

Tasman Market Neutral Fund

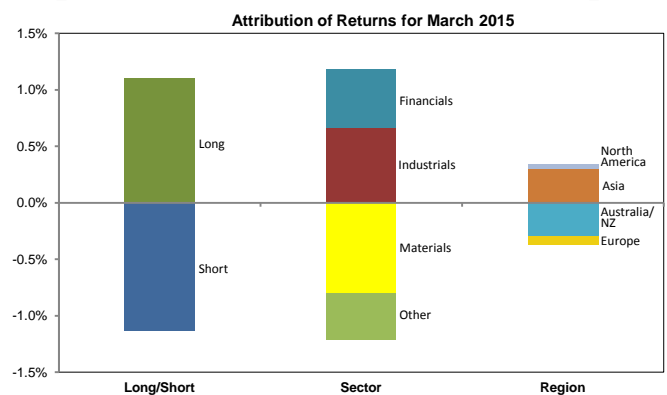
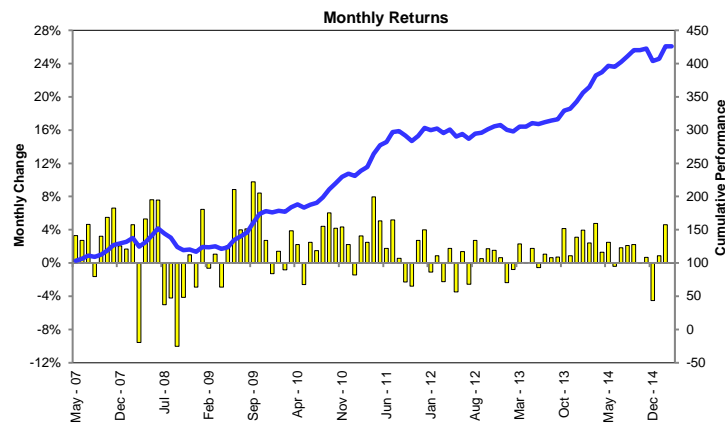
March 2015

The Tasman Market Neutral Fund finished roughly flat in March down 0.03%. However within this there was some variance in individual stock returns.

On the positive side, some shorts in the Mining and Mining Services sectors, including Iron Ore, Gold and Coal, worked well. The one negative in the Materials sector was the Fund's long position in Syrah which fell 16% in the month after a good rally this year.

The main negative for the Fund was a 41% fall in Sirtex after the company said some drug trials were not going as well as expected. We think the market has overreacted and we continue to hold the position. Apart from this single stock the Fund's exposures in Health Care are doing well. Another negative was a short in TPG which rallied hard after an earnings-accretive acquisition.

It was also pleasing to make money in Asia where some of the Fund's long exposures strongly outperformed the Fund's short exposures.



SUMMARY DATA (NET)

March Return (%)	-0.03*
Best Monthly Return Since Inception (%)	9.76
Worst Monthly Return Since Inception (%)	-10.04
2015 Calendar Year Return (%)	5.47
Rise in NAV Since Inception (%)	326
Last 3 Months Return (%)	5.47
One Year Rolling Return (%)	11.44
Annualised Return (%)	20.08

* Please note: this is an internal estimate, and has not been checked by the Fund's Administrator.

RISK RETURN

Reward to Risk Ratio	1.65
Annualised Standard Deviation (%)	12.15
Downside Deviation (%)	8.69
Sortino Ratio	2.31
Maximum Drawdown (%)	23.10
Percentage of Positive Months (%)	74

CORRELATION

Australian S&P 200	0.13
US S&P 500	0.06
MSCI World	0.11

FUND INFORMATION

Name	Tasman Market Neutral Fund	Fund Size	A\$287m
Structure	Unit Trust	Minimum Investment	A\$250,000
Domicile	Australia	Subscription Frequency	Monthly
Inception	May 2007	Redemption Frequency	Monthly
Management Fee	2%	Administrator	HSBC
Incentive Fee	20%	Auditor	Ernst & Young
Hurdle Rate	No	Custodian	UBS/MS/BAML/Credit Suisse
High Water Mark	Yes	Legal Advisor	Henry Davis York

CONTACT INFORMATION

Fund Manager	Regal Funds Management Pty Ltd	Phone	+612 8197 4333
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Tasman Market Neutral Fund

STRATEGY

The Tasman Market Neutral Fund aims to maximise returns with only moderate risk and little correlation to equity markets.

Investments are usually based on fundamental research and may be held for months or years. Hedging is usually achieved through single stock exposures.

The fund aims to limit the volatility of returns to less than 15% pa and maintains a beta neutral portfolio.

Risk limits (stock, sector, liquidity, systematic etc) are maintained to help achieve the volatility target.

Most of the investments are in Australia but investments are also made in other countries on an opportunistic basis (mainly in Asia).

FUND ADVISOR PROFILE

Regal Funds Management Pty Limited is the Investment Manager of the Fund and is a fundamental hedge fund manager based in Sydney. Regal Funds Management Asia Pte Limited is the Singapore based Investment Advisor to the Fund.

The Investment Manager and Investment Advisor together have a team of over nine investment management professionals utilising a number of investment strategies which can predominantly be classified into a fundamental, research-driven model and a quantitative model.

The investment management professionals have significant experience in financial markets both in Australia/Singapore and overseas. The Investment Manager and Investment Advisor have a broad knowledge base to draw upon with investment staff having experience on the buy/sell side, fundamental/ quantitative investing, sales/research, long-side/hedge fund investing as well as investment banking and capital markets.

FUND PERFORMANCE

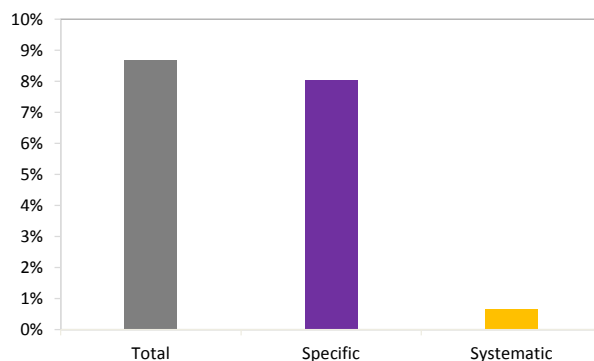
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2015	0.87	4.59	-0.03*	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	5.47
2014	3.93	2.43	4.78	1.30	2.49	-0.39	1.85	2.09	2.22	0.02	0.66	-4.53	17.86
2013	-2.35	-0.78	2.29	0.08	1.74	-0.55	1.06	0.66	0.70	4.13	0.86	3.10	11.32
2012	-1.10	0.87	-2.25	1.75	-3.49	1.37	-2.54	2.73	0.52	1.71	1.54	0.62	1.54
2011	-1.45	3.25	2.50	7.96	5.05	1.77	5.19	0.56	-2.27	-2.77	2.71	4.00	29.25
2010	1.41	-0.81	3.88	2.23	-2.58	2.50	1.50	4.41	6.02	4.20	4.35	2.24	33.23
2009	6.47	-0.62	1.07	-2.91	2.05	8.83	4.00	4.10	9.76	8.44	2.70	-1.28	50.66
2008	1.69	4.62	-9.55	5.32	7.61	7.56	-5.03	-4.22	-10.04	-4.15	0.97	-2.90	-9.80
2007	n/a	n/a	n/a	n/a	3.31	2.74	4.65	-1.62	3.23	5.51	6.59	2.07	29.50

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EMPIRICAL RISK DECOMPOSITION[^]

Volatility



[^]calculated as per APT

BALANCE SHEET EXPOSURES (% of NAV)

Sector	Long	Short	Net	Gross
Consumer Discretionary	27	-13	14	40
Consumer Staples	2	-7	-4	9
Diversified	0	-1	-1	2
Energy	13	-18	-4	31
Financials	32	-17	15	49
Health Care	18	-6	12	24
Industrials	33	-28	5	61
Information Technology	1	-4	-3	5
Materials	25	-31	-6	56
Telecommunication Services	4	-7	-3	10
Utilities	7	-1	7	8
Total	163	-133	30	296

Region	Long	Short	Net	Gross
Australia/NZ	145	-122	23	267
Asia	12	-5	7	17
Europe	0	-3	-3	3
North America	6	-3	3	9
Total	163	-133	30	296