

FUND STRATEGY

The Realm Strategic Income Fund 2018-1 Units (Fund) (Formerly known as the Realm Capital Series Fund 2018-1 Units) has invested in balance sheet funding, secured corporate loans and syndicated bank warehousing facilities. Realm Investment House (RIH) will partner with the major banks and best of breed non-bank corporate lenders to acquire exposures in these newly capitalised facilities. RIH's assessment of the opportunities will generate good risk adjusted income returns, particularly when compared to the 'public term out market' for the same level of risk

FUND OBJECTIVE

The strategy targets a return of 4.75% p.a. over the RBA cash rate over the life of the strategy. The Fund may suit investors seeking a high yield return with a moderate to high risk tolerance.

FUND FEATURES

While the termination and return of investor funds is available on the 5th anniversary (22.6.23) the manager will help facilitate off market transfers (Application Liquidity) on a case by case basis.

NET PERFORMANCE

Period	2018-1 Units	RBA Cash Rate Return
1 Month	0.27%	0.01%
3 Month	1.19%	0.02%
1 Year	5.36%	0.15%
2 Year	6.10%	0.41%
3 Year	6.72%	0.76%
Since Inception*	6.73%	0.77%

*Past performance is not indicative of future performance. The Gross Running Yield is the pre-fee income attributable to the portfolio, total return will be a function of this yield minus the fee. Please note the unit price can also experience modest variance as pay out of distributions sit at 95%. All outstanding amounts will be paid at the 30th of June.

Gross Running Yield* 6.08%



FUND STATISTICS

Running Yield	6.08%
Yield to Maturity	6.09%
Volatility†	0.30%
Interest rate duration	0.03
Credit duration	1.33
Average Credit Rating	BBB
Number of positions	34
Average position exposure	2.91%
Worst Month*	0.14%
Best Month*	1.16%
Sharpe ratio [‡]	8.31

Calculated on 2018-1 Units unless otherwise stated. *Since Inception 22 June 2018. †Trailing 12 Months Calculated on Monthly observations.

[‡]Since Inception Calculated on Monthly observations

FUND DETAILS

Distribution Frequency: Quarterly

Applications: Closed

Transfers: Units can be transferred to an existing/new investor upon the completion of required documentation as per the PDS (Section 4.5)

Pricing & Reporting Frequency: Quarterly

Minimum Investment Timeframe: 5 years (22.6.23)

Inception Date: 22.6.2018

Fund size: AUD \$30 million

Benchmark: RBA Cash Rate

Buy/Sell: Nil

APIR Codes: OMF8680AU

Management Fees: 1.25% plus GST

FUND STRUCTURE

The fund is structured to take advantage of the premium in complexity, aversion and liquidity in the bank facility and secured loan market. A key feature of the funds design is to match these return attributes with assets that would present no more credit risk in the market, if they traded over the counter (OTC).

We purposely designed the investment period so we can confidently extract these premiums from the market, and in times of high volatility protect investors capital from those investors try to access liquidity from these asset – when liquidity in the market in general is trading at a super-premium. If it was possible to redeem from the fund, we would be selling assets into a market where we should be deploying our capital to capture these return premiums.

In the next 6 months we will see some of the bank facilities roll over and it is our expectation to be able to reprice these assets with a higher rate of return.

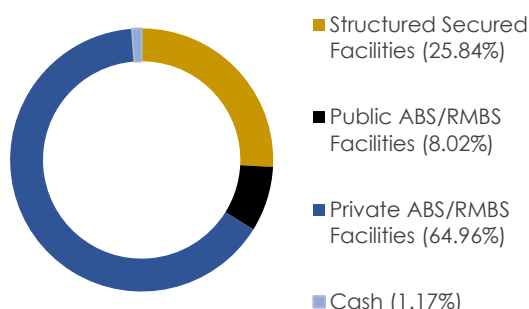
The Realm Strategic Income Fund – Enduring units is a follow-on strategy of this fund, where it has monthly applications and a limited monthly withdrawal feature. We intend to open liquidity windows of at up to 10% of the fund's liquid assets (at call Cash). The recommended time horizon to fully extract the return profile is at least 5 years. Please see our website for the Product Disclosure Statement. Please seek advice as to the appropriateness of this strategy to suit your needs and goals.

FUND UPDATE

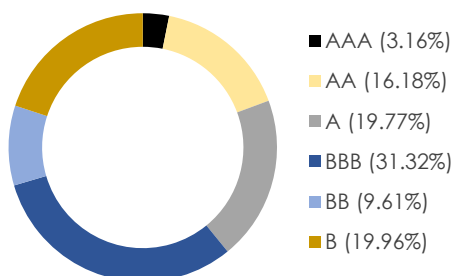
The portfolio is invested across a range of Structured Secured Facilities backed by loans (25.84%), Private ABS/RMBS Facilities (64.96%), as well as Public ABS/RMBS Facilities (8.02%). The weighted average credit rating of the portfolio sits at BBB, with a short-weighted credit duration of 1.33 years and a pre fee running yield of 6.08%.

The fund had a strong month, with one small rebalance changing the portfolio composition slightly. Public RMBS/ABS weight increased to 8.02%, with Structured Secured Facilities weighting remaining in line. This increased running yield and yield to maturity from last month, while maintaining an investment grade rating of BBB. We continue to expect to take advantage of stronger capital needs in the second half of 2021 which will keep the running yield in a healthy state, whilst maintaining the objective of winding down the class leading up to June 2023.

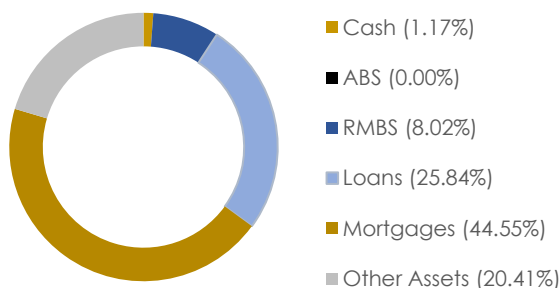
PORTFOLIO COMPOSITION



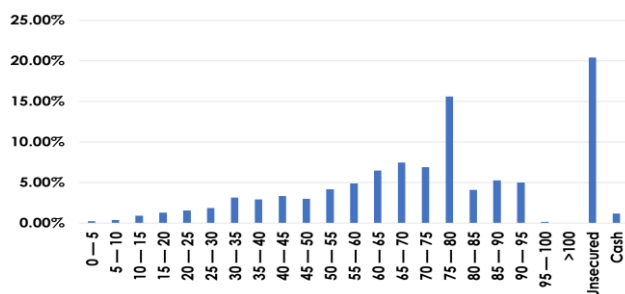
CREDIT QUALITY



COLLATERAL TYPE



WEIGHTED AVERAGE PORTFOLIO LVR



TRANSACTIONS & MARKET FLOW

Market Update; The substantial demand for public securities continued to drive yields tighter over the month. Issuance within the public sector continued into financial year end, with four transactions pricing across regional (AMP), non-resident (Ruby) and personal loan markets (Now/Humm). The sector continues to present strong value which is recognised by investors, with substantial demand once again forcing transactions to close to new orders days earlier than anticipated. This has developed into a consistent theme in securitisation markets and continues to provide a tailwind for pricing.

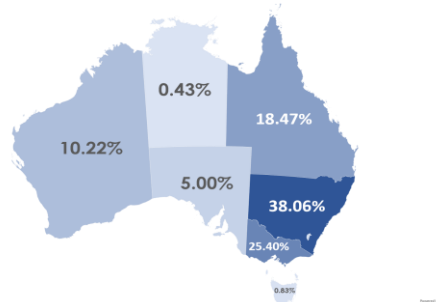
Private Assets; Private assets continue to present very strong relative value in comparison to not only public markets, but also to other sectors more broadly. Investment grade private assets within the portfolio now compensate investors twice as much as investment grade risk within the public market. This trend continues within private junior markets (sub investment grade), with compensation ranging up to an additional 1% over public markets. As public markets continue to rally, this divergence between public and private markets continues to increase, which drives the relative attractiveness of the private space.

Portfolio Pipeline; The portfolio pipeline continues to be strong, driven by a range of reverse enquiries and funding proposals in addition to the current pipeline which were presented to the fund over the past month. Five transactions now sit within our enhanced due diligence and screened in phases, with a further 24 opportunities identified. The investment team will use this flow to pick through the most suitable transactions, and will allow the fund to meet its return objective of 4.75% over cash after fees.

HOUSING ARREARS & PORTFOLIO PERFORMANCE

Portfolio arrears increased slightly over the month to 1.29%, which remains well within the current arrear's expectation for this portfolio.

GEOGRAPHIC EXPOSURE



as reported by the S&P SPIN Index remained inline with last month at 0.94%. Non-conforming arrears on the other hand weakened slightly to 3.64%.

PORTFOLIO RISK ANALYSIS

Housing Market Performance; Low interest rates continue to fuel aggressive price rises within the housing market, with CoreLogic's national home value index posting another very strong monthly increase of 1.92% in residential property values across the 5 major capital cities. With the exception of Perth, gains continue to be led by houses, which increased 2.16% over the month (again led by Sydney, where housing rose rising 2.95%). Units continued to appreciate but again at a slower pace, increasing 1.18%.

Clearance rates and volumes were lower into month end as expected, given the fresh lockdowns imposed on several states. The weighted average clearance rate across all capital cities remained high, finishing the month at 78%, and reducing to 74% on lower volumes for the first weekend in July.

Loan quality remains high with low arrears within the system and strong underlying pricing continuing to feed through. From an investment standpoint, this continues to be a positive tailwind for structured assets, as it reduces the loss incurred if a borrower is to default. This continues to be very supportive for the market outlook for this strategy.

OTHER FUND DETAILS

Responsible Entity: One Managed Investment Funds Ltd

Custodian: Mainstream Funds Services Pty Ltd

Unit Pricing and Unit Price History:

<https://www.realminvestments.com.au/our-products/realm-strategic-income-fund-2018-1-units>

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