

REALM STRATEGIC INCOME FUND ENDURING UNITS

DECEMBER 2023

REALM INVESTMENT
HOUSE

FUND OBJECTIVE

The strategy targets a return of 4.75% p.a. over the RBA cash rate. The Fund may suit investors seeking a high yield return with a moderate to high risk tolerance.

FUND DETAILS

Distribution

Frequency: Quarterly

Applications: Monthly

Next Redemptions Window:

31 January - \$100,000,000

Pricing & Reporting

Frequency: Monthly

Inception Date: 21.2.2020

Fund size: \$1.02b

Benchmark: RBA Cash Rate

Buy/Sell: 0.20%/0.00%

APIR Codes: OMF5868AU

Management Fees: 0.99% Net of GST

PLATFORM AVAILABILITY

- Australian Money Markets
- BT Panorama/Wrap
- First Wrap
- Hub24
- Macquarie Wrap
- Mason Stevens
- Netwealth
- Powerwrap
- Praemium
- Xplore Wealth

NET PERFORMANCE

Period	Enduring Units	RBA Cash Rate Return
1 Month	0.80%	0.36%
3 Month	2.51%	1.05%
6 Month	5.08%	2.08%
1 Year	10.10%	3.87%
2 year p.a.	7.84%	2.56%
3 year p.a.	7.17%	1.74%
Since Inception p.a.*	6.90%	1.40%

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

FUND STATISTICS

Running Yield	10.79%
Yield To Maturity	10.75%
Volatility†	0.13%
Interest rate duration	0.04
Credit duration	0.92
Average Credit Rating	BBB
Number of positions	211
Average position exposure	0.46%
Worst Month*	0.28%
Best Month*	0.88%

Calculated on Enduring Units unless otherwise stated. *Since Inception 21 February 2020. †Trailing 12 Months total return will be a function of this yield minus the fee. Please note the unit price can also experience modest variance as pay out of distributions sit at 95%. All outstanding amounts will be paid at the 30th of June.

GROSS RUNNING YIELD* 10.79%

*Past performance is not indicative of future performance. The Gross Running Yield is the pre-fee income attributable to the portfolio, total return will be a function of this yield minus the fee. Please note the unit price can also experience modest variance as pay out of distributions sit at 95%. All outstanding amounts will be paid at the 30th of June.

FUND STRATEGY

Realm Investment House (RIH) partners with banks, best of breed non-bank financiers and corporates to fund high quality wholesale banking facilities, in particular mortgages and loans. The nature of the assets the strategy holds delivers investors an additional structural premium which is a function of the liquidity and complexity of these assets. Diversification within the Fund is achieved by diversifying banking partners, facility sponsors and the number of individual facilities. RIH's risk management and assessment overlay are used in assessing eligible exposures and actively managing & monitoring the risk of each funding facility exposure during the life of the fund.

FUND WITHDRAWAL WINDOWS

The next withdrawal window will be closing at 5pm AEDT on 31 January. We are accepting redemption requests for up to \$100,000,000 (about 10% of fund assets). The fund holds 26.43% in cash and marketable securities. Further details will be posted on our website. See the link on page 3.

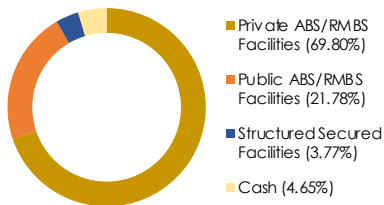
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RECOMMENDED

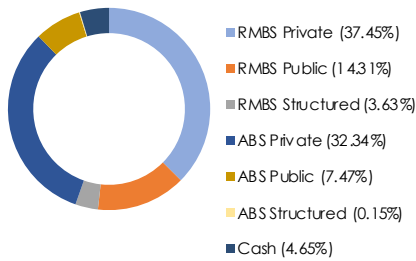
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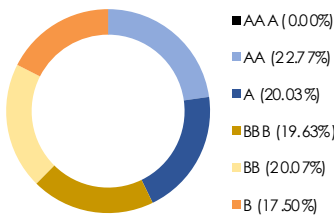
PORTFOLIO COMPOSITION



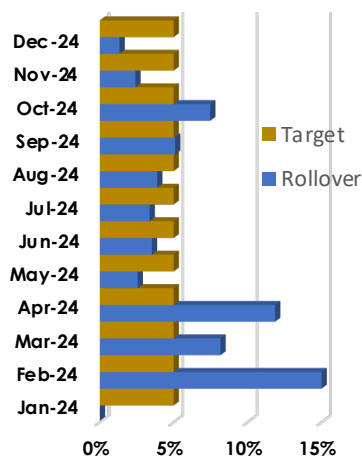
COLLATERAL TYPE



CREDIT QUALITY



ROLLOVER VS TARGET



66% of the fund will rollover into cash in the next 12 months.

FUND UPDATE

The portfolio is invested across a range of Private ABS/RMBS Facilities (69.80%), Public ABS/RMBS Facilities (21.78%) and Structured Secured Facilities backed by loans (3.77%). The weighted average credit rating of the portfolio sits at BBB, a weighted credit duration of 0.92 years and a pre fee running yield of 10.79%.

The month of December saw the Realm Strategic Income Fund close three new trades, with several other due to be completed over the coming months. The fund recorded a **gross running yield of 10.79% as at month end, while maintaining a weighted average credit rating of investment grade (BBB).**

Private markets continue to exhibit substantially better relative value than public markets, presenting investors with higher yields and better risk mitigation through agreed covenants and other structural protections.

The number of new potential transactions within the funds pipeline remains high, with a number of new transactions within the screening and due diligence stages. The strategy will continue to pick through trades exhibiting the best relative value to support the portfolios running yield.

PORTFOLIO RISK ANALYSIS

Housing Market Performance; Australian residential property values increased a further 0.4% over the month of December, as reported by the CoreLogic 5 Capital City aggregate property index. Most capital cities recorded gains with the exception of Melbourne, and was driven primarily by Perth and Adelaide, increasing 1.5% and 1.3% respectively. Sydney increased 0.2%, led by housing (0.2%, while units remained flat, and Melbourne decreased by 0.3% this month, with the decline led by housing (-0.3%) rather than units which were also inline with last month. Across the other capital cities, free standing houses continue to lead the increase (up 0.4%) over units (up 0.2%).

National auction clearance rates declined to hover around 60% for the month of December, with auction volumes dropping off into the Christmas break. Housing finance data saw new lending rising 1% for new lending over the November observation, which now represents a yearly percentage change of 13.1%. New lending was stronger for both owner occupiers (up 0.5%) while investors increased 1.9% over the month.

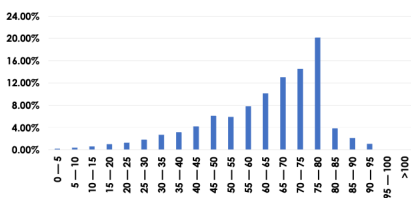
In terms of sector performance, arrears within the system remain low and our outlook for the strategy remains constructive.

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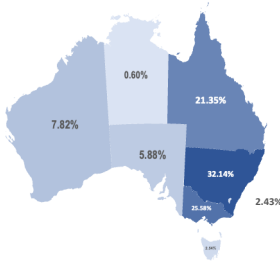
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REALM INVESTMENT
HOUSE

WEIGHTED AVERAGE PORTFOLIO LVR



GEOGRAPHIC EXPOSURE



OTHER FUND DETAILS

Responsible Entity: One Managed Investment Funds Ltd

Custodian: State Street Australia Limited

Unit Pricing and Unit Price History:

<https://www.realminvestments.com.au/our-products/realm-strategic-income-fund-enduring-units/>

Liquidity Window Notice: Limited Withdrawal Offer – Jan 2024

TRANSACTION AND MARKET FLOW

Market Update; Structured markets continued to rally over the course of December, largely driven by constraints to market supply as dealflow slowed into the beginning of the holiday period. New primary market transactions remain overbid, with limited secondary market activity as secondary markets continue to trade very tight relative to primary markets into year end.

Private Assets; Yields available on new Private transactions continued to tighten over the month, following the rally in public credit markets. All funded transactions continue to perform well, with yields remaining substantially wider than comparable rated public securities on both new and existing transactions. Each transaction also maintains good headroom against agreed parameters and portfolio covenants.

Portfolio Pipeline; The fund maintains a high level of new funding requests, with the upcoming portfolio funding pipeline remaining strong. Two facilities are currently within the final stages off closing and funding, with several others remaining in the due diligence pipeline. In addition, a further nineteen high quality opportunities remain within the screening and assessment stages of the investment process. This pipeline will continue to be utilised to accommodate unitholder demand and assist the fund in meeting its stated return outcome.

HOUSING ARREARS & PORTFOLIO PERFORMANCE

Portfolio arrears increased slightly over the month to 1.60%. Arrears continue to track within expectations for the portfolio, and continue to be monitored closely.

Prime arrears as reported by S&P's SPIN index for October remained in line at 0.92%. Nonconforming arrears also improved 16bps to 3.70%. Meanwhile the Bloomberg index for arrears for November improved 3bps for prime arrears. Both results remain very strong in comparison to both market expectations and historic index levels.

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