

Realm Strategic Income Fund Enduring Units

March 2021



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	0.49%	0.01%
3 Month	1.40%	0.02%
6 Month	3.38%	0.06%
1 Year	6.02%	0.19%
Since Inception*	5.91%	0.22%

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

Gross Running Yield* 6.22%

*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 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 AEST on 30 April. We are accepting redemption requests for up to \$2,200,000 (5% of fund assets). The fund holds 1.28% 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 (8.82%), Private ABS/RMBS Facilities (89.90%), as well as Public ABS/RMBS Facilities (0%). The weighted average credit rating of the portfolio sits at BBB, a weighted credit duration of 0.91 years and a pre fee running yield of 6.22%.

A small rebalance within the portfolio saw an increase to the overall number of positions and the average credit rating of the fund, whilst also increasing running yield to 6.22% from 6.06% last month. Public assets remain at zero as the portfolio remains fully deployed into private assets, which increased 1.9%, and structured facilities, which decreased by the same amount.

Fund Details

Distribution Frequency: Quarterly
Applications: Monthly
NEXT Redemptions Window: 30 Apr - \$2,200,000
The manager is targeting monthly redemption windows
Pricing & Reporting Frequency: Monthly
Inception Date: 21.2.2020
Fund size: \$44m
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-Apr-2021.pdf>
Platform Availability

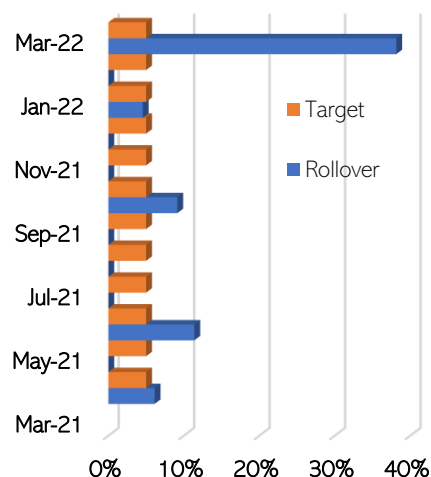
- Hub24
- Netwealth
- Powerwrap
- Xplore Wealth
- Australian Money Markets
- Spitfire
- Macquarie Wrap
- BT Panorama/Wrap

Fund Statistics

Running Yield	6.22%
Yield To Maturity	6.22%
Volatility†	0.44%
Interest rate duration	0.06
Credit duration	0.91
Average Credit Rating	BBB
Number of positions	41
Average position exposure	2.41%
Worst Month*	0.39%
Best Month*	0.84%
Sharpe ratio [§]	9.51

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



Transactions & Market Flow

Market Update; The outperformance in Public RMBS/ABS markets caused by investor demand for stock continued to drive yields tighter during March. Within markets, yields compressed at the BBB level in prime markets by approximately 35bps, representing an 11% tightening over the month. This market strength has driven yields in public markets to the stage where they can now be characterised as presenting fair value over a long term basis.

Private Assets; The outperformance of public markets increases the relative attractiveness of private markets. The yields offered within private markets continue to be higher than public markets. Where public market yields drive substantially tighter, private market yields do not move to the same extent. As a result, private markets look more attractive on a relative basis, and the continued outperformance in public markets will only increase the relative attractiveness of private markets. The fund is well positioned to absorb this market movement with a range of private investment opportunities under assessment.

Portfolio Pipeline; Over the month of March, three transactions were rolled, with the funding of the two facilities negotiated in February successfully complete early in the month. A further 12 transactions are currently within the due diligence and screening phase of the private process 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 increased slightly to 0.35% 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 weakened as is seasonally expected post the Christmas period, showing prime arrears weakening 4bps to 1.01% for the month of December. Non-conforming arrears also weakened to 3.32%.

The level of COVID hardships within the system have also fallen significantly, with APRA publishing deferral data as at the end of February showing a further reduction to 0.5% of loans in deferral from 1.4% in January, and from a peak of 10.2% in May of 2020. These numbers represent very strong curing rates and the rate of curing is highly encouraging.

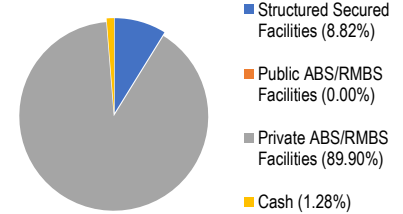
Portfolio Risk Analysis

Housing Market Performance; Collateral values, as shown by CoreLogic's national home value index, posted another very strong monthly increase of 2.83% in residential property values across the 5 major capital cities. This was again led by low density housing, eclipsing the previous 17 year high and increasing 3.15%, while high density housing prices also rose, but again more modestly, increasing 1.85%. While all states posted strong increases, this months rise was led mostly by strength in Sydney.

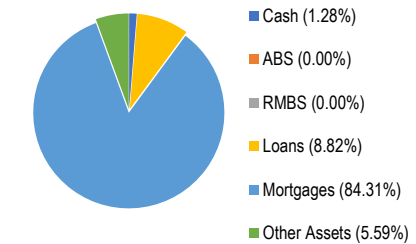
Property price expectations from various bank economists continue to predict strong appreciation in house prices across the country over the next year. Fundamentally, this is very positive for structured credit, as it drives lower losses if defaults occur. Clearance rates continue to be strong through the month hovering between 80-85% on good volumes.

Each of these technical factors continue to signal a strengthening market. The quality of loans written, level of arrears recovery and collateral price appreciation within the Australian market continue to be very supportive for the market outlook.

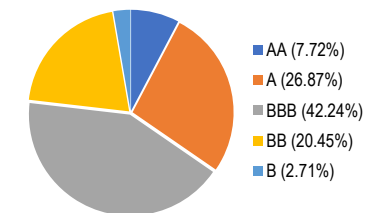
Portfolio Composition



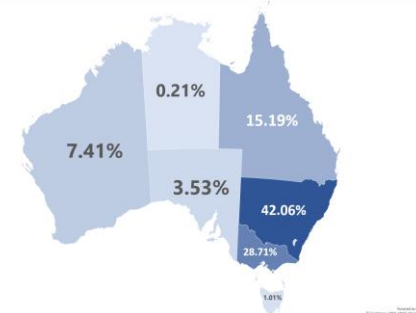
Collateral Type



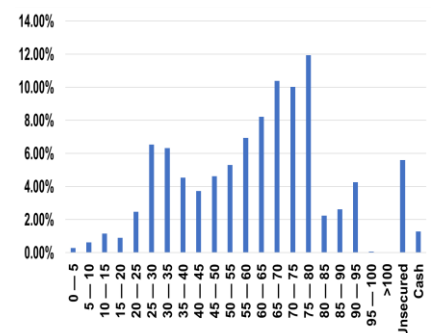
Credit Quality



Geographic Exposure



Weighted Average Portfolio LVR



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