



# REALM STRATEGIC WHOLESAL E INCOME FUND CLASS A

03 July 2020

INVESTMENT MANAGER:  
REALM INVESTMENT MANAGEMENT PTY LTD  
ACN 158 876 807 | CAR 424 705

TRUSTEE:  
AMAL TRUSTEES PTY LIMITED  
ACN 609 737 064

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## IMPORTANT INFORMATION

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This Information Memorandum ('IM') in respect of the Realm Strategic Income Wholesale Fund ('Fund') and the Class A Units offered under this IM has been prepared and is issued by Realm Investment Management Pty Ltd (Corporate Authorised Representative No. 424 705) ('Investment Manager', 'Realm', 'we', 'us' and 'our'). AMAL Trustees Pty Limited ACN 609 737 064 of Level 9, 9 Castlereagh Street, Sydney NSW 2000 ('the Trustee') is the trustee of the Fund and has appointed Realm as the investment manager of the Fund.

This IM is intended solely for the use of the person to whom it has been delivered ('Recipient') to allow them to evaluate a possible investment in the Fund. This IM is not to be reproduced or distributed to any other person without the Investment Manager's and Trustee's prior written consent (other than the Recipient's professional advisers on a need to know basis). The offer made in this IM is only made to persons receiving it (electronically or otherwise) in Australia and to persons that are a wholesale client as defined in section 761G of the Corporations Act 2001 (Cth) (Corporations Act). By accepting this IM, you confirm that you are a wholesale client as defined in section 761G of the Corporations Act.

Despite the above, in limited circumstances, the offer in this IM may be made in New Zealand to, and can only be accepted by, persons in New Zealand who are 'wholesale investors' under clause 3(2) or 3(3)(a) of Schedule 1 of the Financial Markets Condition Act 2013 ('FMCA') or who are otherwise not required to receive disclosure under Part 3 of the FMCA. Those persons not familiar with the provisions of the FMCA, or who require further assistance and/or information, should consult their professional adviser.

To all other persons, not in Australia or New Zealand, this offer is made on the basis you are and must be a wholesale client as defined in your jurisdiction or the equivalent of a wholesale client in your jurisdiction and provide evidence as such.

The information in this IM is general information only and is not a recommendation to invest. It does not take into account your individual objectives, tax and financial situation or particular needs or circumstances. Prospective investors should read and understand this IM in its entirety, rely upon their own enquiries and take their own financial and taxation advice in deciding whether to invest. All fees stated in this IM are inclusive of GST less the impact of any Reduced Input Tax Credits unless stated.

No person is authorised to give any information or to make any representations in connection with the Fund that are not contained in this IM. Any information or representation not so contained may not be relied upon as having been authorised in connection with this investment. Information in this IM is subject to change from time to time. Information regarding the Fund that is not materially adverse may be updated without issuing a new or supplementary IM. Such updated information may be obtained from the Fund's website at [www.realminvestments.com.au](http://www.realminvestments.com.au)

An investment in the Fund is an interest in an unregistered managed investment scheme, and is not a bank deposit, bank security or other bank liability. In considering whether to invest in the Fund, prospective investors should consider the risks that could affect the financial performance of the Fund. Some of the risks affecting the Fund are summarised in section 7 of this IM.

An investment in the Fund is not a deposit with, or liability of, the Trustee or any other company related to the Trustee. It is subject to investment risk, including possible delays in repayment and loss of income and principal invested. None of the Trustee, the Investment Manager, the custodian and fund administrator of the Fund or their related entities, shareholders, directors or officers, guarantees the performance of the Fund, the return of an investor's capital or any specific rate of return.

Any forward-looking statements, projections, or expectations made in this IM are based on certain assumptions made at the date of this IM and may change at any time. Due to various risks and uncertainties, including those risks set out in section 6 of this IM, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. The forward-looking statements included in this IM involve subjective judgement and analysis and are subject to uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, the Trustee and the Investment Manager. Actual future events may vary materially from the forward-looking statements and the assumptions on which those statements are based. Given these uncertainties, investors are

cautioned to not place undue reliance on such forward-looking statements. Any estimate, forecast, projection, feasibility, cash flow or words of a similar nature or meaning in this IM are forward-looking statements and subject to this disclaimer.

This IM and all the information contained in it must not be disclosed to any person or replicated in any form without the prior written consent of the Trustee and the Investment Manager. Any photographs, images, charts and diagrams in this IM are for illustrative purposes only and may not represent any current or proposed investments of the Fund. Capitalised terms have the meaning given to those terms in section 10 of this IM, unless the context otherwise requires.

## 1.0 KEY FEATURES OF THE FUND AND UNITS

The Fund is an Australian unregistered managed investment scheme in which amounts invested by individual Investors are pooled to buy assets on behalf of all Investors in individual Fund Classes. The Class A Units offered under this IM (“Units”) are a class of units in the Fund (“Fund Class”).

An Investor’s investment is not a direct investment in specific Assets of the Fund Class. The value of an Investor’s investment changes whenever Unit prices are recalculated. The price of Units will vary as the market value of the Fund Class Assets referable to the Class rise or fall.

Fund Class Features	Summary	Section
<b>INVESTMENT OBJECTIVE</b>	The investment objective in respect of the Fund Class is to provide quarterly income through investing primarily in a portfolio of debt securities, loans, trusts, notes and bank facilities. These funds will support the capital needs for the corporate, residential mortgage and asset-backed loans in these markets.	
<b>FUND CLASS STRUCTURE</b>	The Fund Class is an open-ended unit trust, which will issue individual Classes of Units, that are segregated from any other Funds Classes.	
<b>CLASS</b>	The Fund Class A Units, are a segregated class of Units in the Fund.	
<b>CLASS A UNITS</b>	The Class A Units in the Fund are a separate and individual class and will have no rights or claims to any other Fund Classes assets. These are the Units which are offered under this IM.	
<b>INVESTMENT MANAGER</b>	Realm Investment Management Pty Ltd ACN 158 876 807 CAR 424 705 of AFSL 421336 of Level 17, 500 Collins Street, Melbourne, VIC 3000 (‘Investment Manager’, ‘Realm’, ‘we’, ‘us’, and ‘our’) is the investment manager appointed to manage the Fund Class.	
<b>TRUSTEE</b>	AMAL Trustees Pty Limited ACN 609 737 064 of Level 9, 9 Castlereagh Street, Sydney NSW 2000 (‘the Trustee’) is the trustee of the Fund.	
<b>CUSTODIAN AND FUND ADMINISTRATOR</b>	Mainstream Fund Services Pty Ltd ACN 118 902 891 AFSL 303253 (‘Mainstream’ or ‘Fund Administrator’) is the custodian and fund administrator and unit registrar of the Fund under the Fund Administration Agreement.	
<b>BENCHMARK</b>	RBA Overnight Cash Rate.	
<b>TARGET RETURN</b>	RBA Overnight Cash Rate plus 4.75% per annum	
Please note, these parameters are set out as guidelines only and may be exceeded or not reached from time to time.		
<b>FEES AND EXPENSES</b>	<p>Management fee of 0.77% of the Net Asset Value of the Fund Class per annum (‘Management Fee’).</p> <p>Expenses which are anticipated at no more than 0.10% of the Net Asset Value of the Fund Class per annum.</p> <p>Unless otherwise indicated, all costs, fees and expenses set out in this IM are inclusive of GST, taking account of any reduced input tax credits.</p> <p>The Fund Class may utilise leverage to Fund Class investments, specifically through a Revolving Credit Facility. The administration and establishment cost estimates above do not include any interest, fees or other costs payable under the Revolving Credit Facility.</p>	

<p><b>APPLICATIONS</b></p>	<p>Applications for Units may be made at any time.</p> <p>The Unit Price for Applications is determined on the last day of each calendar month ('Unit Pricing Date'). The current Unit Price will be published on the Investment Manager's website <a href="http://realminvestments.com.au">realminvestments.com.au</a> and will be updated monthly.</p> <p>The cut-off time for receipt of completed Applications is 2.00pm (Melbourne Time) on the last Business Day of each calendar month. Applications received after that time will be processed at the end of the following month.</p> <p>Applicants for Units must complete and sign an Application Form and submit it together with any documentation required for identification purposes and pay the application amount in cleared funds to the Fund Administrator.</p> <p>An Application, once submitted, is irrevocable.</p> <p>The Trustee reserves the right to accept or reject applications in whole or part, in its absolute discretion.</p> <p>The Fund Class is entitled to receive and will keep any interest paid in respect of monies held from time to time in the trust accounts established for contributions, distributions and withdrawals. Interest generated by the Fund Class on application money held in the trust accounts will form part of the assets of the Fund Class.</p>	
<p><b>MINIMUM APPLICATION AMOUNT</b></p>	<p>The minimum application amount is \$500,000. Further increments must be in multiples of \$50,000. The Trustee reserves the right to accept lower application amounts in its absolute discretion.</p>	
<p><b>REDEMPTIONS</b></p>	<p>The Fund Class is expected to offer monthly redemption opportunities. However, generally an Investor will not be able to take advantage of a redemption opportunity unless the Investor has held the Units the Investor wishes to redeem for at least 12 months.</p> <p>Redemption Applications may be made at any time by completing a Redemption Form and submitting it to the Fund Administrator.</p> <p>The Unit Price for Redemptions is the Unit Price on the last day of each calendar month (the Unit Pricing Date). The current Unit Price will be published on the Investment Manager's website <a href="http://realminvestments.com.au">realminvestments.com.au</a> and will be updated monthly.</p> <p>The cut-off time for receipt of a completed Redemption Form is 2.00pm (Melbourne time) on the last Business Day of the calendar month. Redemption requests received after this time will be processed as of the following month.</p> <p>A Redemption Form, once lodged, is irrevocable.</p> <p>The amount the Fund Class has available to fund redemption requests it receives is subject to its liquidity at the relevant Redemption Date.</p> <p>The liquidity of the Fund Class may, from time to time, be limited due to the nature of the underlying assets.</p> <p>In such instances the Investment Manager will actively seek to meet outstanding redemptions through the use of new investor liquidity into the Fund Class and by giving notice to not roll any facilities due in the next 3 months, or by sale of securities that do not materially affect the Fund Classes performance.</p>	



<b>UNIT PRICE</b>	<p>The Unit Price of Class A Units will be determined on the last day of each calendar month (the ‘Unit Pricing Date’) based on the Net Asset Value (‘NAV’) of the Fund Class. The NAV of the Fund Class is assets and liabilities of the Fund Class.</p> <p>The Unit Price will be calculated on the Unit Pricing Date having regard to the NAV and to the number of Units on issue, the number of new Units to be issued, the number of Units to be redeemed and other factors that the Trustee reasonably takes into account in determining the Unit Price.</p> <p>The Unit Price will be made available to Investors at <a href="http://www.realminvestments.com.au">www.realminvestments.com.au</a> or by calling 03 9112 1150.</p>	
<b>Buy/Sell Spread</b>	<p>A Buy-Sell Spread will normally be charged on applications and redemptions.</p> <p>The current Buy / Sell Spread is +nil% / -nil%</p> <p>However the Trustee reserves the right to alter the Spread in accordance with the Trust Deed, or not impose a Buy-Sell Spread charge in the future.</p>	
<b>DISTRIBUTIONS</b>	<p>Generally, distributions are paid quarterly out of any net income available to be distributed in respect of the Fund Class. Distributions will usually comprise income and realised capital gains (if any) but may also include a return of capital. Your distribution is generally calculated with reference to the number of Units you hold at the end of each distribution period.</p> <p>Subject to the Fund’s Trust Deed, distributions (if any) will operate in line with an operational plan which intends to see all income paid within 21 Business Days after month end.</p>	
<b>REINVESTMENT PLAN</b>	<p>The Investment Manager has established a Reinvestment Plan which allows investors to reinvest distributions for additional Units. Under the Reinvestment Plan, distributions which are to be reinvested will be applied in subscription for units at the Unit Price determined at the end of the quarter in respect of which the distribution is paid.</p> <p>Investors can make an election on the Application Form (or at any other time by notifying the Investment Manager) whether to receive distributions in cash or reinvest them in additional Units under the Reinvestment Plan. If no election is made, or if bank account details are incomplete or inaccurate, distributions will be automatically paid in cash.</p>	
<b>RISKS</b>	<p>Before investing in the Units, investors should consider carefully the risks associated with an investment in the Fund Class referred to in Section 7.</p>	
<b>LEVERAGE</b>	<p>The Fund Class may borrow (up to 25% of the Fund Class Gross Assets), via a Revolving Credit Facility which will be utilised to acquire or facilitate certain investments and also used to meet the short-term working capital requirements of the Fund Class.</p>	
<b>TAXATION AND LEGAL MATTERS</b>	<p>Each prospective Investor should consult their own tax and other advisers in determining the possible tax or other consequences of the purchase and ownership of , under the laws of the jurisdictions of which an Investor is a citizen, resident or domiciliary, or in which it conducts business, or in which it otherwise may be subject to tax.</p>	

**TRANSFER OF  
UNITS**

There is unlikely to be a secondary market in Units. However, Investors are able to transfer Units subject to the Trustee's prior written consent. To transfer Units, the Investor must:

- deliver to the Trustee a transfer notice in the form approved by the Trustee. The transfer must be executed by the transferor (the Investor) and the transferee (the new Investor) and, if necessary, stamped to indicate that stamp duty has been paid; and
- deliver to the Trustee any other document required by the Trustee or any law.

Transfers are not effective until entered into the registry by the Fund Administrator, and all amounts payable in relation to a Unit (e.g. distributions) will be paid to the new Investor from the time a transfer is recorded in the register.

## 2.0 THE TRUSTEE AND KEY SERVICE PROVIDERS

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### 2.1 THE TRUSTEE

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The Trustee of the Fund is AMAL Trustees Pty Limited ACN 609 737 064 ('AMAL Trustees' and the 'Trustee') of Level 9, 9 Castlereagh Street, Sydney NSW 2000.

AMAL Trustees combines the people, infrastructure, resources and proven compliance platform of AMAL Asset Management Limited, with the knowledge and skills of highly experienced trustee professionals. Offering a full range of wholesale corporate trust services, AMAL Trustees provides clients with much needed flexibility, commerciality and service, while at all times maintaining the highest level of governance and compliance.

AMAL Asset Management Limited ('AMAL') is a major shareholder of AMAL Trustees. AMAL was founded in 1994 as a third-party servicer of loan receivables in the whole-loan and debt capital markets and with over \$9 billion of assets under administration in Australia and New Zealand, is a leading third-party servicer in the region.

The Trustee is the issuer of Units in each Fund Class. The Trustee's role is to act as trustee of the Fund in accordance with the Trust Deed. In carrying out its role, the Trustee must:

- act honestly and in the best interests of all unitholders;
- exercise due care and diligence;
- treat unitholders holding the same Fund Class equally; and
- give priority to the interests of unitholders in the event of a conflict between the interests of the Trustee and those of unitholders.

The Trustee has appointed the Investment Manager to manage the Fund Class, including investment decisions and providing recommendations to the Trustee.

### 2.2 THE INVESTMENT MANAGER

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Realm Investment Management Pty Ltd ACN 158 876 807 (Corporate Authorised Representative No. 424 705) is a wholly owned subsidiary and corporate authorised representative of Realm Pty Limited ACN 155 984 955, a holder of Australian Financial Service Licence No. 297042.

Realm is an asset management firm that has been established by an experienced team of professionals with tested investment beliefs, processes and extensive networks. Realm is passionate and committed to understanding markets and using the information to deliver a quality outcome for clients.

The Investment Manager believes that the general inaccessibility of bond markets, coupled with a lack of transparency for investors at a retail level, highlights the need for an insightful, professional and experienced Investment Manager in this asset class. The Investment Manager offers its investors, through the Fund Class, the ability to gain access to its team providing portfolio construction, asset selection and ongoing portfolio management.

The role of the Investment Manager is to act as the manager of the Fund Class in accordance with the Investment Management Agreement under which the Investment Manager is appointed by the Trustee as the investment manager of the Fund Class.

In carrying out this role, the Investment Manager must:

- act honestly and in the best interests of the Fund Class;
- exercise due care and diligence;
- treat unitholders holding the same class equally and of different classes they manage fairly; and
- give priority to the interests of Fund Class in the event of a conflict between the interests of the Investment Manager and those of the Fund Class.

## 2.3 FUND ADMINISTRATOR AND CUSTODIAN

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As at the date of this IM, the Trustee has appointed Mainstream Fund Services Pty Ltd ABN 81 118 902 891 ('Mainstream' and 'Fund Administrator') as the fund administrator and custodian. Mainstream has no liability or responsibility to you for any act done or omission made in accordance with the terms of its appointment. Mainstream makes no statement in this IM and has not authorised or caused the issue of it. Mainstream has given (and not withdrawn) its consent to be named in the IM.

Mainstream hold investments of the Fund as bare trustee and such investments are not investments of Mainstream or any other member of the Mainstream group of companies ('Mainstream Group'). Neither Mainstream, nor any other member of Mainstream Group, in any way stands behind the capital value, nor do they guarantee the performance of the investment or the underlying assets of the Fund Class, or provide a guarantee or assurance in respect of the obligations of the Trustee, the Investment Manager, or any of their related entities.

### 3. REALM

#### WHY REALM INVESTMENT HOUSE (REALM)?

- **Realm are informed** - Strong insight into regulators, with an active participation in working groups.
- **Realm have access** - Over 25 years of strong respected relationships with banks and issuers.
- **Realm have the advantage** - Independent Research House, Zenith Investment Partners states that Realm’s expertise in pricing residential mortgage-backed securities (RMBS) and asset-backed security (ABS), and Realm's analysis of this market segment is considered strong and a key competitive advantage.
- **Realm have experience** - Passionate team of professionals with 60+ years of investment experience.
- **Realm have a proven process** - Disciplined investment approach using proprietary modelling with a 7-year track record.
- **Realm are an active manager** – Utilising a contrarian, benchmark unaware investment style.
- **Realm have alignment of interests** - Boutique manager focused on return outcome for clients while investing alongside our investors, Realm is also 100% owned by the directors of the business.

#### REALM INVESTMENT PROCESS & TEAM

The Realm Investment Team are active managers who provide access to well researched, bespoke investment opportunities. Utilising a systematic bottom up investment approach, the Realm Investment Team focus on their core value of delivering returns to clients when investing in High Yield, with a low risk approach.



**Andrew Papageorgiou**

**Founder, Investment Manager**

Over the last 20 years Andrew has gained considerable direct investment experience in dealing in domestic and international equity markets, derivatives, direct infrastructure (equity, debt & structuring), real estate (equity & debt) and private equity (equity, debt and structuring) as well as the domestic hybrid and convertible bond market. Andrew’s direct experience in the family office sector also saw him act in a direct advisory capacity to some of Australia’s wealthiest families. Andrew heads the Corporate credit and bank capital function within Realm.



**Rob Camilleri**

**Founder, Investment Manager**

Robert is a co-founder and Investment Manager for Realm Investment House. With more than 25 years of market experience, he is well known and regarded in the domestic financial markets. Robert has held senior funds management positions in banks and insurance companies, and has chaired and sat on a number of peak industry committees, task forces and represented Australia internationally in front of regulators.



**Theodore Calligeris**

**Investment Analyst**

Theodore graduated from the University of Wollongong with a double degree in Mining Engineering and Commerce (Finance). He moved from Sydney to complete the final year of his degree at the University of Melbourne while working full time for Realm as the firm's data analyst. In this role Theodore was responsible for managing the accuracy of various critical portfolio databases and ensuring they are kept timely. Theodore has also deputized for Andrew Papageorgiou in monitoring the fund's listed AT1 allocation and has since been given the opportunity to work closely with Robert Camilleri as an associate in Realm's structured credit function.

**THE INVESTMENT MANAGER'S APPROACH**

The Investment Manager has a research focused approach which seeks to deliver an outcome which presents real value in risk adjusted terms. The Investment Manager maintains a core in-house competence in the following areas:

- (i) top down macro analysis; and
- (ii) fixed income and credit analysis and investment.

The Investment Manager's approach embraces the philosophy that best practice management combines a complete thorough top down assessment of key macro and regulatory drivers supported by a rigorous bottom up process which provides a ground level market view of issuers and their markets.

**THE INVESTMENT COMMITTEE AND RISK COMMITTEE**

The investment process will be overseen by the investment and risk committees, which comprise members of the investment management team and independent contributors. Where relevant the composition of these committees may be made available on the Investment Manager's website ([www.realminvestments.com.au](http://www.realminvestments.com.au)).

**The Investment Committee**

The investment committee convenes regularly and is charged with maintaining a view on the global economic environment.

**The Risk Committee**

The role of the risk committee is to provide oversight and review of the Investment Manager's risk management process. This will include macro positioning, stress testing and reviewing of the Investment Manager's risk management policy.

## 4. INVESTMENT OVERVIEW

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### 4.1 INVESTMENT STRATEGY AND GUIDELINE SUMMARY

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The core portfolio will primarily comprise securities, secured loans, trusts, notes and bank facilities originated or issued by Banks, Building Societies & Credit Unions (ADI), Corporations and Non-Bank Financial Institutions. Here, investors will gain exposure to the following asset classes: Deposits, short term securities & cash trusts, residential mortgages and asset-backed receivables.

Investments will be assessed using Realm Investment House's (Realm or RIH) extensive research approach, which includes a comprehensive review of issuers and their underlying lending programs.

The strategy takes an opportunistic approach in allocating capital to sectors and programs. Our goal is to take advantage of idiosyncratic factors, such as regulation or any other supply/demand factors that provide an additional return.

The strategy and approach of the Investment Manager will also provide exposure to complexity premium, liquidity and structural premium. This is because the markets that the strategy focuses on are not easily accessible and are highly specialised.

Diversification within the Fund Class will be achieved through a variety of banking partners, facility sponsors and the number of individual facilities. RIH's risk management and assessment overlay are used in assessing eligible exposures. This process is described by researchers as a strong point of differentiation of Realm as a group.

The key objective within the core portfolio is to build exposure to high quality public and private Residential Mortgage Backed Securities (RMBS), Asset Backed Securities (ABS) and Secured Corporate Loans.

The portfolio will take a tactical view both in terms of who and what it invests in, the view being to deliver clients a strong risk adjusted yield through the market cycle.

This will allow the Investment Manager to toggle exposure between public and private markets as well as moving between rating bands with a view of maximising client return for risk.

Through all of this the objective of capital preservation is a key focus.

In addition the Investment Manager also has an allotted special situations limit, which will be used to exploit opportunities within the unsecured bank and corporate credit market, more specifically bank AT1 and T2 issued by Australian APRA regulated entities, including our banks and large insurers as well as corporate debt issued by companies with an investment grade rating.

The objective of the strategic allocation is to provide the strategy with the capacity to become opportunistically involved within these markets where the risk is well compensated. The limit does not imply a target but rather provides the Investment Manager with latitude to use these markets with a view of maximising client outcomes.

Derivatives can be used to investment decisions, including hedging, and as a risk management tool (such as managing the effect of interest rate or foreign currency movements). They may also be used to adjust or implement investment decisions and to gain, or avoid, exposure to a particular market rather than purchasing physical assets. In this regard, derivatives will only be used to gain exposures when they offer a more cost-effective way of achieving the returns and characteristics of the underlying security. All derivative positions will be fully funded. No leverage is possible when fully exposing and backing the derivative position.

#### VALUATION OF ASSETS

The Fund Class assets will primarily be valued using hold to maturity accounting. This is because the assets will generally not be tradeable. Where assets are tradeable, they will be valued on a mark to market basis (i.e. fair value). The NAV of the Fund Class is expected to be calculated monthly and will be made available on the Investment Manager's website. The Investment Manager will be providing regular portfolio commentary and performance reporting.

## INVESTMENT GUIDELINES

The Investment Manager must adhere to specific investment guidelines and policies governing management of the Fund Class assets. The guidelines are set out in the Investment Management Agreement under which the Investment Manager is appointed by the Trustee as the investment manager of the Fund. The guidelines may be amended from time to time by agreement between the Trustee and the Investment Manager.

The Investment Management Agreement sets out and refers to procedures for monitoring and supervising the Investment Manager's compliance with the investment guidelines.

## PORTFOLIO LIMITS

**Special Situations Limit – 25%:** The special situation allocation will be invested into unsecured corporate opportunities, including Bank Tier 1, Tier 2 and securities issued by investment grade corporate entities. Single security limit of 5% of portfolio size or \$500,000 whichever is the greater. For clarity, the mandate does not permit any issues by non-investment grade issuers within the Special Sits allocation

**Core Portfolio:** The Core portfolio will be invested in line with the Authorised Investment universe with a primary emphasis on RMBS, ABS and corporate warehouse bank facilities and secured corporate loans. For the avoidance of doubt the core portfolio also maintains the ability to invest within public RMBS and ABS as these assets are secured in nature. A transaction limit of 10% or \$1,000,000 will apply, whichever is the greater.

## ALLOCATION POLICY

The Investment Manager is also the manager of other client accounts and schemes / trusts and applies the same investment process in managing each of these mandates as it intends to apply to the Fund Class. The investment guidelines and permitted investments for each mandate are tailored to meet the risk objectives, constraints and investment goals of that mandate. The Fund Classes investment guidelines are summarised in this section. In order to ensure neither the Fund Class nor any of the Investment Manager's mandates are disadvantaged, the Investment Manager has an allocation policy designed to allocate trades on a fair and equitable basis across the Investment Manager's other mandates and the Fund Classes portfolio.

## 4.2 CORE TRANSACTION TYPES

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### RESIDENTIAL MORTGAGE BACKED SECURITIES (RMBS) - PUBLIC

RMBS – A debt security whose cash flow is backed by the principal and interest payments from a specified pool of mortgage loans that are secured by mortgages over residential property. These securities are issued by banks and larger non-bank financiers for the purpose of financing their lending activities. The securities are issued in the market in security form and are freely tradeable.

### ASSET-BACKED SECURITIES (ABS) - PUBLIC

Securitisation is the act of creating Asset-Backed Securities (ABS) from pools of underlying loans. It begins with the formation of a special purpose vehicle (SPV), which is a company whose specific purpose is to acquire assets and issue debt secured by those assets. ABS are the preferred way for smaller banks and specialty finance companies to finance pools of familiar asset types, such as auto loans, credit card receivables, mortgages, and business loans. Each underlying loan in a pool is a contractual obligation to pay.

Since ABS debt is extended to an SPV and secured by an identified pool of assets, it is typically non-recourse to the originating company.

ABS - Asset-backed Security. A type of Debt Security collateralised by the cash flow from a specified pool of underlying Receivables. Typically this Term is used to describe Debt Securities backed by Receivables other than residential



or commercial Mortgage Loans. These securities are issued by banks and larger non-bank financiers for the purpose of financing their lending activities. The securities are issued in the market in security form and are freely tradeable.

#### SECURED FUNDING (RMBS & ABS)

These debt securities are issued out of a revolving debt facility. These facilities are generally tri-partite in nature involving a senior sponsoring bank, a mezzanine investor and a loan originator. In these structures the Originator has the ability to continue to add Receivables into the pool, to build the volume up to a size at which they can “term out” (i.e. Issue a public security). The warehouse facility is subject to a number of conditions, including Eligibility Criteria around what type of Receivables can be funded by the Warehouse. The warehouse facility is usually for a Term of 1 year, at which point it may be rolled over for another year as required. This is a specialised part of the RMBS and ABS market. It is private and by invitation only and requires participants to possess a high level of skill in assessing and pricing risk. Investments are in loan form as such they are not as easily transferable as public securities, as a consequence yields on offer are as a general rule higher than what is available in the public market. Secured funding requires a partnership approach to be adopted between bankers, mezzanine investors and originators.

### 4.3 SPECIAL SITUATION TRANSACTION TYPES

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#### LEVERAGED LOANS

Leveraged Loans are typically debt that is provided to private equity firms to facilitate the acquisition of a target company. The typical Leveraged Buy Out capital structure is circa 50% debt and 50% equity.

#### ADDITIONAL TIER 1 CAPITAL

AT1, more formally known as Additional Tier 1 securities are a hybrid instrument issued by regulated entities for the purpose of meeting their regulatory requirements. The securities are complex in nature and maintain equity and debt characteristics. They generally trade on the Australian Stock Exchange or in over the counter form. Securities are tradeable.

#### TIER 2 CAPITAL

T2, more formally known as Tier 2 debt securities are a debt instrument issued by regulated entities for the purpose of meeting their regulatory requirements. The securities have a range of features that make them more complex than vanilla bonds, such as call and non-viability conditions. This is reflected in the higher margins these securities pay versus senior bank debt.

#### UNSECURED CORPORATE & SUBORDINATED DEBT

These are debt obligations issued by Australian corporations. For the purpose of this strategy issuers must hold an investment grade rating at the time of investment. Securities are simple in nature with non-payment of income or failure to meet final maturities considered an event of default. Obligations are in the form of securities and are tradeable.

#### OTHER TRANSACTION TYPES

Although the Fund Classes primary strategy is to pursue Senior Secured Loans and ABS, it may for various purposes invest in subordinated loans and other associated instruments including, but not limited to, those set out below:

##### **Indirect senior lending/purchased**

Transactions where the Fund Class will provide asset based or cash flow senior financing in club or larger syndicated transactions.

An assignment (or possibly a participation) in these financing arrangements will be purchased from an agent bank after the transaction is structured and documented and sometimes after the transaction is closed. The Investment Manager, on behalf of the Fund Class, may or may not have material input in the structuring and documentation.

##### **Direct financing**

Transactions where the Fund Class will provide most if not all of the capital structure above the equity.

This may include senior term debt and subordinated debt. The major advantages for borrowers include negotiating the entire debt financing with one lender and the elimination of inter-creditor issues.

In certain instances, this may be structured as one tranche of debt known as “unitranche”. As a sole lender, or part of a very small group, the Investment Manager may control the total financing and thereby avoid inter-creditor issues and as a result, receive an enhanced yield and negotiate better terms and conditions, for the benefit of the Fund Classes exposure.

#### **Subordinated debt lending**

Transactions where the Fund Class will provide subordinated debt, targeting private transactions with well-capitalised companies or sound commercial property assets.

The Investment Manager, on behalf of the Fund Class, may take either a leadership role for the subordinated debt tranche in these transactions or may purchase a portion of the debt from an agent or intermediary.

#### **Structured/asset-backed transactions**

Transactions where the Fund Class will provide private and public asset-backed funding solutions to established consumer and commercial specialty finance sectors across multiple asset classes and select geographies.

## 4.4 OTHER INFORMATION

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Realm expects to take advantage of investment opportunities that include consumer and commercial asset-backed debt facilities in those tranches that offer the best risk-adjusted return and are subject to far less competition.

#### **Bonds**

Transactions where the Fund Class will provide typically unsecured debt financing with well-capitalised companies.

#### **Credit default swaps (CDS)**

Transactions where the Fund Class will buy and sell credit protection typically referencing unsecured debt financing with well-capitalised companies. The purpose of buying CDS is for the purpose of protecting the portfolio, while selling CDS allows the investor to obtain long credit exposure within the strategic allocation of the portfolio.

#### **FX, cross currency and interest rate swaps**

As required for risk management purposes, in order to deliver the Fund Class returns on an Australian floating interest rate basis.

FX and cross currency swaps used to hedge non-Australian dollar denominated principal and interest amounts as determined by the Investment Manager. Interest rate swaps used to hedge non-floating interest amounts will be determined by the Investment Manager.

#### **Revolving Credit Facility**

A Revolving Credit Facility may also be utilised to acquire or facilitate investments and also used to meet the short-term working capital requirements of the Fund Class.

To enable the Fund Class to invest, the Fund Class may utilise a combination available cash and any Revolving Credit Facility for the specific purpose of funding investments. A Revolving Credit Facility may be drawn on and repaid together with the underlying investment, should the Investment Manager consider this is the most appropriate manner by which to fund these instruments.

The Fund may use leverage via a Revolving Credit Facility to principally maintain exposures to its portfolio.

The use of a Revolving Credit Facility may enhance Investor returns, but this is not the primary objective of such a facility. The size of the Fund Classes Revolving Credit Facility will be limited such that when fully drawn, the amount of money owing under the facility will not exceed 25% of Gross Assets at that time.

**Total Leverage**

The total amount of leverage utilised by the Fund Class, will not exceed 25% of the Fund Class Gross Assets at any time.

## 5.0 ENVIRONMENTAL, SOCIAL AND GOVERNANCE ('ESG')

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As part of the investment process the Realm investment team considers environmental, social and governance (**ESG**) issues where they add value to the Fund Class. If improperly managed or identified, Realm considers that ESG considerations present a risk to investment returns.

No formal guidelines are used, nor is any formal weighting given to the ESG issues in portfolio construction. Rather a broad, implicit approach is taken when carrying out this subjective assessment.

The types of ESG issues that may be taken into account include:

- **Environmental:** weather, pollution and environmental disruption, sustainability and associated reputational and brand risks.
- **Social:** political stability, human rights issues, privacy and cyber-security, impact on local communities, health and safety and associated reputational and brand risks.
- **Governance:** board composition, risk management track-record, legal and compliance track-record, history of prosecutions, management remuneration, and distribution of equity and associated reputational and brand risks.

## 6.0 RISKS

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### 6.1 GENERAL RISK FACTORS COMMON TO ALL INVESTMENTS

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These risks apply generally to any investment in the Fund Class.

#### INFLATION RISK

This is the risk that the increase in the price of goods and services exceeds the rate at which your investment grows, thereby reducing the value of your investment in real terms.

#### INVESTMENT OBJECTIVE RISK

This is the risk that your investment objectives will not be met by your selection of investments. One measure of risk of an investment is the volatility of returns. As volatility increases, so too will the variability of investment returns. As such, it is important to consider the volatility of an investment as part of your investment decision.

#### MARKET RISK

This is the risk that the value of the assets referable to the Fund Class may rise or fall in response to fluctuations in market prices to which the relevant Fund Class is exposed. The markets to which the Fund Class is exposed include but are not limited to, interest rates, currencies, equities, commodities, corporate and securitised bonds and notes and property.

Market risks occur for many reasons, including political, economic, sectoral, behavioural or investment-specific factors or events, such as domestic or global financial and credit conditions and market sentiment.

#### CLIMATE CHANGE RISK

This is the risk that climate change will disrupt or change in an unanticipated way natural and human systems in a way that causes loss to the Fund Class.

#### LIQUIDITY RISK

The investments of the Fund Class are not liquid securities. The ability of the Fund Class to dispose of an investment will depend on market liquidity, the terms agreed with the relevant borrower and the maturity date of the loans (typically Leveraged Loans and Commercial Real Estate loans may have a term of between 3 and 7 years). The liquidity of investments in the Fund Class will also be dependent on a borrower's ability to repay a loan. Investors should be aware that there may be limited cash available to fund a redemption request from an Investor. See section 11 for more detail on the redemption process.

#### COUNTERPARTY RISK

This is the risk that any of the counterparties which the Fund Class deals with may default on their obligations to pay monies or deliver financial instruments to the Fund Class. This may result in a loss.

#### REGULATORY RISK

The value of some investments may be adversely affected by changes in government policies, regulations and laws, including tax laws and laws affecting managed investment schemes.

#### COMPLIANCE RISK

This is an extension of regulatory risk whereby reports are fraudulent, compliance has not been enforced or investment guidelines breached.

## 6.2 SPECIFIC RISK FACTORS FOR THE FUND CLASS

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The following risks are ascribed to the Fund Class. Risks relevant to Fund Classes generally are described in Section 3.3 below.

**Counterparty risk** is the risk that a counterparty to a contract fails to meet its obligations to honour the contract. Counterparty risk arises in relation to transaction counterparties such as brokers, lenders, issuers, borrowers, counterparties to derivatives contracts and clearing exchanges. The investment management guidelines require the Investment Manager to transact with counterparties who meet a minimum standard of creditworthiness, which is reviewed periodically. The Trustee has also appointed a custodian to hold the assets of the Fund Class. The Fund Class may be exposed to the custodian's insolvency or administration of the Fund Classes assets.

**Credit risk** is the risk that issuers of debt securities and other investments fail to make payments in accordance with their obligations. In addition, an issuer of a security may suffer an adverse change in its financial condition or credit rating of the security that could result in a lowering of the quality and value of the security leading to greater volatility, or loss of value in the security and give rise to other risks including liquidity and leverage risks, which result in loss of value and thus to the Fund Class.

**Currency risk** is the risk that fluctuations in exchange rates may cause the value of investments to decline. Investments are denominated in the currency of the investment, which may include AUD, NZD, USD and other currencies. Investments are hedged back to AUD except where the assets themselves are exposures to foreign currency investments.

**Interdependence risk** arises when an allocation to investment strategies is based on assumptions about observed historical relationships that may not persist into the future.

**Interest rate risk** is the risk that changes in interest rates may cause the investments of the Fund Class to change. For example, the value of fixed-income securities acquired by the Fund Class may decline when interest rates rise. The Investment Manager will not seek to utilise rates exposure as a source of outperformance; however, the Investment Manager may use derivatives to hedge the capital value of the Fund Class.

**Risks of trading derivatives.** The value of derivative instruments is linked to the value of an underlying asset (or an interest rate, share index or other reference point) and can be highly volatile. While derivatives offer the opportunity for higher gains for a smaller initial cash outlay, they can also result in significant losses, sometimes significantly in excess of the amount invested to purchase the derivative. Risks associated with using derivatives might include the value of the derivative failing to move in line with that of the underlying asset, potential illiquidity of the derivative, a Fund Class not being able to meet payment obligations as they arise, and counterparty risk (where the counterparty to the derivative contract cannot meet its obligations under the derivatives contract). If market movements, investments into or withdrawals from the Fund Class, or changes in the nature of an investment, result in the Fund Class being geared through derivatives, this will be addressed by the Investment Manager or us as soon as reasonably practicable. Where the Fund Class uses derivatives, the Investment Manager aims to ensure that there are sufficient liquid assets available in the Fund Class to meet costs and other liabilities under derivatives (that is, while a derivative may turn out to be loss making, the Investment Manager aims to keep sufficient liquid assets in the Fund Class to meet such losses).

**Margining risk** is the risk that positions in futures contracts and/or holdings in underlying Fund Class must be liquidated to meet initial and/or variation margin requirements set by clearing houses and exchanges. This risk occurs when insufficient funds are held with a clearing firm to maintain an investment exposure.

**Strategy implementation risk** is the risk that actual returns are lower than the return of the Investment Manager's model portfolio because the Investment Manager has not implemented the trades and transactions exactly as planned. This may occur, for example, as a result of markets being closed; illiquidity; unavailability of investments; price changes occurring in the time it takes to roll from one derivative contract in a series to the next in the series; a trade or transaction being subsequently cancelled or disputed; or by reason of some other administrative error.

**Systemic risk** is the risk that a disruptive event causes a chain of events to disrupt or compromise the normal functions of a system. Systemic risk cannot be diversified and may be magnified by the reactions of the participants within the system to the event.

## BUSINESS AND FINANCIAL RISKS

The Fund Classes investment portfolio will consist primarily of investments in the private debt market (including ABS, Leveraged Loans and Commercial Real Estate loans). Such investments may involve a high degree of business and financial risk that can result in substantial losses, as operating results in a specified period will be difficult to predict. There is no assurance that the Fund Class will meet its target return, and the Fund Class will incur certain charges regardless of whether any profits are earned. Given the risks involved and the lack of public market for interests in the Fund Class, investment in the Fund Class is only suitable for Investors who are willing to hold their interests for the long term and who understand that they may lose all or a significant portion of their invested capital.

Changes in economic conditions may occur over the life of the Fund Class, and these may have an adverse effect on the Fund Classes investments. Changes may include rising interest rates, downturns in the economy or deteriorations in the condition of an industry sector to which the Fund Class is exposed. Capital from an investment will generally only be realised on the partial or complete repayment of the loan or ABS. While each prospective Investor should make their own evaluation of the risks of investing in the Fund Class, they must consider, among other things, the following matters before making a decision to invest in the Fund Class:

- the speculative nature of the Fund Classes investment strategy;
- the illiquidity of the Fund Classes investments;
- potential for changes in applicable law, regulation, currency, taxation; and
- force majeure risks.

## FUND CLASS LEVERAGE

The Fund Class intends to use leverage to fund investments via the use of a Revolving Credit Facility.

These types of leverage are described in section 5. For the Revolving Credit Facility, the finance provider would have first claim over the Fund Class Assets only, and it will not be possible to cross collateralise any other Fund Class assets not specific to the Class A Units.

### Investments in Senior Secured Loans

The Fund Class Assets may include first lien Senior Secured Loans, and may also include selected second lien Secured Loans, which involves a higher degree of risk of a loss of capital. The factors affecting an issuer's first and second lien loans, and its overall capital structure, are complex. Some first lien loans may not necessarily have priority over all other unsecured debt of an issuer. For example, some first lien loans may permit other secured obligations (such as overdrafts, swaps or other derivatives made available by members of the syndicate to the company) or involve first liens only on specified assets of an issuer (e.g. excluding real estate). Issuers of first lien loans may have two tranches of first lien debt outstanding, each with first liens on separate collateral. Furthermore, any secured debt is secured only to the extent of its lien and only to the extent of underlying assets or incremental proceeds on already secured assets. Moreover, underlying assets are subject to credit, liquidity and interest rate rises. Although the amount and characteristics of the underlying assets selected as collateral may allow the Fund Class to withstand certain assumed deficiencies in payments occasioned by the borrower's default, if any deficiencies exceed such assumed levels or if underlying assets are sold, it is possible that the proceeds of such sale or disposition will not be equal to the amount of principal and interest owing to the Fund Class in respect of its investment. The Fund Class investments may be subject to early redemption features, refinancing options, prepayment options, or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Fund Class earlier than expected.

As a consequence, the Fund Classes ability to achieve its investment objective may be affected.

#### Investments in subordinated loans

Subordinated investments involve a high degree of risk with no certainty of any return of capital. Although subordinated securities are typically senior to common stock and other equity securities in the capital structure, they may be subordinated to large amounts of senior debt and may be unsecured. Many of the remedies available to subordinated holders are available only after satisfaction of claims of senior creditors. Therefore, in the event that a borrower does not generate adequate cashflow to service its debt obligations, the Fund Class may suffer a partial or total loss of invested capital. The ability of the Investment Manager to influence a borrower's affairs, especially during periods of financial distress or following an insolvency, is likely to be substantially less than that of senior creditors. For example, under the terms of subordination agreements, senior creditors are typically able to block the acceleration of the subordinated debt or other exercises by the Fund Class of its rights as a creditor.

Accordingly, the Fund Class may not be able to take the steps necessary to protect its investments in a timely manner or at all.

In addition, the debt securities in which the Fund Class may invest may not be protected by financial covenants or limitations upon additional indebtedness, may have limited liquidity, and may not be rated by a credit rating agency. Debt securities are also subject to other creditor risks, including but not limited to:

- the possible invalidation of an investment transaction as a 'fraudulent conveyance' under relevant creditors' rights laws;
- so-called lender liability claims by the issuer of the obligations; and
- environmental liabilities that may arise with respect to collateral securing the obligations.

The Fund Classes investments may be subject to early redemption features, refinancing options, prepayment options, or similar provisions which, in each case, could result in the issuer repaying the principal on an obligation held by the Fund Class earlier than expected.

#### Co-investments

There is a risk under the terms of a co-investment agreement that the Fund Class does not have control over, or must first agree with a co-lender, how to deal with a borrower or with a loan's underlying securities upon a default event by the borrower. This lack of control by the Fund Class may result in the Fund Class being unable to protect the value of its investment in such co-investments and as a consequence affect the Fund Classes ability to achieve its investment objective. Further, where the co-lender is a mandate client of the Investment Manager, a conflict of interest may arise for the Investment Manager in making recommendations to the Trustee of the Fund Class on the exercise of its rights as a co-lender and the strategies to pursue in recovering the loan.

This risk will also extend to the removal of the Investment Manager of the Class A Units, as it relates to control.

#### Investments in leveraged companies

The portfolio borrower companies to which the Fund Classes investments relate, may employ significant leverage. The leveraged capital structure of such borrower companies will increase their exposure to certain factors such as rising interest rates, downturns in the economy, or deterioration in the financial condition of such borrower company or its industry. In the event a borrower cannot generate adequate cashflow to meet its debt service, the Fund Class, particularly in respect of subordinated debt investments (if any), may suffer a partial or total loss of capital invested in its investments with respect to the borrower company, which would adversely affect the returns of the Fund Class.

#### Investment Manager risk

The success of the Fund Class depends upon Realm's ability to develop and implement investment processes and identify investment opportunities that achieve the investment objectives of the Fund Class. Matters such as the loss of key staff, Unitholders in the Class A Units replacing Realm as Investment Manager of the Fund Class, or Realm's failure to perform as expected may negatively impact returns, risks and/or liquidity.



### Failure to fully invest

The availability and volume of new private debt opportunities suitable for the Fund Class is difficult to predict. The Fund Class will compete against other financiers, investors, and Investment Managers to secure access to these investments. The Fund Class may not be able to identify or secure access to suitable investments.

### Utilisation risk

The Fund Class will invest in both drawn and undrawn loans that may be drawn on and repaid by the borrower over time. Borrowers will typically pay a margin over a floating benchmark on drawn amounts, and a percentage of that margin on the un-drawn amount. Alternatively, a borrower might pay a flat fee based on total availability in advance, and then a margin over a floating benchmark on drawn amounts. Returns will vary depending on the utilisation of such revolving loan facilities.

### Undisclosed liabilities

The investments acquired by the Fund Class may involve private negotiation where protection for the Fund Class can be afforded by way of due diligence and covenants provided by the borrowers. However, there can be no guarantee that an investment acquired by the Fund Class does not carry with it a significant undisclosed liability of the borrower which could have a material adverse effect on the borrower's ability to meet its obligations under the loan and consequently on the value of the Fund Class assets.

### International investment and foreign currency risk

The Fund Class may invest an amount of capital in foreign currency denominated assets. While Realm intends to actively manage foreign currency risk, this will result in the Fund Class taking hedge counterparty risk. To mitigate this, Realm will only enter such arrangements with regulated financial institutions.

The performance of international financial instruments can be adversely affected by the different political, regulatory and economic environments in countries where the investments are made, and fluctuations in foreign currency exchange rates may also adversely affect the value of foreign securities. Potentially adverse political, economic, legal and tax, or social conditions in international markets may affect the value of the Fund Classes investments. In addition, the laws of foreign jurisdictions may offer less legal rights and protections to holders of financial instruments in foreign entities in such foreign jurisdictions compared to the laws in Australia.

### Contract risk

As part of their structure, the Fund Class Assets will generally be exposed to contracts that are critical to their success and the return on the assets. As such, there is a risk that if those contracts are amended, legally deficient or unenforceable, the returns from the assets may be affected.

### Absence of control

The Fund Class is likely to have limited influence over its borrower companies and thus limited ability to protect the Fund Classes position in its portfolio borrower companies. Although the Investment Manager will monitor the performance of the Fund Class investments, it will primarily be the responsibility of each of the borrower company's management teams to operate each borrower company on a day to day basis. Other investors in such borrower companies may have economic or business interests or goals that are inconsistent with those of the Fund Class and the Fund Class may not be in a position to limit or otherwise protect the value of its investment in such borrower companies.

### Distribution risk

The Fund Class ability to pay a distribution is contingent on the income it receives from the Fund Class Assets. No guarantee can be given concerning the future earnings of the Fund Class, the earnings or capital appreciation of the Fund Classes portfolio or the return of your investment.

### Taxation Risk

Section 9, which discusses the taxation implications of investing in the Fund Class, has been prepared based on the taxation legislation as at the date of this IM. Future changes in Australian tax legislation or in the interpretation of the tax legislation may affect the tax treatment of the Fund Class or Investors in the Fund.

No assurance can be given as to the ultimate impact of such reform on either the Fund Class or Investors in the Fund.

#### Risk of default by Investors

Any default by an Investor in complying with Capital Calls could have an adverse effect on the Fund Classes ability to complete a transaction and/ or could increase the relative exposure of other Investors to such transactions. If an Investor defaults, they may be subject to various remedies, as set out in the Trust Deed, including a forfeiture of their Units.

#### Fraud

With investments in loans there is the possibility of material misrepresentation or omission on the part of the borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the loans or may adversely affect the ability of the Fund Class to perfect or effectuate a lien on any collateral securing the loan. The Fund Class will rely upon the accuracy and completeness of representations made by borrowers to the extent reasonable when it makes its investments but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to the Fund Class may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment.

## 7.0 FEES AND COSTS

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### MANAGEMENT FEE

The Management Fee payable by the Fund Class to the Trustee is 0.77% p.a. (Inclusive of GST less RITC) of the Net Asset Value (NAV) of the Fund Class. The Management Fee is calculated and accrued monthly. The Management Fee is paid monthly in arrears. From its Management Fee, the Trustee will pay the Investment Manager its management fee under the Investment Management Agreement.

### ADMINISTRATION COSTS

Expenses incurred in administering the Fund Class are recoverable from the Fund Class Assets. These expenses include but are not limited to registry, fund administration, custody, accounting, audit, valuation and legal costs. It is estimated that the ongoing expense charge per annum will amount to no more than 0.10% of the Gross Asset Value of the Fund Class referable to the Fund Class per annum.

Expenses are accrued in calculating the NAV of the Fund Class and payable from the Fund Class Assets referable to the Fund Class as and when they occur.

Administration Costs do not include Transactional Costs. Transactional Costs are amounts which an investor in a Fund Class would bear if they invested in the underlying Fund Class assets directly.

### Finance facility fees

The Fund Class may utilise certain credit facilities including but not limited to a Revolving Credit Facility. There will be interest, fees and costs payable for these facilities and these amounts will be paid from Fund Class Assets.

The administration cost and establishment cost amounts set out above do not include any interest, fees or costs payable under the Revolving Credit Facility.

### Extraordinary expenses

If extraordinary or unusual expenses are incurred, they may be recovered from the Fund Class. Examples of this type of expense include the costs involved in:

- convening a meeting of Investors;
- termination of the Fund Class;
- amending the Trust Deed;
- defending or bringing of litigation proceedings; or
- replacement of the Trustee.

The administration costs estimate above does not include any extraordinary or unusual expenses as the Trustee does not anticipate that such amounts will be incurred in the foreseeable future.

### Buy/Sell Spread

The buy spread reflects our estimate of the transaction costs expected to be incurred in buying underlying financial products as a result of investments in the Fund Class. The current Buy / Sell Spread is +nil% / -nil%. The purpose of the buy spread is to ensure those investors transacting in Class A Units at a particular time bear the costs of buying the Fund Classes assets as a consequence of their transaction. The buy spread is an additional cost to investors but it is not a fee paid to the Trustee or the Investment Manager but is instead retained as assets of the Fund Class.

The Sell spread is currently Nil.

### Changes to fees and costs

The Trustee reserves the right, subject to the Fund's Trust Deed, to change its fees and cost recoveries of the Fund Class, including the management fee payable to the Investment Manager subject to the terms of the Investment Management Agreement. However, generally you will be given 30 days' notice prior to any change.

### CONTINGENT FEES

#### Goods and Services Tax ('GST')

Unless otherwise stated, all fees and charges are shown inclusive of Goods and Services Tax (GST) net of any available Reduced Input Tax Credits (RITC). The Management Costs are based on the GST rate (currently 10%) and available RITC however they may vary from time to time depending on a variety of factors including the Net Asset Value of the relevant Fund Class, the types of fees and costs paid and any changes to the GST rate and the RITC available.

#### Arrangements with Investors

The Trustee and Realm may (but are under no obligation to) enter into arrangements with Investors to meet their specific requirements such as reporting and permitted transfers of the Units. The Trustee or Realm may, in their discretion, also enter into arrangements to rebate fees (from its own resources) to substantial Investors or Investors who are officers or employees of Realm, the Trustee or their respective affiliates. Realm reserves the right to pay monies from the management fee it receives from the Fund Class to related parties and third parties for them introducing Investors to the Fund Class.

In the event rebates are offered, they will be paid by the Investment Manager and therefore will not affect the fees paid by, or any distributions to, other investors.

### WAIVER OR DEFERRAL OF FEES

The Trustee and the Investment Manager may, in their discretion, accept lower fees and expenses than they are entitled to receive, or may defer payment of those fees and expenses for any time. If payment is deferred, then the fee will accrue until paid.

## 8.0 TAXATION

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The comments made in this section are general in nature and only consider investors who are residents of Australia for income tax purposes and hold their Units on capital account.

It is recommended that investors consult their own taxation adviser about their own specific taxation circumstances, particularly investors that do not acquire their Units on capital account.

The Trustee and Investment Manager do not provide legal, tax or accounting advice. You should obtain independent tax advice based on your particular circumstances.

**Tax Reform:** The Australian tax system is in a continuing state of reform. Any reform to the tax system creates a degree of uncertainty, whether it is uncertainty as to the full extent of announced reforms, or uncertainty as to the meaning of new law that is enacted pending interpretation through the judicial process.

Tax reforms may impact on the tax position of the Fund and the unitholders. The Investment Manager will continue to monitor the impact of tax reforms on the Fund. In addition, unitholders should also closely monitor the progress of these reforms, and in this context, it is strongly recommended that investors seek their own professional advice, specific to their own circumstances, of the taxation implications of investing in the Fund.

### 8.1 TAX POSITION OF THE FUND

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Generally, no Australian income tax will be payable by the Fund because the Fund will distribute all net taxable income (including net capital gains) that the Fund derives.

If the Fund incurs a revenue tax loss, it must be carried forward and may be applied against assessable income in future years subject to the Fund satisfying the statutory rules for tax losses. However, tax losses incurred by a Class A Units cannot be offset against assessable income of another class of units in the Fund.

The tax implications for an investor depend on the components of the distribution received.

### 8.2 TAX POSITION OF AUSTRALIAN RESIDENT INVESTORS

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#### TAXATION OF THE FUND CLASS

The Fund Class will be an Australian resident unit trust for Australian income tax purposes and the income of the Fund Class should 'flow through' to unitholders on the basis that unitholder's will be presently entitled to the income of the Fund Class each financial year. On this basis, and provided that investors have supplied their Australian Tax File number, the Fund Class should not pay any Australian income tax on behalf of its unitholders.

If the Fund Class incurs a tax loss, that tax loss cannot be passed on to unitholders for income tax purposes. However, any tax losses can be carried forward by the Fund Class and, subject to the Fund Class satisfying various requirements, can be offset against relevant assessable income derived by the Fund Class in a later year.

Funds which qualify as either Managed Investment Trusts (**MIT**) or Attribution Managed Investment Trusts (**AMIT**) are able to make an irrevocable election to apply deemed 'capital account' treatment for gains and losses on disposal of certain investments. Where the Fund Class satisfies the requirements of a MIT or AMIT, the Trustee will, on the recommendation of the Investment Manager, determine the appropriateness of the deemed CGT election for the Fund Class and where appropriate will make an election to be a MIT or AMIT. If the Trustee has made a MIT or AMIT election, the Trustee and the Investment Manager will monitor the Fund Classes MIT or AMIT status on an annual basis to determine, based on the recommendation of the Investment Manager, whether the Fund Class continues to be eligible to apply the deemed capital account treatment for that income year.

You will be issued with a taxation statement annually, which sets out relevant taxation information.

## THE TAXATION OF FINANCIAL ARRANGEMENTS (TOFA)

The TOFA rules may apply to financial arrangements held by the Fund Class when calculating its assessable income. Broadly, the TOFA rules may impact the timing of the recognition of gains and losses in the Fund Class for tax purposes and will also treat relevant gains and losses as being on revenue account.

## FOREIGN INCOME TAX OFFSETS

Australian residents are required to include in their assessable income their share of certain foreign taxes paid in respect of income derived by the Fund Class. Unitholders may be able to benefit from a foreign income tax offset in respect of foreign taxes paid by the Fund Class provided they are paid in relation to an amount that is included in the investor's assessable income and do not exceed the higher of a particular investor's foreign income tax offset limit and \$1,000.

## REDEEMING UNITS

Redemptions may be made by the Trustee, on the recommendation of the Investment Manager, and redemption amounts are paid to unitholders (less any applicable fees and charges that we are entitled to recoup). Investors may be liable for capital gains tax in the event that the capital amounts paid to them upon redemption of their Units exceeds the cost base of those Units.

## TAXATION OF AUSTRALIAN RESIDENT INVESTORS

The net taxable income distributed to unitholders who are Australian residents for income tax purposes may comprise various amounts, including Australian sourced and foreign sourced dividends, interest, capital gains, revenue gains, franking credits, foreign income tax offsets and tax deferred amounts. Managed investment schemes do not pay tax on behalf of unitholders. Unitholders will be assessed on their share of the net taxable income of the Fund Class in the income year to which their entitlement relates (even though the distribution may only be received in the following income year, irrespective of whether the income is reinvested into additional Units, and irrespective of the amount of the distribution that is actually paid to unitholders).

The Fund Class may distribute foreign income tax offsets, (FITOs) attached to foreign income. These amounts are not cash receipts but will generally be included in the calculation of a unitholder's taxable income. Depending upon their particular circumstances, a unitholder may be able to offset these credits against their tax liability. Any FITOs that cannot be utilised in an income year are forfeited and cannot be carried forward.

Where the Fund Class makes a distribution which includes a net capital gain, unitholders may be required to gross up the net capital gain (that is, add back the capital gains tax discount amount, if any). Unitholders may then apply capital losses to reduce the grossed up capital gain. Where applicable, unitholders may be able to apply the capital gains tax discount (50% for individuals and certain trusts and 33.33% for complying superannuation funds) to arrive at their net capital gain. This amount should be included in the calculation of the unitholder's taxable income.

The withdrawal or transfer of Units will generally constitute a disposal for capital gains tax purposes. Where the Units have been held for at least 12 months, any gain made on the disposal may be eligible for the capital gains tax discount.

Unitholders should obtain specific professional advice about the availability of the capital gains tax discount to their particular circumstances.

Tax deferred amounts can arise if the Fund Class makes certain payments to unitholders and some or all of the payments are not included in their assessable income. Although, the tax deferred amounts may not be subject to income tax, such amounts reduce the unitholder's cost base of their Units. This may increase the assessable capital gain or decrease the capital loss when unitholders ultimately dispose of their Units. Distributions of capital gains tax concession amounts (the non-assessable component of a capital gain subject to the capital gains tax discount) should not cause any adjustment to the cost base of Units.

## TAX FILE NUMBER (TFN) AND AUSTRALIAN BUSINESS NUMBERS (ABN)

It is not compulsory for unitholders to quote their TFN or claim an exemption, however if they do not, the Trustee is required to deduct tax at the highest marginal rate plus any applicable levies such as the Medicare levy from any income payable to the unitholder. If a unitholder has an ABN and is making this investment in the course of a business carried on by the unitholder, they may wish to quote their ABN rather than their TFN.

## 8.3 TAX POSITION OF NON-RESIDENT INVESTORS

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### TAXATION OF NON-RESIDENT INVESTORS

Distributions to non-residents investors may have tax withheld by the Trustee. The rate of withholding will depend on the nature of the amount distributed, the address for payment and the unitholder's country of residence. Non-resident unitholders may be entitled to a credit in their country of residence for the Australian tax withheld. Non-resident unitholders should seek specific tax advice in their home country.

Non-resident unitholders should generally not be subject to Australian tax on capital gains realised on the withdrawal or transfer of Class A Units in the Fund Class unless the Fund Class is regarded as a land rich entity and the Investor holds a non-portfolio interest (10% or more interest) in the Fund Class.

### TAX COMPLIANCE REPORTING

From time to time Australian entities may be required to report to governmental bodies on the tax compliance status of investors in their funds. You should be aware that, as a result of an investment in the Fund Class, the Trustee may provide to the ATO or direct to other foreign tax regulators, information relating to your identity and your holding in the Fund Class to comply with its obligations under any foreign or domestic law or the provisions of a related treaty or intergovernmental agreement including for example FATCA and CRS described below.

#### Foreign Account Tax Compliance Act (FATCA)

Under the Foreign Account Tax Compliance Act (FATCA) and the intergovernmental agreement between Australia and the United States of America (IGA) the Fund Class is a 'foreign financial institution' and may be required to register with the IRS and obtain and verify information on all of its unitholders to determine unitholders' status under the FACTA rules (for example identifying 'Specified US Persons' non-US persons whose owners are Specified US Persons (US Owned Foreign Entities)). The Trustee is required to annually report information on its investors that are non-compliant with FATCA, Specified US Persons and US Owned Foreign Entities to the Commissioner of Taxation of the Australian Taxation Office (the Australian Commissioner) or to the IRS. The Australian Commissioner will exchange the information reported to it with the IRS annually on an automatic basis. No assurances can be provided that the Fund Class will be exempt from this 30% withholding tax.

Any unitholder that fails to produce the required information or is otherwise not compliant with FATCA may be subject to 30% withholding on all or a portion of any distribution made by the Fund Class.

#### Organisation for Economic Cooperation and Development Common Reporting Standards (CRS)

Under the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard (CRS), the Trustee may be required to collect additional detailed information from investors which may be reported to the Australian Taxation Office to be exchanged with the tax authorities of OECD jurisdictions that sign and implement the CRS in which those investors are tax resident. We are prohibited from processing an application until all of the information and supporting documentation to comply with the CRS requirements is provided to us if required to do so.

## 8.4 GOODS AND SERVICES TAX (GST)

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Fees and expenses incurred by the Fund Class, such as Management Costs, will generally attract GST at the rate of 10%. Given the nature of the Fund Classes activities, the Fund Class will generally not be entitled to claim input tax credits for the full amount of the GST incurred. However, RITC should be available for the GST paid on the expenses incurred by the Fund Class. Where RITC are available, the prescribed rate is currently 55% or 75% depending on the nature of the fee or cost incurred.

Unless otherwise indicated, all costs, fees and expenses set out in this IM are inclusive of GST, taking account of any reduced input tax credits.

No GST obligations arise for investors on the application, withdrawal, or transfer of Units in the Class A Units. Distributions made by the Fund Class will also not be subject to GST.

## 8.5 AUSTRALIAN TAXATION OF NEW ZEALAND RESIDENTS DISTRIBUTIONS – MANAGED INVESTMENT TRUST WITHHOLDING TAX REGIME

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The following is a high level overview of the applicable Australian rules to a New Zealand resident investor. We recommend New Zealand investors seek applicable professional advice relevant to their situation.

The Fund is intended to be a Managed Investment Trust (MIT) for Australian tax purposes. As such, pursuant to the MIT withholding tax regime, the Trustee is required to withhold tax at a rate of 15% from distributions of net taxable income (including rent and capital gains, but excluding amounts of interest which are subject to 10% interest withholding tax) made to New Zealand resident investors. The Fund is also required to provide a payment summary to such Investors which sets out the total of the withholding payments that the payment summary covers and the total of the amounts withheld by the Fund Class from those withholding payments. If the Fund does not qualify as MIT, the tax treatment of your investment will differ. We recommend that you seek independent taxation advice in this regard.

## 8.6 TAXATION OF CAPITAL GAINS

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The redemption or transfer of any Units may give rise to a taxable capital gain in Australia. For example, this will be the case in circumstances where a New Zealand investor has, at the time of redemption or transfer, or throughout a twelve month period that began no earlier than 24 months before that time, an interest in the Trust (including any interests held by associates) of 10% or more. Non-residents are not entitled to discount capital gains treatment in Australia.



## 9. ADDITIONAL INFORMATION

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### DISTRIBUTIONS

Distributions of Net Income will be paid quarterly. The Trustee will offer distribution reinvestment and Investors can elect whether or not to participate. If no election is made, unless the details of the bank account into which distributions are to be paid are incomplete or inaccurate, then the Investor will be deemed to have elected cash distributions. If an Investor's bank account details change, or if they wish to change their election, they must advise the Trustee.

### KEEPING YOU INFORMED

To keep you informed of your investment, the following information will be provided by the Investment Manager:

- confirmation of every transaction you make;
- quarterly reporting;
- annual transaction reports – including your opening and closing balances, a summary of all transactions on your Investor Account, any increases in contributions and any return on investments during the reporting period;
- financial reports for the Fund which will be published on the Investment Manager's website [www.realminvestments.com.au](http://www.realminvestments.com.au)
- following the end of the tax year, a report to help you with your tax return; and
- notice of any material changes to this IM and any other significant event.

You must advise of any change to your personal details in writing. The Fund Administrator will in turn acknowledge any advised changes to your details in writing.

### THE TRUST DEED

The operation of the Fund is governed under the laws of Australia and its Trust Deed which addresses matters such as unit pricing and withdrawals and applications; the issue and transfer of units or Fund Classes of units; unitholder meetings; unitholders' rights including unitholders' rights to income of the Fund Class; the Trustee's powers to invest, borrow and act as trustee of the Fund, Fund Class and fee entitlement and the right to be indemnified from the Fund Class's assets.

The Trust Deed states that your liability is limited to the amount you paid for your Units, but the courts are yet to conclusively determine the effectiveness of provisions of this kind.

The Trustee may alter the Trust Deed if it reasonably considers the amendments will not adversely affect unitholders' rights. Otherwise the Trustee must obtain unitholders' approval at a meeting of unitholders. The Trustee may retire or be required to retire as Trustee (if unitholders vote for its removal) in accordance with the Trust Deed.

The Trustee may exercise its right to terminate the Fund in accordance with the Trust Deed. This includes the right, exercisable in consultation with the Investment Manager to give not less than 30 days' notice of its intention to terminate the Fund. Unitholders have the right to require the termination of the Fund by passing an extraordinary resolution (that is, one that is passed by the unitholders holding not less than 75% of units in the Fund Class).

Unit holder rights to requisition, attend and vote at meetings are contained in the Trust Deed. The Unitholders have the right to remove the Investment Manager from the Class A Units only, and not from other fund classes within the Fund. Unitholders, upon a successful vote can give directions to the wind up of the Class A Units. Unitholders can direct the Trustee to replace the Investment Manager, however, the Investment Manager may, after consultation with the Trustee, pay or cause to be paid to the Trustee (or as the Trustee otherwise directs) the net realisable value of any shares, bonds, loans or assets or any prescribed interest in a scheme or an interest in a managed investment scheme promoted by the Investment Manager or the proportion of any asset which is held jointly and is indivisible; and may deal with the Portfolio in accordance

with instructions from a new Investment Manager appointed by the Trustee. Realm will take these instructions into consideration and act in the best interests of the Class A Unitholders as well as Realm's other Fund and Fund classes unitholder interests. Realm will seek to cash out the Class A Units exposures at the first available opportunity or as agreed with the Trustee.

## CONFLICTS OF INTEREST

The Trustee, the Investment Manager and their associates may from time to time:

- represent or act for, or contract with, their affiliates and associates;
- invest in and deal in any capacity, with the same investments as that of the Fund Class, on similar or different terms;
- act in various capacities in relation to, or be otherwise involved in (such as by way of investment), other business activities that may be in competition with the interests of unitholders;
- recommend that investments be purchased or sold, on behalf of the Fund Class, regardless of whether at the same time it may buy, sell or recommend, in the same or in a contrary manner, the purchase or sale of identical investments in relation to itself or other clients;
- appoint any agents and use brokers, custodians and clearing houses and other persons, including related parties, for the purposes of it meeting its obligations and responsibilities in respect of the Fund Class; and/or
- receive and retain profits or benefits of any nature, in connection with the Fund Class,

and may do so without being liable to account to the Fund Class or investors. The Trustee and the Investment Manager maintain their own robust conflicts of interest policy to ensure that any actual or potential conflicts are appropriately identified and managed and is designed to ensure that they are resolved in a manner so as to avoid any adverse impact on the Fund Class.

## PRIVACY AND THE COLLECTION AND DISCLOSURE OF INFORMATION

The Privacy Act 1998 (Cth) regulates, among other things, the collection, disclosure and access to personal information.

Certain laws require us to collect, store and disclose information about you (which may include your personal information) for example, The Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (AML/CTF Law), the Foreign Account Tax Compliance Act (FATCA) and the Tax Laws Amendment (Implementation of the Common Reporting Standard) Act 2016 (CRS). We may be required under the AML/CTF Law to provide information about you (including your personal information) to the Australian Transaction Reports and Analysis Centre (AUSTRAC), the body responsible for regulating the AML/CTF Law. In respect of investors who are ordinarily resident in a country other than Australia, both FATCA and CRS may require us to collect and disclose to the Australian Taxation Office information obtained from you (including your personal information).

If you do not provide the information requested in our Application Form, we will not be able to process your application (including any application for additional Units) and your application may be delayed or rejected. Where applications are delayed or refused, we are not liable for any loss you suffer (including consequential loss) as a result. Alternatively, if we accept your application to the Class A Units when you have not provided all of the requested information, we may provide information about you to the relevant regulator.

We will be required to share information about you (including personal information) with service providers to the Trustee in respect of the Fund Class (including the Investment Manager and the Fund Administrator) to ensure you receive the appropriate information and assistance in respect of your holding in the Class A Units. The Investment Manager may use this information to make you aware of other offers of units in the Fund or other funds for which it acts as investment manager.

By applying to invest in the Class A Units, the applicant consents to your information (including your personal information) being used and disclosed by the Trustee for the purposes permitted under the Privacy Act, unless you have instructed the Trustee in writing to do otherwise.

If you do not provide the information requested, or provide us with incomplete or inaccurate information, your application may not be able to be processed efficiently, or at all.

You are entitled to access, correct and update all personal information which the Trustee or the Investment Manager holds about you. This information held may be obtained by contacting the Trustee or the Investment Manager. You should contact the Trustee or Investment Manager using its contact details in the Corporate Directory if you have concerns about the completeness or accuracy of the information we have about you or would like to access or amend your personal information held by the Trustee or Investment Manager (or its relevant service provider).

A copy of our current Privacy Policy is available on our website and a paper copy will be sent to you free of charge on request. Changes will be made to our Privacy Policy from time to time to reflect changes in the law, including the Privacy Act.

If you have any questions relating to the Trustee's or Investment Manager's privacy policy or anything else found in this IM, please contact the Trustee or the Investment Manager by email, facsimile or telephone during normal business hours. The contact details are set out in the Corporate Directory.

## 10. GLOSSARY

In addition to the definition given in the body of this IM the following definitions apply.

<b>ADI</b>	An Australian deposit taking institution such as an Australian bank, building society or credit union
<b>AMIT</b>	Attribution managed investment trusts
<b>AML/CTF LAW</b>	Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)
<b>APPLICATION</b>	An application for Class A Units
<b>APPLICATION FORM</b>	The Application Form made available by the Investment Manager for Applications
<b>ASSET CLASS</b>	A group of assets defined by convention with similar characteristics which trade on the same or related markets
<b>BUSINESS DAY</b>	Any day (except any weekend or public holiday) on which trading banks are open for usual business in Sydney, Australia, excluding Saturday, Sunday or public holidays.
<b>CLASS A UNITS</b>	The units in the Fund offered under this IM
<b>DERIVATIVE</b>	<p>A security whose price is dependent upon or derived from one or more underlying assets.</p> <p>The derivative itself is merely a contract between two or more parties. Its value is determined by fluctuations in the underlying asset. The most common underlying assets include stocks, bonds, commodities, currencies, interest rates and market indexes. Futures contracts, forward contracts, options and swaps are the most common types of derivatives. Derivatives are generally used as an instrument to hedge risk, but can also be used for speculative or investment purposes. Derivatives can be traded with exchanges or by private treaty (over the counter)</p>
<b>ESG</b>	Environmental, social and governance
<b>FUND</b>	The Realm Strategic Income Wholesale Fund established by the Trust Deed
<b>FUND ADMINISTRATOR AND CUSTODIAN</b>	Mainstream Fund Services Pty Ltd ABN 81 118 902 891
<b>FUND CLASS</b>	The Class A Units offered under this IM. See section 2.1
<b>FUND'S /REALM'S WEBSITE</b>	<a href="http://www.realminvestments.com.au">www.realminvestments.com.au</a>
<b>FUND CLASS ASSETS</b>	Assets of the Fund attributable to the Fund Class
<b>GROSS ASSETS</b>	The value of assets before any deductions or liabilities.
<b>IM</b>	This information memorandum

<b>INVESTMENT MANAGER OR REALM</b>	Realm Investment Management Pty Ltd ACN 158 876 807
<b>INVESTMENT MANAGEMENT AGREEMENT</b>	The Investment Management Agreement entered into between the Trustee and the Investment Manager on or about the date of this IM.
<b>INVESTOR ACCOUNT</b>	An account of an investor in which Institutional Units are held.
<b>MAINSTREAM</b>	Mainstream Fund Services Pty Ltd ABN 81 118 902 891
<b>MANAGEMENT COSTS</b>	All Management Costs referable to the Fund Class, including fees payable to the Trustee, and fees payable to the Investment Manager under the Investment Management Agreement. Management Costs includes fees payable to the Trustee and the normal expenses in relation to the Fund such as fees payable to the Fund Administrator and Custodian in respect of fund accounting, unit registry, custody, audit costs (financial and compliance), postage and preparation of tax returns. See section 7
<b>MANAGEMENT FEE</b>	The total investment and administration related costs of operating the Fund Class which equals 0.77% per annum inclusive of the net effect of GST. See Sections 1 and 7
<b>NET ASSET VALUE OR NAV</b>	The value per Unit of the assets referable to the Fund Class less liabilities referable to the Fund Class.
<b>RBA OVERNIGHT CASH RATE</b>	The interest rate which banks pay or charge to borrow funds from or lend funds to other banks on an overnight unsecured basis as measured and reported on a daily basis by the Reserve Bank of Australia. The measure is also known as the inter-bank overnight cash rate
<b>REDEMPTION</b>	The redemption or withdrawal of a Class A Units
<b>REDEMPTION APPLICATION</b>	An application to redeem Units made by submitting a Redemption Form to the Investment Manager
<b>REDEMPTION FORM</b>	The Redemption Form made available by the Investment Manager for Redemption
<b>REINVESTMENT PLAN or PLAN</b>	The plan that the Investment Manager has established to allow investors to reinvest distributions for additional Units.
<b>REVOLVING CREDIT FACILITY</b>	A credit facility available to the Fund which may be utilised to acquire or facilitate certain investments and also used to meet the short-term working capital requirements of the Fund
<b>RISK EXPOSURE</b>	A source of uncertainty that impacts on the value of a portfolio
<b>RITC</b>	Reduced Input Tax Credits. The Fund may be entitled to RITC which is currently either 75% or 55% of any GST paid. This will effectively reduce the GST payable by the Fund. The rates are determined by legislation and may change
<b>TRANSACTIONAL COSTS</b>	Has the meaning given to that term in Section 7.0
<b>TRUST DEED</b>	The Trust Deed establishing and governing the Fund

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**TRUSTEE** AMAL Trustees Pty Limited ACN 609 737 064

**UNIT PRICE** The determined price by the Trustee based on the Net Asset Value (NAV) of the assets and liabilities of the fund referable to the Fund Class having regard to the number of Units on issue, the number of new Units to be issued, the number of Units to be redeemed and other factors that the Trustee reasonably takes into account in determining the Unit Price.

**UNIT PRICING DATE** The last day of each calendar month.

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## CORPORATE DIRECTORY

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### MEMBER ENQUIRIES

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Tel: +61 1300 133 451  
Email: [registry@mainstreamgroup.com](mailto:registry@mainstreamgroup.com)

### FUND ADMINISTRATOR AND CUSTODIAN

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Mainstream Fund Services Pty Ltd  
Level 1, 51-57 Pitt Street Sydney NSW 2000  
Tel: +61 1300 133 451  
Fax: +61 (0) 2 9251 3525  
Web: [www.mainstreamgroup.com](http://www.mainstreamgroup.com)

### TRUSTEE

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AMAL TRUSTEES PTY LIMITED  
Level 9, 9 Castlereagh Street, Sydney NSW 2000  
Tel: +61 (0) 2 9230 6700  
Fax: +61 (0) 2 9223 6115  
Web: <http://www.amal.com.au>

### INVESTMENT MANAGER

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REALM INVESTMENT MANAGEMENT PTY LTD  
Level 17, 500 Collins St, Melbourne VIC 3000  
Tel: +61 (0) 3 8560 7297  
Fax: +61 (0) 3 9008 7296  
Email: [clientservices@realminvestments.com.au](mailto:clientservices@realminvestments.com.au)  
Web: [www.realminvestments.com.au](http://www.realminvestments.com.au)