

REALM STRATEGIC INCOME FUND ENDURING UNITS

FEBRUARY 2022

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 March -
\$15,000,000

Pricing & Reporting

Frequency: Monthly

Inception Date: 21.2.2020

Fund size: \$244m

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

 Zenith

RECOMMENDED

NET PERFORMANCE

Period	Enduring Units	RBA Cash Rate Return
1 Month	0.35%	0.01%
3 Month	1.31%	0.02%
6 Month	2.76%	0.05%
1 Year	5.74%	0.10%
2 year	5.87%	0.16%
Since Inception*	5.83%	0.16%

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

FUND STATISTICS

Running Yield	5.91%
Yield To Maturity	5.67%
Volatility†	0.22%
Interest rate duration	0.04
Credit duration	1.25
Average Credit Rating	BB+
Number of positions	103
Average position exposure	0.91%
Worst Month*	0.39%
Best Month*	0.84%
Sharpe ratio ²	11.92

Calculated on Enduring Units unless otherwise stated. *Since Inception 21 February 2020. †Trailing 12 Months Calculated on Monthly observations. ²Since Inception Calculated on Monthly observations

GROSS RUNNING YIELD* 5.91%

*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.

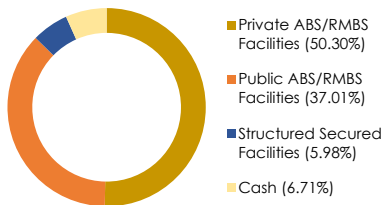
FUND WITHDRAWAL WINDOWS

The next withdrawal window will be closing at 5pm AEDT on 31 March. We are accepting redemption requests for up to \$15,000,000 (about 6% of fund assets). The fund holds 43.72% in cash and marketable securities. Further details will be posted on our website. See the link on page 3.

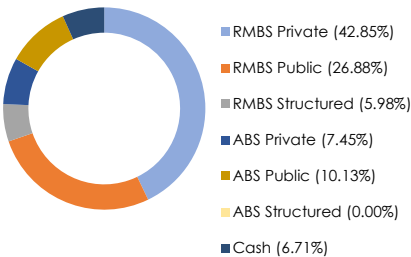
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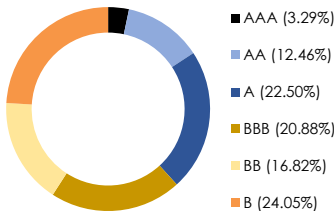
PORTFOLIO COMPOSITION



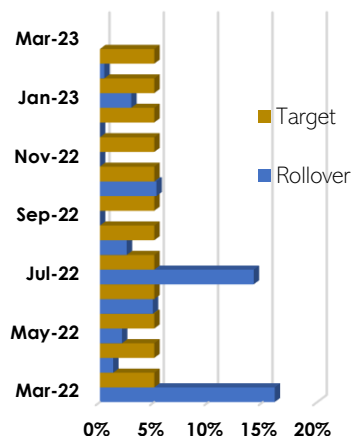
COLLATERAL TYPE



CREDIT QUALITY



ROLLOVER VS TARGET



FUND UPDATE

The portfolio is invested across a range of Private ABS/RMBS Facilities (50.30%), Public ABS/RMBS Facilities (37.01%) and Structured Secured Facilities backed by loans (6.71%). The weighted average credit rating of the portfolio sits at BB+, a weighted credit duration of 1.25 years and a pre fee running yield of 5.91%.

The fund was able to deploy cash into private assets over the month, with allocation to private securities growing 3.39%. Public assets and allocation to cash remains slightly elevated at 37.01% and 5.98% respectively, in preparation for the funding of several new private facilities over the course of the next month. The funding of these new facilities will support the running yield of the fund, with weighted average credit rating expected to settle back to BB from BB+ as these new facilities are drawn. The fund intends to continue to use the deal flow pipeline to maintain the healthy running yield and will continue to rebalance within private and public markets where appropriate.

PORTFOLIO RISK ANALYSIS

Housing Market Performance; Australian residential property values continued to rise across most states with the 5-capital city property index reporting a gain of 0.3%. Gains were driven primarily by Brisbane and Adelaide, with Melbourne remaining flat and Sydney reported a fall of 0.1%. With respect to dwelling type, housing outperformed once again, with the aggregate housing index rising 0.38% in comparison to units, which rose 0.05%.

Clearance rates continue to hover around the 70% mark, roughly in line with the month prior. This is a slight reduction from the highs of late last year and is due to the elevated number of sellers in market, who seek to capitalise on the strong market conditions by selling property. An increase in volumes allows buyers to be more selective in the properties, reducing the clearance rate.

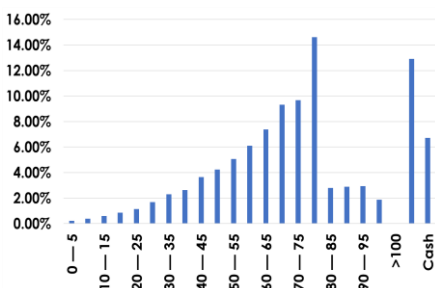
Within the system, arrears remain low and property values remain well supported. Our outlook for the strategy remains constructive.

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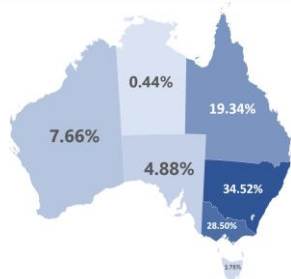
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REALM INVESTMENT
HOUSE

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-Mar22.pdf>

TRANSACTION AND MARKET FLOW

Market Update; February saw heightened issuance activity in structured credit markets as transactions that were not able to come to market over the Christmas/January break began to sound the market to launch. Spreads were weaker alongside credit markets more generally, as the Russian/Ukrainian War headlines continue to affect sentiment. This weakness began to push into the top part of the mezzanine (A rated) with limited movement in the junior mezzanine (BB/B rated). The market widening is sentiment driven rather than credit driven, with underlying performance within the sector remaining very strong.

Private Assets; In contrast with the public market, private market funding spreads remain stable and continue provide a healthy premium over public assets. This premium continues to be most apparent within middle mezzanine markets (A/BBB rated), with investors being compensated around twice that of public markets for equivalently rated tranches.

Portfolio Pipeline; The funding pipeline continues to grow, with several new facilities due to be funded over the next month, having completed due diligence. Levels of enquiry around funding proposals remains high, with twenty-three high quality proposals currently being assessed within various stages of the fund's due diligence pipeline. The investment team will continue to use this pipeline to allow the funds to meet its stated return outcome, whilst accommodating unitholder demand.

HOUSING ARREARS & PORTFOLIO PERFORMANCE

Portfolio arrears improved 4bps to 0.77% for the month of January, which remains well within the current range of expectations for this portfolio. Prime market arrears as reported by the S&P SPIN Index for December improved 2bps to 0.74%, while non-conforming arrears improved 21bps to 2.32%. We continue to view current market conditions as benign from a risk perspective.

REALM INVESTMENT HOUSE CONTACTS

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FEBRUARY 2022

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