risk and



have identified some areas of geographic risk in its investments including portfolio investments in companies with operations in countries with a high-risk rating based on the Global Slavery Index 2018.

- **Entity risks:** where an entity may have particular modern slavery risks because of poor governance structures, a record of treating workers poorly or a track record of human rights violations. We have not identified any instances of entity risk in the Fund's material investments and suppliers.

ETL and the Reporting Entity had no direct knowledge during 2023 of modern slavery taking place in any of its outsourced services or procurement of goods and services. ETL and the Reporting Entity consider that, in 2023, the risks of modern slavery occurring in the Fund's supply chain was low.

An area of potential risk of involvement with modern slavery exists in relation to the Reporting Entity's investment operations. This risk is most likely where the Reporting Entity holds a portfolio investment in a business which operates in a high-risk industry or geography.

The implementation by RFM of the Market Driven Investment Process and the Global Alpha Investment Process involves holding a very large portfolio of listed company investments across a broad spectrum of industries. These positions are actively traded, are often immaterial on an individual basis, and are likely to be held by the Reporting Entity on a short-term basis. The complex and changeable nature of these investment portfolios means RFM does not have direct contact or relationships with investee companies, and it is not reasonable to conduct due diligence across such a large and diverse investment portfolio which is constantly changing. In addition, the immaterial size of the investment is unlikely to provide RFM with any meaningful leverage to effectively influence behaviour in relation to modern slavery risks. Therefore, it is acknowledged that risks of modern slavery may exist within the large portfolio of companies in which the Reporting Entity invests.

The implementation of the Fundamental Investment Process can lead to the establishment of high conviction positions where the Reporting Entity may hold a material investment. As part of a bottom-up investment research process applied when implementing the Fundamental Investment Process, RFM considers a range of factors that might affect a company's intrinsic value. This can include environmental, social and governance issues if this is a material risk for the entity. For example, if a company's business model is potentially at risk due to environmental, social and governance issues (including human rights abuses), RFM's valuation proposition and conviction in the investment should reflect these risks.

RFM will continue to focus on assessing any material modern slavery risks using the risk assessment detailed above under the Fundamental Investment Process, to understand its exposure to modern slavery risks. This assessment will change over time as RFM continues to develop processes around identifying and assessing modern slavery risks within its investment portfolios.

Actions taken by the Reporting Entity and ETL to assess and address risks, including due diligence and remediation processes.

ETL and Reporting Entity are committed to continuously improving awareness and response to the risk of modern slavery in the Fund's operations and supply chains.

During the Reporting Period, RFM undertook the following actions:

- RFM has enhanced its code of ethics policies to more specifically deal with modern slavery risks;
- RFM has adopted an ESG policy outlining how ESG factors are incorporated into its stock selection process;
- RFM has incorporated specific due diligence questions relating to modern slavery in its vendor due diligence process;



- RFM has conducted due diligence and modern slavery risk assessments on the operations of its non-wholly owned subsidiaries;
- RFM has implemented mandatory training on our Modern Slavery policy and procedures to all staff. The training aims to increase visibility and awareness of how modern slavery can manifest in RFM's supply chains and material portfolio investments, and include information on how to identify and report any concerns;
- RFM has implemented procedures to conduct periodic modern slavery risk reviews of the most material positions in a number of its largest Funds and incorporated more specific ESG consideration of modern slavery risks into the Fundamental Investment Process applied to material positions.

During the Reporting Period ETL undertook the following actions:

- Established an ESG working group of key internal business stakeholders with the purpose to assess ESG trends, standards and guidance relevant to EQT Group, recommend actions and report measures taken to mitigate ESG risks and implement strategic ESG opportunities and operational enhancements; and
- Engaged with external consultants to develop a sustainability material assessment to determine ESG topics which represent the greatest risks, sustainability framework and policies to assess, monitor and report on ESG matters, and sustainability roadmap and action plan on the short, medium and long-term horizons; and
- Continued to refine and design ETL's modern slavery onboarding questionnaires to service providers and investment managers.

How the Reporting Entity and ETL assesses the effectiveness of actions to assess and address risks

ETL as the Responsible Entity of the Fund and RFM is in the early stages of assessing the effectiveness of the risk-based approach which includes the review of geographical jurisdictions the Reporting Entities are exposed to and the likely exposure within any investable assets that may align to areas of known modern slavery risks.

ETL intends to provide its Board of Directors with an annual assessment on the implementation and effectiveness of actions to ensure the obligations within this Statement are met. The ETL Board shall consider the effectiveness of the measures as set out above and have the authority to make amendments to this Statement as it sees fit.

Consultation process

There are no subsidiaries or entities owned or controlled by the Reporting Entity, which is a Trust. However, the trustee of the Trust and the investment manager of the trust consult on the preparation of this MSS.

The trustee of the Reporting Entity is ETL (the issuer of this statement). The trustee is responsible for holding the assets of the trust, issuing interests in the trust to investors and entering into agreements on behalf of the trust.

The investment manager of the trust is Regal Funds Management Pty Ltd. The investment manager is appointed by the trustee under an Investment Management Agreement. The role of the investment

manager is to make investment decisions regarding the assets of the trust. For clarity, Regal Funds Management Pty Ltd is not owned or controlled by the issuer of this MSS.

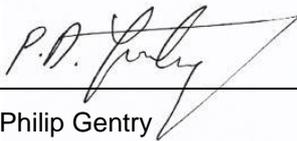
Senior management of the investment manager and the trustee consult on all content included in the MSS and jointly identify, consider and address modern slavery risks set out in the MSS. The MSS is then reviewed and approved by the board of the trustee.

Other relevant information

No other relevant information has been identified for this reporting period.

Approval

This Statement was approved by the Board of Directors of ETL, as the principal body of the Reporting Entities, on 21 December 2023



Philip Gentry

Chair

21 December 2023

For clients wishing to discuss this statement, please contact your client service representative.

For media inquiries wishing to discuss this Statement, please contact:

Alicia Kokocinski
General Manager, Marketing and Communications
Equity Trustees Limited
Level 1, 575 Bourke Street, Melbourne, VIC 3000
Australia
Telephone: +61 3 8623 5396 / +61 403 172 024
Email: akokocinski@eqt.com.au

Equity Trustees Limited ABN 46 004 031 298 AFSL 240975 and EQT Responsible Entity Services Ltd ABN 94 101 103 011 are part of the EQT Holdings Limited group (brand name Equity Trustees) which also includes Equity Trustees Wealth Services Limited ABN 33 006 132 332 AFSL 234528, Equity Trustees Superannuation Limited ABN 50 055 641 757 AFSL 229757, RSE L0001458 HTFS Nominees Pty Ltd ABN 78 000 880 553 AFSL 232500 RSE L0003216 EQT Legal Services Pty Ltd ABN 32 611 391 149. EQT Holdings Limited ABN 22 607 797 615 is a publicly listed company on the Australian Securities Exchange (ASX: EQT) with offices in Melbourne, Bendigo, Sydney, Brisbane, and Adelaide.

This material has been prepared by ETL and Regal Funds Management (RFM) to provide you with general information only. Neither RFM, ETL nor any of their related parties, their employees or directors, provide any warranty of accuracy or reliability in relation to such information or accepts any liability to any person who relies on it. Any securities and/or sectors mentioned herein are for illustration purposes and should not be construed as a recommendation for investment. The information contained herein may not be copied, reproduced or redistributed without the express consent of RFM and ETL. While the information is believed to be accurate, it may be subject to change without notice. Except in so far as any liability under any law cannot be excluded, RFM and ETL do not accept liability for any inaccuracy or for the investment decisions or any other actions taken by any person on the basis of the material included.



Unless otherwise indicated, logos, product and services names are trademarks of RFM and ETL and its affiliates and may be registered in certain countries