

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. Diversification within the Fund will be achieved by diversity of banking partners, facility sponsors and the number of individual facilities. RIH's risk management and assessment overlay are used in assessing eligible exposures. RIH will actively manage & monitor the risk of each funding facility exposure during the term of the fund.

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	0.24%	0.04%
3 Month	1.39%	0.16%
6 Month	3.17%	0.35%
1 Year	7.06%	0.96%
Since Inception*	7.58%	1.19%

Gross Running Yield* 7.82%

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.

In the next 6 to 9 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. See maturity profile over the page.

The Realm Strategic Income Fund – Enduring units is a follow on strategy of this fund, where it has monthly applications and a limited withdrawal feature. We intend to open liquidity windows of at least 5% of the funds assets (Cash) and applications to all the investors. 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 advise as to the appropriates of this strategy to suit your needs and goals.

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

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/>

Fund Statistics

Running Yield	7.82%
Volatility [†]	0.75%
Interest rate duration	0.03
Credit duration	1.85
Average Credit Rating	BB+
Number of positions	22
Average position exposure	4.45%
Worst Month*	0.14%
Best Month*	1.16%
Sharpe ratio [‡]	7.91
Information Ratio [‡]	8.01

*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.

Fund Update

The portfolio is invested across a range of Corporate facilities backed by loans (29.32%), structured mortgage facilities (39.42%), structured asset backed facilities (16.19%), as well as over the counter residential mortgage backed securities (RMBS) transactions (12.92%). The weighted average credit rating of the portfolio sits at BB+, with a short weighted credit duration of 1.85 years and a pre fee running yield of 7.82%.

Domestic Economic Performance & System Risk

Realm System Risk Monitor: Our system risk rose significantly during the course of the month peaking in the midst of global market volatility at +4.3 and moderating slowly to finish at +3. Market participants continued buying large amounts of protection as volatility in the system rose substantially amidst the sell off in equities. Market risk is elevated across global markets as COVID-19 continues to dominate investor sentiment.

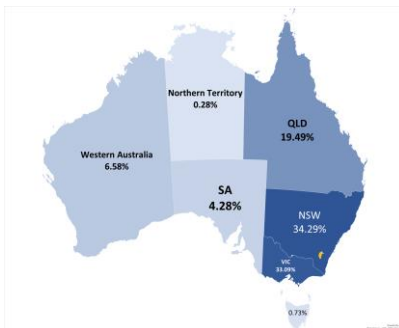
Realm Australian Eco Monitor: Our domestic economic monitor continued to show weakness which was again driven by large recent slides in equity markets. Retail sales fell significantly, which lead large falls in part time employment as many Australians were not able to continue working, especially in the hospitality and tourism sectors. Commodity indexes also fell driven by large price falls in crude oil as several countries continue to produce to maintain employment despite output prices being below cost curves.

The Australian Government announced a range of support packages for both corporate and mortgage markets. More specifically the establishment of a \$15bn Structured Finance Support Fund (SFSF) was seen as being key. The SFSF will be implemented with the intention to support COVID-19 hardship missed payments, giving support to both public term deals and private bank facilities. The Australian Government has provided a triple net support program, firstly, increased social safety net for mortgage payers who have lost their job, support for COVID-19 arrears for loans that are funded off balance sheet, and the funding of mortgage pools via the SFSF. An explicit allocation to this market by Treasury shows the importance of securitisation and non-bank competition to government.

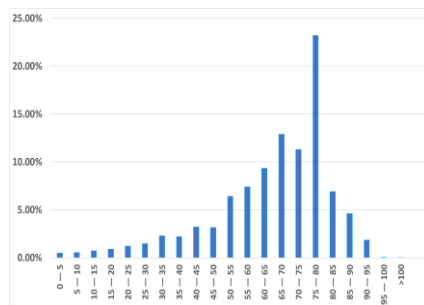
Housing Arrears & Portfolio Performance

Portfolio arrears improved 19bps to 1.08% over the month, driven by performance in the portfolios ABS exposure. Portfolio arrears to be closely monitored and managed according to our internal risk/return criteria. The S&P arrears index (SPIN) showed prime arrears for the month of January weakening slightly to 0.95%, while non-conforming arrears weakened to 3.61%. Major bank arrears weakened 3bps to 1.11%, while regional banks moderated slightly to 1.44%. These numbers incorporate a high degree of seasonality with borrowers typically recovering from the Christmas period. Geographically, performance was softer across all states as was expected, with NSW, VIC and QLD moderating 8bps, 6bps and 9bps to 1.28%, 1.26% and 1.71% respectively. The remaining states and territories also weakened however this weakness was well within acceptable margins.

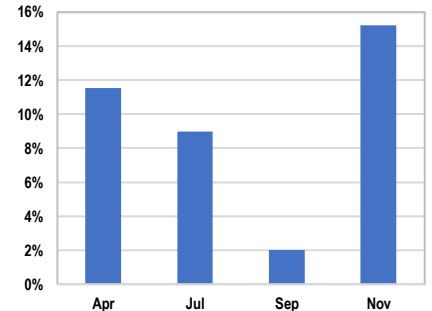
Weighted Average Geographic Exposure



Weighted Average Portfolio LVR



12 Month Maturity Profile

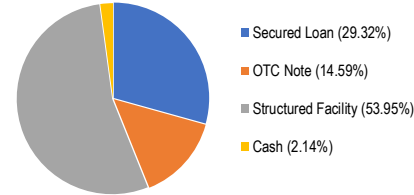


DISCLAIMER

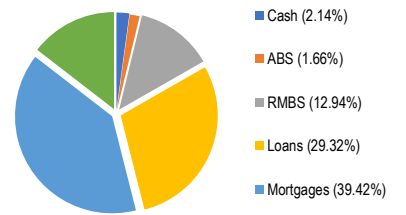
Realm Investment Management Pty Ltd ACN 158 876 807, is a corporate authorised representative (number 424705) of Realm Pty Ltd ACN 155 984 955 (AFSL 421336) (Realm) is the investment manager of the Realm Strategic Income Fund 2018-1 Units (ARSN 624 861 589) Realm Strategic Income Fund 2018-1 Units (Fund). One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) (OMIFL) is the responsibility entity of the Fund. The information contained in this document was not prepared by OMIFL but was prepared by other parties. While OMIFL has no reason to believe that the information is inaccurate, the truth or accuracy of the information contained therein cannot be warranted or guaranteed. Anyone reading this report must obtain and rely upon their own independent advice and inquiries. Investors should consider the product disclosure statement (PDS) issued by OMIFL before making any decision regarding the Fund. The PDS contains important information about your investment in the Fund and it is important investors obtain and read a copy of the PDS before making a decision about whether to continue to hold or dispose of units in the Fund. You should also consult a licensed financial adviser before making an investment decision in relation to the Fund. A copy of the Realm Capital Series 2018-1 Units PDS dated 4 April 2018 can be obtained by contacting OMIFL on 02 8277 0000 or the investment manager on 03 9008 7290 and continuous disclosure notices may be obtained on OMIFL's website <https://www.oneinvestment.com.au/realm-capital-series/> or the investment manager's website <http://www.realminvestments.com.au/>. Realm believes that the information contained in this document is accurate when issued. Realm does not warrant that such information or advice is accurate, reliable, complete or up-to-date, and to the fullest extent permitted by law, disclaims all liability of Realm and its associates. This document should be regarded as general information only rather than advice. In preparing this document, Realm did not take into account the investment objectives, financial situation and particular needs of any individual person. The information contained in this document must not be copied or disclosed in whole or in part without the prior written consent of Realm, and Realm accept no liability whatsoever for the actions of third parties in this respect. It is presented for informational purposes only and is not to be construed as a solicitation or an offer or recommendation to buy or sell any securities. Any opinions expressed in this document may be subject to change. Realm is not obliged to update the information. The information must not be used by recipients as a substitute for the exercise of their own judgment and investigation. Neither Realm nor any of their directors, employees or agents accept any liability for any loss or damage arising out of the use of all or part of, or any omission, inadequacy or inaccuracy in, this document. OMIFL and Realm do not guarantee the performance of the Fund or the repayment of any investor's capital. To the extent permitted by law, neither OMIFL nor Realm, including their directors, senior executives, employees, consultants, advisers, officers or authorised representatives, are liable for any loss or damage arising as a result of reliance placed on the contents of this document. Realm only provides services to wholesale clients, as defined in section 761G of the Corporations Act. Past performance is not indicative of future performance. Information in this document is current as at 31 March 2020.



Portfolio Composition



Collateral Type



Credit Quality

