

REALM STRATEGIC INCOME FUND ENDURING UNITS

OCTOBER 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:

30 November - \$80,000,000

Pricing & Reporting

Frequency: Monthly

Inception Date: 21.2.2020

Fund size: \$843m

Benchmark: RBA Cash Rate

Buy/Sell: 0.20%/0.00%

APIR Codes: OMF5868AU

Management Fees: 0.99% Net of GST

PLATFORM AVAILABILITY

- AMP North
- 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	0.88%	0.34%
3 Month	2.53%	1.02%
6 Month	5.07%	2.02%
1 Year	9.78%	3.64%
2 year p.a.	7.50%	2.21%
3 year p.a.	7.07%	1.50%
Since Inception p.a.*	6.76%	1.27%

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

FUND STATISTICS

Running Yield	10.66%
Yield To Maturity	10.64%
Volatility†	0.23%
Interest rate duration	0.04
Credit duration	0.96
Average Credit Rating	BBB-
Number of positions	191
Average position exposure	0.50%
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* 10.66%

*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.

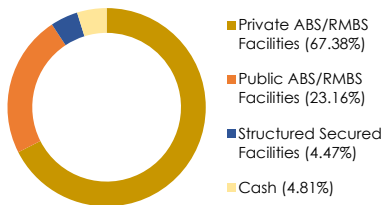
FUND WITHDRAWAL WINDOWS

The next withdrawal window will be closing at 5pm AEDT on 30 November. We are accepting redemption requests for up to \$80,000,000 (about 10% of fund assets). The fund holds 26.83% in cash and marketable securities. Further details will be posted on our website. See the link on page 3.

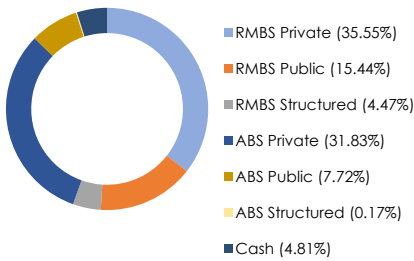


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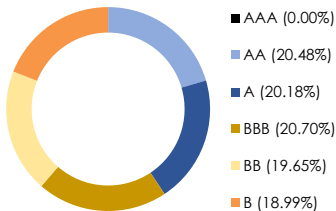
PORTFOLIO COMPOSITION



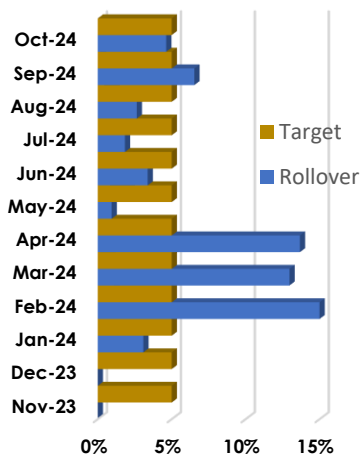
COLLATERAL TYPE



CREDIT QUALITY



ROLLOVER VS TARGET



65% 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 (67.38%), Public ABS/RMBS Facilities (23.16%) and Structured Secured Facilities backed by loans (4.47%). The weighted average credit rating of the portfolio sits at BBB-, a weighted credit duration of 0.96 years and a pre fee running yield of 10.66%.

The month of October saw the Realm Strategic Income Fund close four new trades, with four further trades due to be completed over the week post month end. The funds **gross running yield remained inline at 10.66% as at month end, while maintaining a weighted average credit rating of investment grade (BBB-).**

The weighting to public securities decreased around 4% from last month as the fund settled four new private transactions, and remains slightly elevated as the fund looks to close additional facilities in early November. Public securities continue to be managed within a tight band as required for liquidity, with better relative value seen in Private markets, which continue to exhibit higher yields while allowing investors to mitigate risk through agreed covenants and other structural protections.

A number of new transactions have been presented to the fund, and remain within the due diligence stage of the funding pipeline. 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 0.9% over the month of October, as reported by the CoreLogic 5 Capital City aggregate property index. Increases continue to be broad based across most capital cities, but this month driven primarily by Perth and Brisbane, which increased 1.6% and 1.4% respectively. Sydney and Melbourne markets also increased 0.8% and 0.5% respectively. Free standing houses continue to lead the increase (up 1%) over units (up 0.8%) across the 5 capital cities.

National auction clearance rates continued to hover around 70% for the month of October. Housing finance data saw new lending rising 0.6% for housing over the September observation, which now represents a yearly percentage change of -4.7%. New lending was weaker for owner occupiers (down 0.1%) while investors increased 2% over the month.

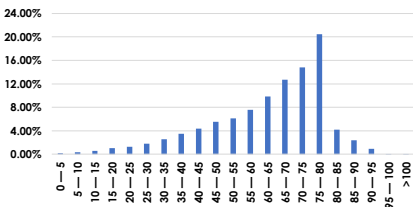
In terms of sector performance, arrears within the system remain low and our outlook for the strategy remains constructive.

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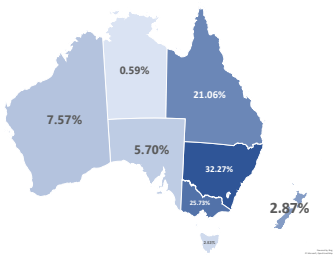
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REALM INVESTMENT
HOUSE

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 – Nov 2023](#)

TRANSACTION AND MARKET FLOW

Market Update; Structured credit markets rallied over the month of October, with market participants continuing to bid strongly for stock, driven by the continued lack of supply from dealer inventory sheets. New transactions in primary markets remain substantially overbid, which has continued to drive markets tighter. The new deal flow pipeline remains very healthy, with issuers electing to use the tighter margins to bring new trades to market prior to the Christmas period.

Private Assets; Private transaction yields remained in line over the last month, after having rallied over the prior few months as the yield on comparable public securities did the same. Private market yields continue to trade very wide of similarly rated public securities and continue to be viewed as a more stable funding source for many issuers than the more volatile public markets. All funded transactions continue to maintain conservative levels of headroom against all agreed covenants and portfolio parameters.

Portfolio Pipeline; The portfolio funding pipeline remains strong, with four facilities currently within the final stages off closing and funding, and several others within the due diligence pipeline. In addition, a further eighteen 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 continue to track well within expectations for the portfolio, with arrears weakening slightly to 1.43%. Transactions within the portfolio continue to perform better than expectations and continue to be monitored closely.

Prime arrears as reported by S&P's SPIN index for September remained in line with August at 0.92%. Meanwhile, Nonconforming arrears weakened slightly, widening 16bps to 3.86%. Both results remain very strong in comparison to both market expectations and historic index levels.

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