

REALM STRATEGIC INCOME FUND ENDURING UNITS

REALM INVESTMENT
HOUSE

MAY 2022

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:

30 June - \$20,000,000

Pricing & Reporting

Frequency: Monthly

Inception Date: 21.2.2020

Fund size: \$324m

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
- First Wrap
- Hub24
- Macquarie Wrap
- Netwealth
- Powerwrap
- Xplore Wealth

NET PERFORMANCE

Period	Enduring Units	RBA Cash Rate Return
1 Month	0.34%	0.03%
3 Month	0.94%	0.04%
6 Month	2.25%	0.07%
1 Year	5.32%	0.12%
2 year	5.67%	0.14%
Since Inception*	5.60%	0.17%

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

FUND STATISTICS

Running Yield	6.12%
Yield To Maturity	6.07%
Volatility†	0.32%
Interest rate duration	0.04
Credit duration	1.23
Average Credit Rating	BBB-
Number of positions	115
Average position exposure	0.79%
Worst Month*	0.28%
Best Month*	0.84%
Sharpe ratio ²	11.38

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* 6.12%

*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.

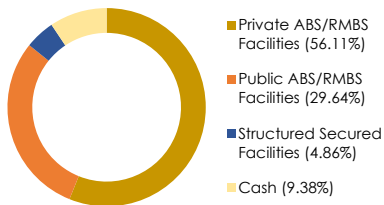
FUND WITHDRAWAL WINDOWS

The next withdrawal window will be closing at 5pm AEST on 30 June. We are accepting redemption requests for up to \$20,000,000 (about 6% of fund assets). The fund holds 39.02% in cash and marketable securities. Further details will be posted on our website. See the link on page 3.

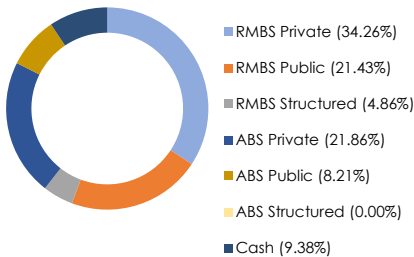


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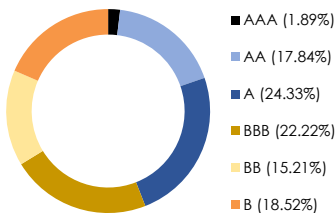
PORTFOLIO COMPOSITION



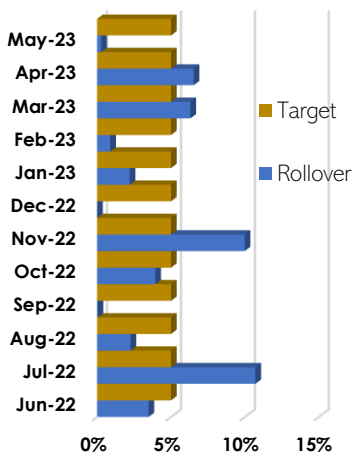
COLLATERAL TYPE



CREDIT QUALITY



ROLLOVER VS TARGET



FUND UPDATE

The portfolio is invested across a range of Private ABS/RMBS Facilities (56.11%), Public ABS/RMBS Facilities (29.64%) and Structured Secured Facilities backed by loans (4.86%). The weighted average credit rating of the portfolio sits at BBB-, a weighted credit duration of 1.23 years and a pre fee running yield of 6.12%.

The Realm Strategic Income Fund maintains a 29.6% holding in public securities which has reduced from approximately 32% last month. Our intention is to continue to reduce public securities as private securities are negotiated and settled. While this detracted from the total return, the strong yield generated by the portfolio offset this weakness and still delivered a strong positive number for the month. We anticipate several new settlements into private assets over the month will continue to increase the portfolios running yield.

PORTFOLIO RISK ANALYSIS

Housing Market Performance; While Australian residential property values rose again in most capital cities, Sydney and Melbourne markets recorded falls of 1% and 0.7% respectively. This resulted in the CoreLogic 5 capital city property index to record a loss of 0.4%. This fall was led by housing markets, falling 0.4%, while units lagged, falling 0.3%.

Clearance rates remained inline over the month, continuing to hover around 60%. This was driven by the number of properties for sale as sellers try to take advantage of market conditions.

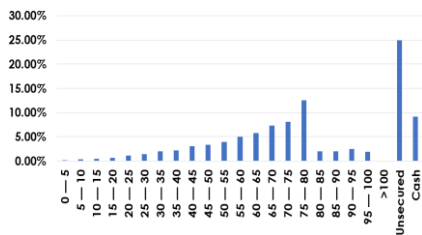
Arrears within the system remain low and our outlook for the strategy remains constructive.

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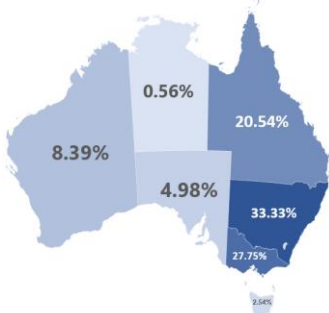
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WEIGHTED AVERAGE PORTFOLIO LVR



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/realm-strategic-income-fund-enduring-units/>

Liquidity Window Notice:

<https://www.realminvestments.com.au/wp-content/uploads/Realm-Limited-Withdrawal-Offer-Notice-Jun22.pdf>

TRANSACTION AND MARKET FLOW

Market Update; Public Structured credit markets continued to be weaker, with credit spreads widening alongside global credit markets. There were several transactions in market over the course of the month; most notable were three transactions issued by regional banks, who returned from being absent in the Australian market for some time. This increased supply led to further weakness in various portions of the structured credit complex, with senior (AAA) and senior mezzanine (AA) tranches continuing to weaken more than the mezzanine (A/BBB rated) and Junior mezzanine tranches (Sub investment grade).

Private Assets; Private Asset pricing remains stable, with yields across the private middle mezzanine (A/BBB rated) portfolio continuing to offer over not only twice the yields of public securities, but also better protections through documentation and covenants. This trend continues within the private junior mezzanine portfolio (BB/B rated), with the relative value on offer by private markets displaying significant value against the public market.

Portfolio Pipeline; The funding pipeline continues to grow, with several facilities funded over the month and a further two facilities due to close within the coming weeks. Levels of enquiry around funding proposals remains high, with fourteen 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 assist the fund in meeting its stated return outcome, whilst accommodating unitholder demand.

HOUSING ARREARS & PORTFOLIO PERFORMANCE

Portfolio arrears improved to 0.67% for the month of May. Transactions within the portfolio continue to perform well and be monitored closely.

S&P's Prime market arrears Index (SPIN) remains at low levels relative to historic averages. The prime arrears index improved 1bp to 0.78% for February. Non-conforming arrears increased 4bps to 2.58%. We continue to view current market conditions as benign from a risk perspective.

REALM INVESTMENT HOUSE CONTACTS

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