

### 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	0.42%	0.01%
3 Month	1.28%	0.02%
6 Month	3.16%	0.05%
1 Year	6.00%	0.18%
Since Inception*	5.86%	0.21%

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

### Gross Running Yield\* 6.20%

\*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 30<sup>th</sup> 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 31 May. We are accepting redemption requests for up to \$2,500,000 (5% of fund assets). The fund holds 2.24% 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 (8.30%), Private ABS/RMBS Facilities (89.46%), as well as Public ABS/RMBS Facilities (0%). The weighted average credit rating of the portfolio sits at BBB, a weighted credit duration of 0.90 years and a pre fee running yield of 6.20%.

The portfolio remained broadly in line with last month. There were slight increases to the funds cash balance and limited changes to running yield, which remains well above target at 6.20, while the average credit rating remains at an investment grade rating of BBB. Public assets remain at zero as the portfolio remains fully deployed into private assets.

### Fund Details

**Distribution Frequency:** Quarterly  
**Applications:** Monthly  
**NEXT Redemptions Window:** 31 May - \$2,500,000  
*The manager is targeting monthly redemption windows*  
**Pricing & Reporting Frequency:** Monthly  
**Inception Date:** 21.2.2020  
**Fund size:** \$46m  
**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-May-2021.pdf>  
**Platform Availability**

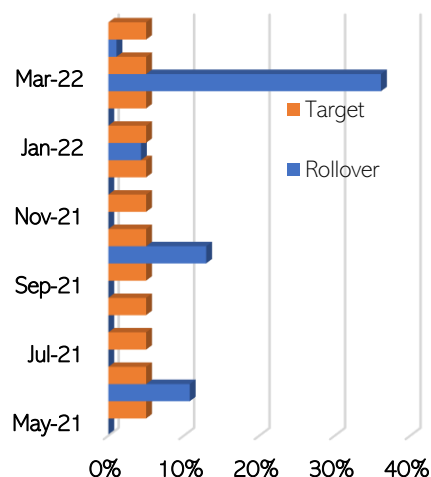
- Hub24
- Netwealth
- Powerwrap
- Xplore Wealth
- Australian Money Markets
- Spitfire
- Macquarie Wrap
- BT Panorama/Wrap

### Fund Statistics

Running Yield	6.20%
Yield To Maturity	6.20%
Volatility†	0.45%
Interest rate duration	0.06
Credit duration	0.90
Average Credit Rating	BBB
Number of positions	41
Average position exposure	2.38%
Worst Month*	0.39%
Best Month*	0.84%
Sharpe ratio <sup>§</sup>	9.75

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;** Investor demand for Public RMBS/ABS continued to drive yields aggressively tighter over the month. Investment grade prime RMBS yields compressed by approximately 30bps, representing a 10% tightening over the month. In our view, public markets continue to be characterised as presenting fair value over a long term basis.

**Private Assets;** As the yields in public markets continue to compress, the relative attractiveness of private markets continues to increase. This is a function of higher yields offered within private markets, which remain well above public RMBS and ABS markets. For context, it is not uncommon for private markets to provide a premium of 1 to 2% over equivalent public RMBS risk.

**Portfolio Pipeline;** Over the month of April, two new structured facilities were negotiated and funded soon after. A further 13 transactions are currently within the due diligence and screening phase of our private process with an additional 19 opportunities identified. Our opportunity pipeline remains very strong, with the already high level of reverse funding enquiries continuing to increase. This burgeoning pipeline allows the investment team to pick through the most suitable transactions. This flow continues to support the portfolio ramp up and increases our confidence that the fund can meet its return objective of 4.75% over cash after fees.

## Housing Arrears & Portfolio Performance

Portfolio arrears increased to 0.49% 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 improved by 1bp to 0.98% for the month of February. Non-conforming arrears on the other hand weakened to 3.50%.

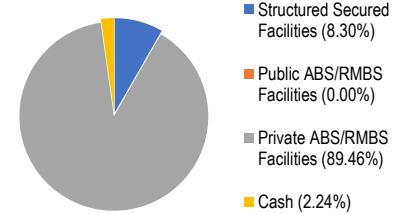
## Portfolio Risk Analysis

**Housing Market Performance;** Collateral values, as shown by CoreLogic's national home value index, posted another very strong monthly increase of 1.82% in residential property values across the 5 major capital cities. This was again led by low density housing, which increased 2.02%, while high density housing prices also rose, but again more modestly, increasing 1.15%. While all states continued to post increases, this month's rise was again led mostly by strength in Sydney.

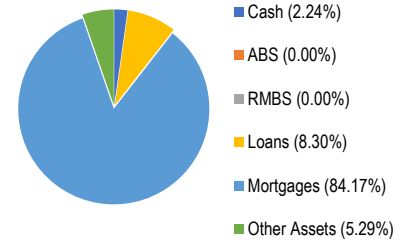
Clearance rates continue to be strong, hovering around 80% on a weighted average basis across all capital cities. Volumes were strong once again, with property price expectations from various bank economists continuing to predict strong appreciation in house prices across the country over the next year. Fundamentally, this is very positive for structured credit, as it drives lower losses if defaults occur.

Each of these technical factors continue to signal a strengthening property 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 for this strategy.

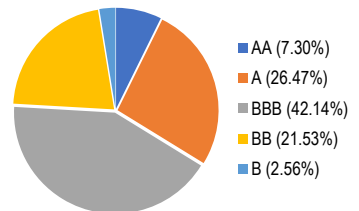
## Portfolio Composition



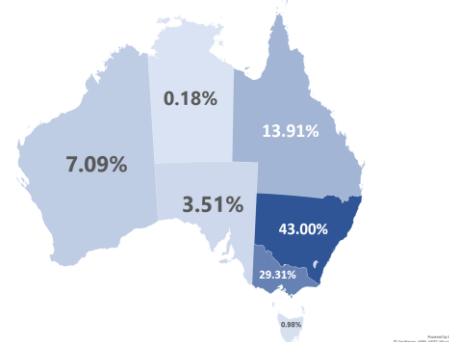
## Collateral Type



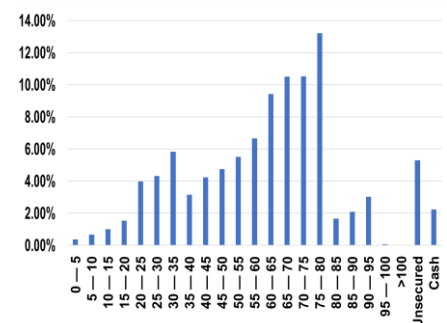
## Credit Quality



## Geographic Exposure



## Weighted Average Portfolio LVR



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