

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	0.60%	0.02%
3 Month	1.40%	0.12%
6 Month	3.11%	0.30%
1 Year	6.69%	0.86%
Since Inception*	7.58%	1.15%

Gross Running Yield* 7.40%

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	7.40%
Volatility†	0.63%
Interest rate duration	0.03
Credit duration	1.75
Average Credit Rating	BB+
Number of positions	22
Average position exposure	4.48%
Worst Month*	0.14%
Best Month*	1.16%
Sharpe ratio [§]	8.30
Information Ratio [§]	8.40

*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 (29.53%), structured mortgage facilities (39.74%), structured asset backed facilities (14.66%), as well as over the counter residential mortgage backed securities (RMBS) transactions (9.69%). The weighted average credit rating of the portfolio sits at BB+, with a short weighted credit duration of 1.75 years and a running yield of 7.40%.

Domestic Economic Performance & System Risk

Realm System Risk Monitor: Our system risk monitor remains heightened although finished the month lower than the peak of +4.3 seen last month, at just over +2. This indicates that while volatility remains heightened in global markets, market participants have found a level of comfort. Market risk remains elevated across global markets as the COVID-19 pandemic continues to dominate investor sentiment, and investors speculate on what a global economic recovery could resemble.

Realm Australian Eco Monitor: Our domestic economic monitor showed strength driven by a large shift in reported retail sales, rebounding significantly and driven primarily by COVID related demand for food retailing and household goods. Skilled vacancies continued to trend significantly lower as employers were unable to retain skilled workers. Business conditions also continued to trend sharply lower as reported by NAB, alongside inflation.

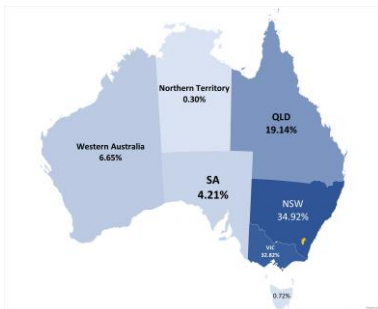
The Australian Government announced a range of support packages which in effect provide layers of buffers to support borrowers. Jobkeeper, Jobseeker and isolation measures are supporting the cashflows for borrowers. If borrowers are in hardship, they can request a payment holiday without penalty. The Government's \$15bn Structured Finance Support Fund (SFSF) began allocations to non-bank financiers (NBF's), revealing they supported the Firstmac transaction and a number of private facilities. This SFSF will also support hardship for NBF's in addition to public term deals and private bank facilities. This is in effect a triple net support program, with an explicit allocation to this market by Treasury shows the importance of securitisation and non-bank competition to government.

Housing Arrears & Portfolio Performance

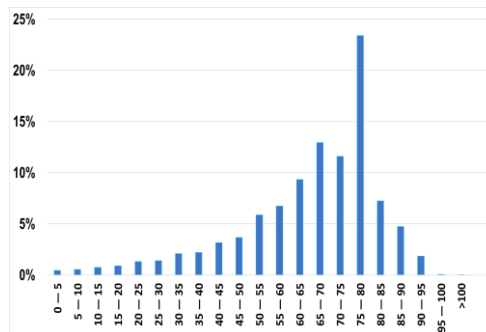
Portfolio arrears rose 4bps to 1.12% over the month driven in equal parts by our ABS and RMBS exposures. Portfolio arrears continue to be closely monitored and managed according to our internal risk/return criteria.

The S&P arrears index (SPIN) showed prime arrears for the month of February weakening slightly to 1.00%, while non-conforming arrears weakened to 3.96%. Major bank arrears weakened 12bps to 1.23%, while regional banks remained constant at 1.45%. Geographically, performance was softer across all states as was expected, with NSW, VIC and QLD moderating 11bps, 6bps and 8bps to 1.39%, 1.32% and 1.79% respectively. The remaining states and territories also weakened however this weakness was well within acceptable margins.

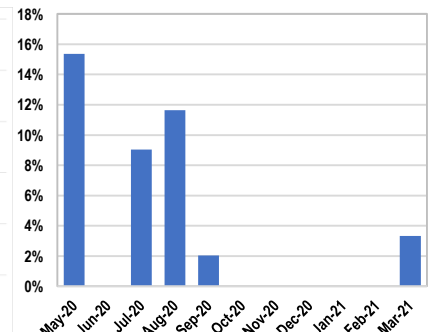
Weighted Average Geographic Exposure



Weighted Average Portfolio LVR



12 Month Maturity Profile

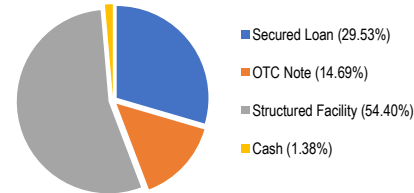


DISCLAIMER

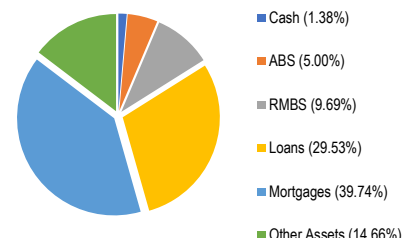
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Portfolio Composition



Collateral Type



Credit Quality

