Realm Strategic Income Fund Enduring Units
February 2021

REALM investment house

Fund Strategy

Realm Investment House (RIH) partners with banks, best of breed non-bank financiers and corporates to acquire exposures in high quality wholesale banking facilities that fund secured corporate loans and loans. The nature of the assets the strategy holds delivers investors an additional structural premium which is a function of the liquidity and complexity of these assets. Diversification within the Fund is achieved by diversifying banking partners, facility sponsors and the number of individual facilities. RIH's risk management and assessment overlay are used in assessing eligible exposures and actively managing & monitor the risk of each funding facility exposure during the life of the fund.

Fund Objective

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

Net Performance

Period	Enduring Units	RBA Cash Rate Return
1 Month	0.37%	0.01%
3 Month	1.38%	0.02%
6 Month	3.38%	0.08%
1 Year	5.99%	0.22%
Since Inception*	5.91%	0.21%

*Past performance is not indicative of future performance. Inception date is 21 February 2020.

Gross Running Yield* 6.06%

*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.

Zenith Investment Partners — HIGHLY RECOMMENDED / Recommended / APPROVED / NOT RATED / REDEEM

Fund Withdrawal Windows

The fund is designed to take advantage of a range of structural premia in the wholesale banking and secured loan market. This requires a more structured approach to providing liquidity to investors for redemption purposes. It is the managers intention to make liquidity available, through making a stated dollar value of liquidity available for the purpose of meeting redemption requirements on a monthly basis.

Fund Next Withdrawal Window

The next withdrawal window will be closing at 2pm AEDST on 31 March. We are accepting redemption requests for up to $1,800,000 (5% of fund assets). The fund holds 1.29% in cash reserves. Further details will be posted on our website. See the link above.

Fund Update

The portfolio is invested across a range of Structured Secured Facilities backed by loans (10.71%), Private ABS/RMBS Facilities (88.00%), as well as Public ABS/RMBS Facilities (0%). The weighted average credit rating of the portfolio sits at BBB-, a weighted credit duration of 0.64 years and a pre fee running yield of 6.06%.

Private assets increased from 82.9% as at end January to 88% this month as a new prime RMBS facility was settled, and public assets were rebalanced away from the fund to accommodate. This new facility had the impact increasing the running yield from 5.85% last month to 6.06%, while decreasing the overall credit rating of the fund to BBB- from BBB last month and increasing the funds credit duration.

Fund Details

Distribution Frequency: Quarterly
Applications: Monthly
NEXT Redemptions Window: 31 Mar - $1,800,000
The manager is targeting monthly redemption windows
Pricing & Reporting Frequency: Monthly
Inception Date: 21.2.2020
Fund size: $36m
Benchmark: RBA Cash Rate
Buy/Sell: 0.20%/0.00%
APIR Codes: OMF5868AU
Management Fees: 0.99% Net of 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-enduring-units/
Liquidity Window Notice:
https://www.realminvestments.com.au/wp-content/uploads/Realm-Limited-Withdrawal-Offer-Notice-Mar-2021.pdf
Platform Availability

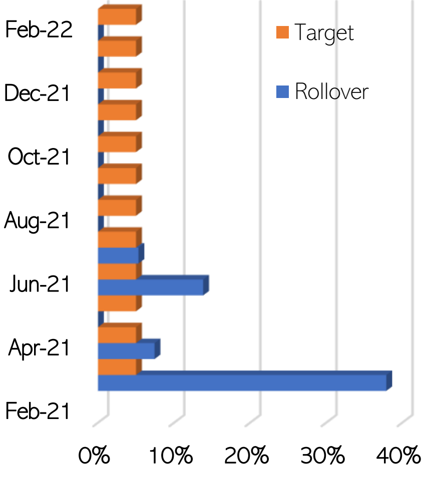
- Hub24
- Netwealth
- Powerwrap
- Xplore Wealth
- Australian Money Markets
- Spitfire
- Macquarie Wrap
- BT Panorama/Wrap *(New)

Fund Statistics

Running Yield	6.06%
Yield To Maturity	6.05%
Volatility†	0.44%
Interest rate duration	0.08
Credit duration	0.64
Average Credit Rating	BBB-
Number of positions	40
Average position exposure	2.47%
Worst Month*	0.39%
Best Month*	0.84%
Sharpe ratio∂	9.17

Calculated on Enduring Units unless otherwise stated. *Since Inception 21 February 2020. †Trailing 12 Months Calculated on Monthly observations. ∂Since Inception Calculated on Monthly observations

Rollover vs Target



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Transactions & Market Flow

Market Update; Public RMBS/ABS markets continue to outperform as investors compete to secure stock causing yields to tighten aggressively. This is compounded by the current market view of a lack of RMBS issuance into 2021, as well as the continued strong offshore presence in the Australian market looking to take advantage of competitive yields. In our view, this will continue to underpin outperformance of the sector.

Private Assets; The outperformance of public markets is supportive to private RMBS/ABS. Private markets continue offer higher yields than public markets, by virtue of certain structural factors. As the yields in public markets continue to tighten, the relative attractiveness of higher yielding private markets will only increase.

Portfolio Pipeline; Over the month of February, two transaction negotiations were finalised with funding due to occur in March. In addition, one new transaction was funded with another extended for a further 12 months. A further 9 transactions are currently screened in with an additional number of opportunities identified. The already high level of reverse funding enquiries continues to increase, which allows the strategy to pick through the most suitable transactions. This flow continues to accommodate the portfolio ramp up and allow the funds return objective of 4.75% over cash after fees to be met.

Housing Arrears & Portfolio Performance

Portfolio arrears weakened 2bps to 0.28% over the month which remains well within the current arrear's expectation for this portfolio. Market arrears as reported by the S&P SPIN Index also weakened as is seasonally expected, showing prime arrears weakening 13bps to 1.06% for the month of December. In contrast, non-conforming arrears improved 14bps to 3.17%.

Portfolio Risk Analysis

Housing Market Performance; Collateral values, as shown by CoreLogic's national home value index, posted a very strong monthly increase of 2.06% in residential property values across the 5 major capital cities. This was led by housing, posting the strongest monthly increase in 17 years of 2.34% while units prices rose more modestly, increasing 1.15%. While all states posted an increase, the rise was led mostly by strength in both Sydney and Melbourne.

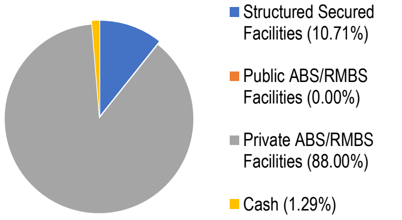
Property price expectations from various bank economists continue to predict strong appreciation in house prices across the country over the next year.

Fundamentally, this is very positive for structured credit, as it drives lower losses if defaults occur. Clearance rates were strong through the month hovering between 80-85% on good volumes.

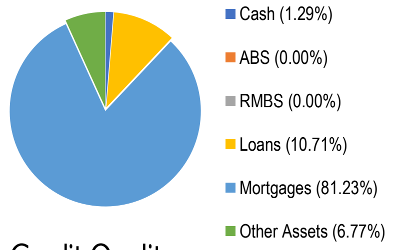
Each of these technical factors continue to signal a strengthening market, and while the recovery from the COVID fallout is still playing out, the quality of loans written, level of arrears recovery and collateral price appreciation within the Australian market are all very supportive for the market outlook.

Support; Government support continues through the Forbearance SPV (which was designed to support the borrowers of non-bank lenders). No new lenders were added to the support, with only 0.68% of the committed $15bn used for the purpose of forbearance. This continues to provide comfort that the system is well positioned to absorb the fallout of the COVID crisis.

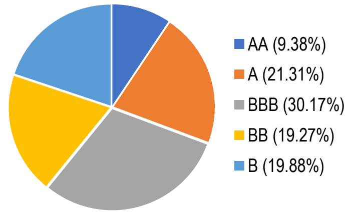
Portfolio Composition



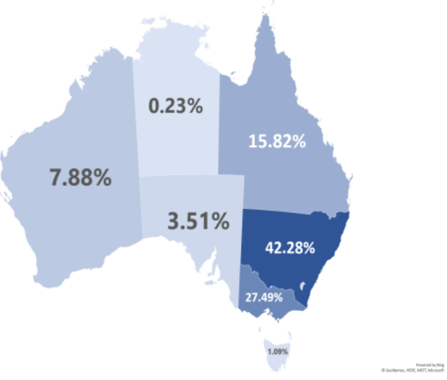
Collateral Type



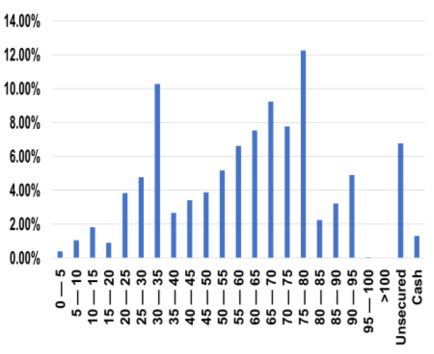
Credit Quality



Geographic Exposure



Weighted Average Portfolio LVR



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