

REALM STRATEGIC INCOME FUND ENDURING UNITS

SEPTEMBER 2024

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 October; \$190,000,000

Pricing & Reporting

Frequency: Monthly

Inception Date: 21.2.2020

Fund size: \$1.97b

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
- AMP North
- 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	0.93%	0.36%
3 month	2.50%	1.08%
6 month	5.03%	2.15%
1 Year p.a	10.65%	4.33%
2 Years p.a	10.08%	3.92%
3 Years p.a	8.41%	2.80%
Since Inception p.a*	7.51%	1.88%

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

FUND STATISTICS

Running Yield	9.90%
Yield To Maturity	9.66%
Volatility†	0.22%
Interest rate duration	0.04
Credit duration	1.24
Average Credit Rating	BBB
Number of positions	515
Average position exposure	0.19%
Worst Month*	0.28%
Best Month*	0.99%

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* 9.90%

*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.

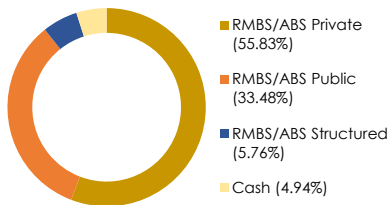
FUND WITHDRAWAL WINDOWS

The next withdrawal window will be closing at 5pm AEDT on 31 October. We are accepting redemption requests for up to \$190,000,000 (about 10% of fund assets). The fund holds 38.42% in cash and marketable securities. Further details have been posted on our website. See the link on page 3.

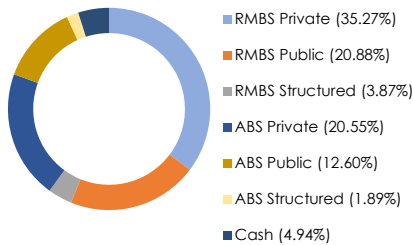
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SEPTEMBER 2024

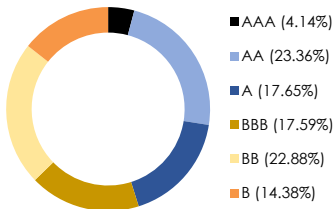
PORTFOLIO COMPOSITION



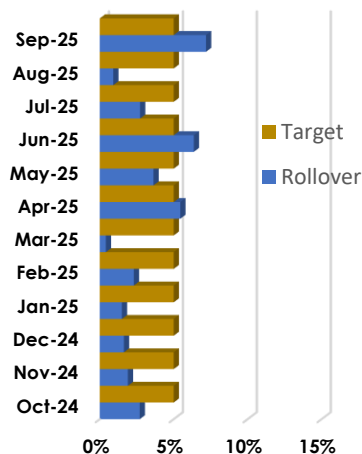
COLLATERAL TYPE



CREDIT QUALITY



ROLLOVER VS TARGET



50% 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 (55.83%), Public ABS/RMBS Facilities (33.48%) and Structured Secured Facilities backed by loans (5.76%). The weighted average credit rating of the portfolio sits at BBB, a weighted credit duration of 1.24 years and a pre fee running yield of 9.90%.

The month of September saw the Realm Strategic Income Fund close four new trades, with six others in the final stages of completion for the coming month. The fund recorded a **gross running yield of 9.90% as at month end, while maintaining a weighted average credit rating of investment grade (BBB).**

The funds return continues to be attributed mainly to the high accrual of assets in private and public markets, with a small amount of capital appreciation of the funds public book adding a tailwind to this month's performance. The fund continues to expand banking relationships with banks as well as new and existing issuers, and maintains a very healthy deal flow pipeline of new transactions to assess and fund over the coming months. Structural protections remain strong, and all transactions within the fund continue to perform at or above expectations.

PORTFOLIO RISK ANALYSIS

Housing Market Performance; Australian residential property values increased a further 0.5% over the month of September, as reported by the CoreLogic 5 Capital City aggregate property index.

With the exception of Melbourne, the remaining 4 capital cities of Sydney, Brisbane, Adelaide and Perth all recorded gains in both housing (increasing 0.4%) and units (increasing 0.6%). Perth and Adelaide property markets lead the increase this month, with units increasing faster than houses in both states. Sydney houses and units both recorded increases of 0.1% and 0.6% respectively, while Melbourne decreased 0.2% for housing but increased 0.1% for units.

Auction clearance rates decreased to hover around 60% over the course of the month and into the first week of October as auction volumes picked up for the spring selling season. Housing finance data saw seasonally adjusted new lending increase 1% for the August reporting period. The increase in lending was seen in both owner occupiers (increasing 0.7%), and investors (increasing 1.4%), representing a yearly percentage change of 16.8% for owner occupiers and 34.2% for investors.

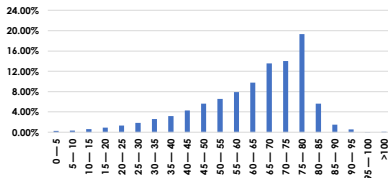
In terms of sector performance, arrears within the system remain low and our outlook for the strategy remains constructive.

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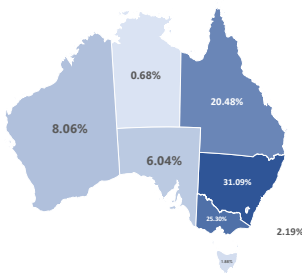
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REALM INVESTMENT
HOUSE

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 – October 2024](#)

TRANSACTION AND MARKET FLOW

Market Update: Structured credit markets continued to rally again over the course of the month. New transactions continue to be brought to market as issuers continue to utilise tighter spreads to issuer transactions more economically. Transactions ranged a variety of market subsectors, again including regional banks, prime non-banks, non-conforming non-banks and auto lending. Spreads across all classes of notes continued to tighten, with the largest tightening witnessed within the junior mezzanine (sub investment grade tranches). Secondary market volumes continue to remain very weak as investors elect to hold stock instead of selling to the market and risk not being able to pick up more stock to fill the position.

Private Assets: Private market yields continue to exhibit a substantial pickup in spread to similarly rated public notes, although spreads in both classes continue to tighten with consistent demand from investors. Stringent covenants, portfolio parameters, and eligibility criteria continue to be enforced across all portfolio transactions. Performance metrics for all funded trusts are consistently meeting or exceeding projections, with covenant compliance maintained across the board.

Portfolio Pipeline: The fund maintains a strong deal flow pipeline with eight transactions currently within the final stages of documentation and funding. Fourteen facilities remain in due diligence portions of the funding pipeline with a further five opportunities due to be screened in. The fund will continue to utilise this pipeline to accommodate unitholder demand and assist the fund in meeting its stated return outcome.

HOUSING ARREARS & PORTFOLIO PERFORMANCE

Portfolio arrears weakened 1bp over the month to 1.74% for the month of September. Arrears continue to perform well within expectations, and continue to be monitored closely.

Prime arrears as reported by S&P's SPIN index for August improved 5bps to 0.89%. Nonconforming arrears increased to 4.25%. Both results remain strong in comparison to both market expectations and historic index levels.

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