



## CEU final compliance report by ASIC

ASIC’s final report dated **25 January 2019** on compliance with the s93AA ASIC Act court enforceable undertaking given by **Philip Brian Vernon King (Mr King) and Regal Funds Management Pty Limited** ACN 107 576 821 (**Regal**) dated 22 December 2015.

Terms used in this report have the same meaning as in the 22 December 2015 court enforceable undertaking (CEU).

| Undertakings   | Report on compliance   |
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| <b>Payment to Financial Literacy Australia Limited</b><br><br>CEU subparagraph 4.1 (a) | 1. On 12 January 2016, Mr King paid \$80,000 to Financial Literacy Australia Limited in accordance with the timeframe specified in the CEU.  |
| <b>Business Ethics Course</b><br><br>CEU subparagraph 4.1 (b)                          | 2. On 16 May 2016, Mr King completed a business ethics course in accordance with the timeframe specified in the CEU.   |
| <b>Compliance Training</b><br><br>CEU subparagraph 4.1 (c)                             | 3. Mr King completed 20 hours of annual compliance and related training provided by Regal or as determined by Regal in each of the calendar years between 2016 and 2018 in accordance with the timeframe specified in the CEU.   |
| <b>Trading policies and procedures Review</b><br><br>CEU subparagraphs 4.2 (a) and (c) | 4. In February 2016, McGrathNicol was appointed with ASIC’s approval as the independent compliance expert to review Regal’s securities trading policies and procedures and prepare a report on the adequacy of these policies and procedures ( <b>Adequacy Report</b> ), within 120 days of the date of the CEU and on terms agreed by ASIC.<br><br>5. Regal provided a copy of McGrathNicol’s Adequacy Report to ASIC within 7 days of that report being finalised. |

| <b>Undertakings</b>   | <b>Report on compliance</b>  |
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| <p data-bbox="215 257 458 320"><b>Implementation of Recommendations</b></p> <p data-bbox="215 360 458 456">CEU subparagraphs 4.2 (d), 4.2 (e) and 4.2 (g)</p> | <p data-bbox="507 275 1326 405">6. McGrathNicol reviewed Regal’s implementation of its recommendations in the Adequacy Report and prepared a report (<b>Implementation Report</b>) by 30 September 2016.</p> <p data-bbox="507 427 1326 607">7. Regal provided a copy of McGrathNicol’s Implementation Report to ASIC within 7 days of that report being finalised. The Implementation Report found recommendations in the Adequacy Report had been implemented.</p> |
| <p data-bbox="215 660 408 689"><b>Trades Review</b></p> <p data-bbox="215 730 458 792">CEU subparagraphs 4.2 (h) and (i)</p>                                  | <p data-bbox="507 678 1337 958">8. McGrathNicol reviewed the required samples of trades conducted by Regal and prepared a report for each review (<b>Review Report</b>). Regal provided a copy of each Review Report to ASIC within the timeframe specified in the CEU. McGrathNicol’s trade reviews did not find evidence which would suggest potential misconduct.</p>   |
| <p data-bbox="215 1014 413 1077"><b>Notifications to ASIC</b></p> <p data-bbox="215 1117 448 1180">CEU subparagraph 4.2 (j)</p>                               | <p data-bbox="507 1032 1294 1261">9. For each calendar quarter from 31 March 2016 to 31 March 2017, Regal notified ASIC of all dealings in shares and other financial products it had conducted through Mr Aitken and/or Bell Potter Securities Limited in accordance with the requirements and timeframe specified in the CEU.</p>  |