

REALM STRATEGIC INCOME FUND ENDURING UNITS

NOVEMBER 2022

REALM INVESTMENT
HOUSE

FUND OBJECTIVE

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

FUND DETAILS

Distribution

Frequency: Quarterly

Applications: Monthly

Next Redemptions Window:

31 December - \$40,000,000

Pricing & Reporting

Frequency: Monthly

Inception Date: 21.2.2020

Fund size: \$423m

Benchmark: RBA Cash Rate

Buy/Sell: 0.20%/0.00%

APIR Codes: OMF5868AU

Management Fees: 0.99% Net of GST

PLATFORM AVAILABILITY

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

NET PERFORMANCE

Period	Enduring Units	RBA Cash Rate Return
1 Month	0.65%	0.23%
3 Month	1.87%	0.63%
6 Month	3.12%	0.95%
1 Year	5.44%	1.02%
2 year p.a	5.63%	0.56%
Since Inception p.a*	5.73%	0.48%

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

FUND STATISTICS

Running Yield	9.12%
Yield To Maturity	9.13%
Volatility†	0.44%
Interest rate duration	0.04
Credit duration	0.99
Average Credit Rating	BBB
Number of positions	127
Average position exposure	0.73%
Worst Month*	0.28%
Best Month*	0.84%

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

GROSS RUNNING YIELD* 9.12%

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

FUND STRATEGY

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

FUND WITHDRAWAL WINDOWS

The next withdrawal window will be closing at 5pm AEDT on 31 December. We are accepting redemption requests for up to \$40,000,000 (about 9% of fund assets). The fund holds 20.62% in cash and marketable securities. Further details will be posted on our website. See the link on page 3.

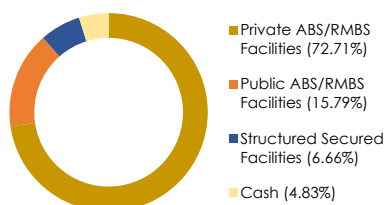
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RECOMMENDED

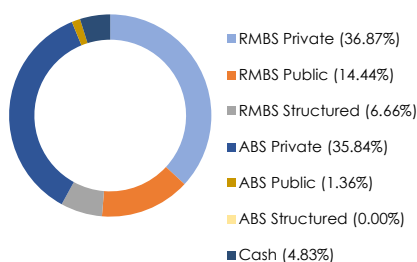
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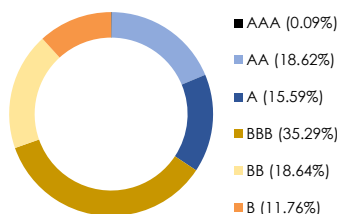
PORTFOLIO COMPOSITION



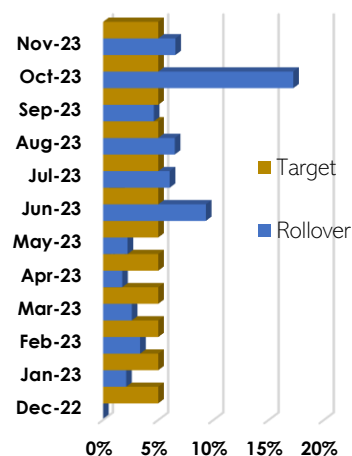
COLLATERAL TYPE



CREDIT QUALITY



ROLLOVER VS TARGET



FUND UPDATE

The portfolio is invested across a range of Private ABS/RMBS Facilities (72.71%), Public ABS/RMBS Facilities (15.79%) and Structured Secured Facilities backed by loans (6.66%). The weighted average credit rating of the portfolio sits at BBB, a weighted credit duration of 0.99 years and a pre fee running yield of 9.12%.

The Realm Strategic Income Fund closed two new trades over the month, and was able to successfully reprice three currently funded facilities at higher yields for a further period. This contributed to increases in both the funds' running yield and yield to maturity. This continues to be compounded by increases to the Reserve Bank of Australia's overnight cash rate target and subsequently BBSW, **resulting in an increase to the funds gross running yield from 8.78% to 9.12% as at month end**, and also maintaining a weighted average credit rating of **BBB (investment grade)**.

Allocation to public securities reduced from with last month as private facilities were increased. Further private facilities are expected to be documented and funded over the coming weeks. Private markets continue to exhibit strong relative value, presenting better yields for investors whilst providing stronger protections through documentation & covenants. The funding pipeline for new deal flow remains very healthy, with a significant amount of transaction flow available for the investment team to pick through. We anticipate this transaction flow will continue to support the portfolios running yield.

PORTFOLIO RISK ANALYSIS

Housing Market Performance; Australian residential property values declined 1.2% over the month as reported by the CoreLogic 5 capital city property index. The index fall was broad based across most Australian property markets, led by the Brisbane housing market which fell 1.8%, with the Sydney and Melbourne housing markets falling 1.3% and 0.8% respectively.

Clearance rates for the month of November fell just under 60% and are expected to decline further as the Christmas period as market participants begin to take holidays. Buying was weaker across both owner occupiers and investors over the month of October, with new lending indicators for both cohorts falling 2.9% and 2.2% respectively.

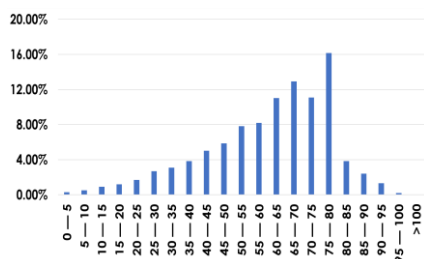
In terms of performance of the sector, arrears within the system remain at historical lows and our outlook for the strategy remains constructive.

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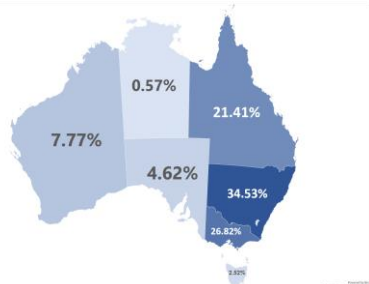
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HOUSE

WEIGHTED AVERAGE PORTFOLIO LVR



GEOGRAPHIC EXPOSURE



OTHER FUND DETAILS

Responsible Entity: One Managed Investment Funds Ltd

Custodian: Mainstream Funds Services Pty Ltd

Unit Pricing and Unit Price History:

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

Liquidity Window Notice: Limited Withdrawal Offer – December 2022

TRANSACTION AND MARKET FLOW

Market Update; Public structured credit markets continue to trade in line with last month, lagging the tightening experienced by other credit markets over the November period. This makes structured credit appear very attractive on a relative value basis. New supply remains fairly limited in comparison to historical levels with only a handful of new trades coming to market prior to year-end. Secondary markets on the other hand remain highly active, with offshore demand returning to bid on assets, after having been stronger sellers in October. Middle mezzanine markets (A/BBB rated) and junior mezzanine (Sub investment grade) remain wide in comparison to historic yields.

Private Assets; The yields available on private assets remains heightened in comparison to public due to several technical factors. The main driver is issuers opting to increase funding headroom rather than issue into the current market, which trades significantly wider than historic levels. Private deal flow volume and the yields on offer have increased substantially. Asset quality remains very strong in private assets, with better protections through documentation and covenants.

Portfolio Pipeline; The private deal flow funding pipeline continues to grow and the fund continues to capitalise on the transaction flow. A further fifteen high quality proposals are currently being assessed, with an additional two facilities being funded over November. The investment team will continue to use this pipeline to assist the fund in meeting its stated return outcome, whilst accommodating unitholder demand.

HOUSING ARREARS & PORTFOLIO PERFORMANCE

Portfolio arrears weakened to 0.64% for the month of November, due to compositional changes within the portfolio. Transactions within the portfolio continue to perform significantly better than expectations and continue to be monitored closely.

S&P's Prime market arrears Index (SPIN) remains at very low levels relative to historic averages, with the prime index improving 1bp to 0.58% for the month of September, the strongest level recorded by the index. Non-conforming arrears weakened slightly, with rising to 2.24%. Data prints from the Bloomberg index which also tracks arrears within the Australian system also show improvements up to the month October. Both data series remain very strong in comparison to historical arrears levels.

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