

# REALM STRATEGIC INCOME FUND ENDURING UNITS

NOVEMBER 2021

REALM INVESTMENT  
HOUSE

## 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.

## FUND DETAILS

### Distribution Frequency:

Quarterly

**Applications:** Monthly

### NEXT Redemptions

**Window:** 31 December

- \$15,000,000

### Pricing & Reporting

**Frequency:** Monthly

**Inception Date:** 21.2.2020

**Fund size:** \$160m

**Benchmark:** RBA Cash Rate

**Buy/Sell:** 0.20%/0.00%

**APIR Codes:** OMF5868AU

**Management Fees:** 0.99%  
Net of GST

## PLATFORM AVAILABILITY

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

## NET PERFORMANCE

Period	Enduring Units	RBA Cash Rate Return
1 Month	0.48%	0.01%
3 Month	1.44%	0.02%
6 Month	2.99%	0.05%
1 Year	5.82%	0.10%
Since Inception*	5.89%	0.17%

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

## FUND STATISTICS

Running Yield	6.47%
Yield To Maturity	6.27%
Volatility†	0.22%
Interest rate duration	0.10
Credit duration	1.35
Average Credit Rating	BB
Number of positions	88
Average position exposure	1.13%
Worst Month*	0.39%
Best Month*	0.84%
Sharpe ratio <sup>‡</sup>	11.44

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

## GROSS RUNNING YIELD\* 6.47%

\*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 STRATEGY

Realm Investment House (RIH) partners with banks, best of breed non-bank financiers and corporates to fund high quality wholesale banking facilities, in particular mortgages 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 & monitoring the risk of each funding facility exposure during the life of the fund.

## FUND WITHDRAWAL WINDOWS

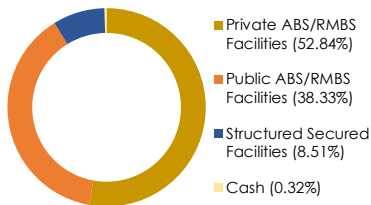
The next withdrawal window will be closing at 5pm AEDT on 31 December. We are accepting redemption requests for up to \$15,000,000 (about 10% of fund assets). The fund holds 38.65% in cash and marketable securities. Further details will be posted on our website. See the link on page 3.



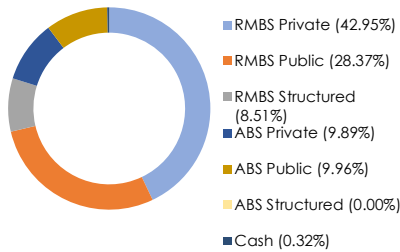
# REALM STRATEGIC INCOME FUND ENDURING UNITS

NOVEMBER 2021

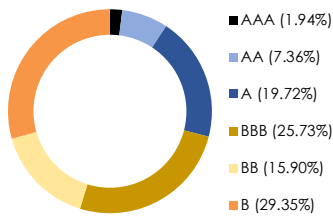
## PORTFOLIO COMPOSITION



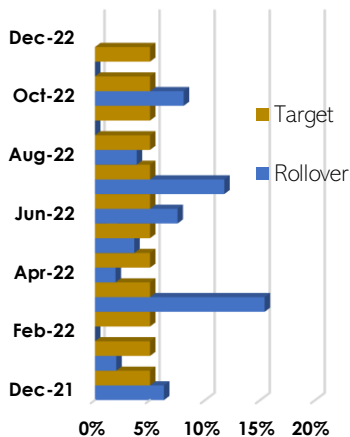
## COLLATERAL TYPE



## CREDIT QUALITY



## ROLLOVER VS TARGET



## FUND UPDATE

The portfolio is invested across a range of Private ABS/RMBS Facilities (52.84%), Public ABS/RMBS Facilities (38.33%) and Structured Secured Facilities backed by loans (8.51%). The weighted average credit rating of the portfolio sits at BB, a weighted credit duration of 1.35 years and a pre fee running yield of 6.47%.

The fund's running yield remains strong at **6.47%**, while the funds rating remains in line at BB. The fund increased its holdings to public securities from last month, while structured facilities also increased slightly and exposure to private facilities reduced slightly. The fund intends to use the deal flow pipeline to maintain the healthy running yield and rebalance within private and public markets where appropriate.

## PORTFOLIO RISK ANALYSIS

**Housing Market Performance:** Australian residential property values have continued to rise over the month of November, with the CoreLogic Home Property Value index recording a gain of 1.21% for the month for the five capital city aggregate. This now represents a 21.17% gain as a year on year figure, again led by housing which is now up 24.24% over the year for the same index. In comparison, units and apartments strength continues to be softer, recording a 12.39% year on year gain.

Clearance rates were softer over the month end on very high volumes, as pent-up sales that were not able to go ahead earlier in the year because of lockdowns and other restrictions, finally came to market. The last week of November saw the volume of auctions increase to the largest volume ever recorded by Corelogic, since the data set began in 2008. Seasonally, weakness is seen in the November/December period just prior to Christmas, as buyers begin to step back from the market over the holiday period.

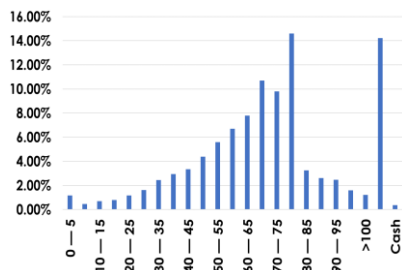
The low levels of arrears, and strong asset pricing continue to provide a tailwind for the asset class and supports our market outlook for this strategy.

# REALM STRATEGIC INCOME FUND ENDURING UNITS

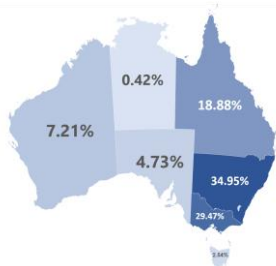
NOVEMBER 2021

REALM INVESTMENT  
HOUSE

## WEIGHTED AVERAGE PORTFOLIO LVR



## GEOGRAPHIC EXPOSURE



## 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/real-strategic-income-fund-enduring-units/>

### Liquidity Window

**Notice:** <https://www.realminvestments.com.au/wp-content/uploads/Real-m-Limited-Withdrawal-Offer-Notice-Dec2021.pdf>

## TRANSACTION AND MARKET FLOW

**Market Update;** While public market issuance in the period from June to October was one of the strongest on record, issuance for November was softer, with transactions beginning to slow into the Christmas period. There were 5 transactions pricing over the month, across prime and non-conforming loans, personal loans and small ticket commercial mortgage-backed securities. With respect to pricing, funding markets remain weaker generally, impacting higher rated tranches (AAA/AA) with softer pricing, while mezzanine (BBB rated) and sub investment grade pricing remains well supported as investors compete to invest in high quality assets.

**Private Assets;** Private assets in the portfolio continue to provide a very strong relative value uplift over public assets. Investment grade mezzanine tranches continue to compensate investors around twice the yield of equivalent rated public markets, while offering greater protections and shorter terms. We remain very constructive on private assets and expect yield premiums to remain.

**Portfolio Pipeline;** ; The current pipeline for funding remains healthy, with deal flow strengthening into year end as issuers look to lock away funding requirements over the Christmas period. Several additions to our pipeline have progressed towards being funded, with a further twenty one high quality opportunities within our screening and enhanced DD pipeline. The investment team continues to use this pipeline to pick through the most suitable transactions for the fund, which in turn allows the fund to meet its return objective of 4.75% over cash after fees.

## HOUSING ARREARS & PORTFOLIO PERFORMANCE

Portfolio arrears improved 5bps over the month to 0.71%, which remains well within the current range of expectations for this portfolio. Prime market arrears as reported by the S&P SPIN Index for September improved 2bps from the previous month to 0.79%, while non-conforming arrears also improved 23bps to 2.75%.

### REALM INVESTMENT HOUSE CONTACTS

A: LEVEL 17, 500 Collins street  
Melbourne VIC 3000

#### DISTRIBUTION

**Broc McCauley**  
T: 0433 169 668  
E: [broc.m@realminvestments.com.au](mailto:broc.m@realminvestments.com.au)

**Client Services**  
T: 03 9112 1150  
E: [clientservices@realminvestments.com.au](mailto:clientservices@realminvestments.com.au)

NOVEMBER 2021

## DISCLAIMER

Realm Investment Management Pty Ltd ACN 158 876 807, 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 Enduring Units (ARSN 624 861 589) (Fund). One Managed Investment Funds Limited (ABN 47 117 400 987) (AFSL 297042) is the responsibility entity of the Fund (OMIFL). 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 obtain and carefully consider the Product Disclosure Statement (PDS) and Target Market Determination (TMD) issued by OMIFL before making any decision about whether to acquire, or continue to hold, an interest 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 PDS (dated on 31 January 2020), TMD dated 1 October 2021, continuous disclosure notices and relevant application form may be obtained from <https://www.oneinvestment.com.au/realm-strategic-income/> or <https://www.realminvestments.com.au/our-products/realm-strategic-income-fund-enduring-units/>. 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 30 November 2021.

## ZENITH DISCLAIMER

The Zenith Investment Partners (ABN 27 103 132 672, AFS Licence 226872) ("Zenith") rating (assigned June 2021 referred to in this document is limited to "General Advice" (s766B Corporations Act 2001) for Wholesale clients only. This advice has been prepared without taking into account the objectives, financial situation or needs of any individual and is subject to change at any time without prior notice. It is not a specific recommendation to purchase, sell or hold the relevant product(s). Investors should seek independent financial advice before making an investment decision and should consider the appropriateness of this advice in light of their own objectives, financial situation and needs. Investors should obtain a copy of and consider the PDS or offer document before making any decision and refer to the full Zenith Product Assessment available on the Zenith website. Past performance is not an indication of future performance. Zenith usually charges the product issuer, fund manager or related party to conduct Product Assessments. Full details regarding Zenith's methodology, ratings definitions and regulatory compliance are available on our Product Assessments and at <http://www.zenithpartners.com.au/RegulatoryGuidelines>