

REALM STRATEGIC INCOME FUND ENDURING UNITS

SEPTEMBER 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 October - \$20,000,000

Pricing & Reporting

Frequency: Monthly

Inception Date: 21.2.2020

Fund size: \$383m

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
- Xplore Wealth

NET PERFORMANCE

Period	Enduring Units	RBA Cash Rate Return
1 Month	0.58%	0.18%
3 Month	1.53%	0.44%
6 Month	2.48%	0.54%
1 Year	5.14%	0.59%
2 year p.a	5.73%	0.35%
Since Inception p.a*	5.59%	0.34%

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

FUND STATISTICS

Running Yield	8.26%
Yield To Maturity	8.28%
Volatility†	0.34%
Interest rate duration	0.04
Credit duration	0.90
Average Credit Rating	BBB
Number of positions	123
Average position exposure	0.75%
Worst Month*	0.28%
Best Month*	0.84%
Sharpe ratio ²	11.15

Calculated on Enduring Units unless otherwise stated. *Since Inception 21 February 2020. †Trailing 12 Months Calculated on Monthly observations. ²Since Inception Calculated on Monthly observations

GROSS RUNNING YIELD* 8.26%

*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 AEST on 31 October. We are accepting redemption requests for up to \$20,000,000 (about 6% of fund assets). The fund holds 27.21% in cash and marketable securities. Further details will be posted on our website. See the link on page 3.

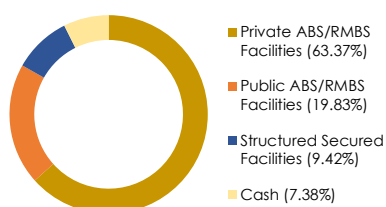
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RECOMMENDED

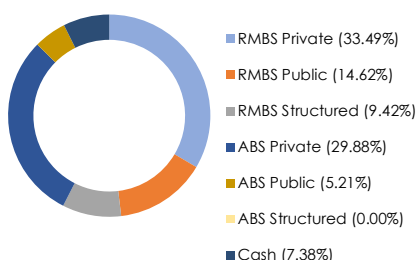
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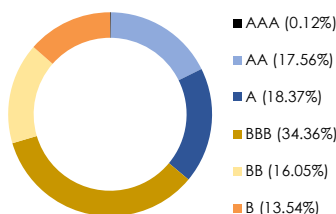
PORTFOLIO COMPOSITION



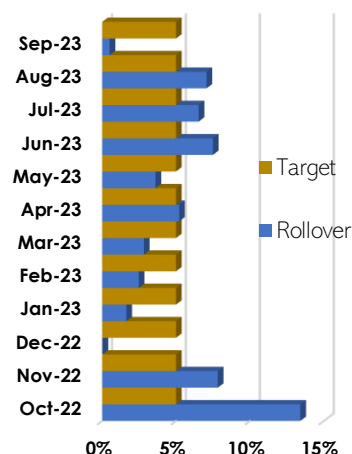
COLLATERAL TYPE



CREDIT QUALITY



ROLLOVER VS TARGET



FUND UPDATE

The portfolio is invested across a range of Private ABS/RMBS Facilities (63.37%), Public ABS/RMBS Facilities (19.83%) and Structured Secured Facilities backed by loans (9.42%). The weighted average credit rating of the portfolio sits at BBB, a weighted credit duration of 0.90 years and a pre fee running yield of 8.26%.

The Realm Strategic Income Fund closed three new trades over September, which contributed to 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 7.22% **to 8.26%**, while maintaining a weighted average credit rating of **BBB (investment grade)**. Allocation to public securities remained inline with last month, while private securities grew by approximately 6%, and are expected to continue to grow as several new facilities are documented and finalised over the coming months. Private markets continue to present better yields for investors, stronger protections through documentation and covenants and a better current outlook in relative value terms. 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 1.4% 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 and Sydney markets which fell 1.7% and 1.8% respectively.

Clearance rates continued to hover around 60%, with weaker buying seen in both owner occupiers, where the value of new lending fell 2.7% over the month of August, and investors, where new lending fell 4.8%.

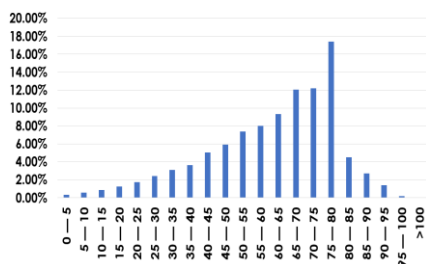
In terms of performance of the sector, arrears within the system remain at historical lows and our outlook for the strategy remains constructive.

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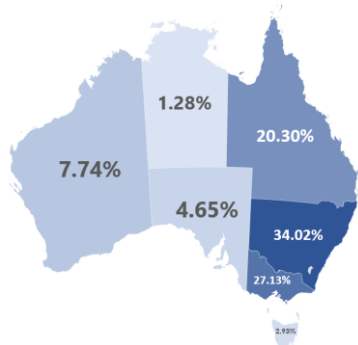
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REALM INVESTMENT
HOUSE

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 – October 2022

TRANSACTION AND MARKET FLOW

Market Update; Public structured credit market spreads were relatively flat over the month, with primary issuance remaining low as lenders opted to increase private funding capacity rather than issue into the market volatility. Secondary market activity remains heightened in the senior part of the capital structure (AAA rated) driven by offshore investors searching for liquidity from high quality assets.

Private Assets; The yields available on private assets continues to be much higher than those available in public markets for similar credit ratings. These private assets continue to maintain much better protections through documentation and covenants. Relative value in the private sector continues to be much greater than that of the public sector.

Portfolio Pipeline; The private deal flow funding pipeline continued to grow over the month as issuers chose to continue increasing funding lines rather than issue into volatile public markets. The fund was able to capitalize on this transaction flow, closing three facilities over the month, with three new facilities moving through to the documentation and funding portions of our screening pipeline. A further fourteen high quality proposals are currently being assessed. 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 slightly to 0.71% for the month of September. 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. The prime arrears index improved 1bp for June to 0.64%. Non-conforming arrears also improved, with a 6bp movement over June to an index record of 2.18%. Data prints from the Bloomberg index which also tracks arrears within the Australian system also show improvements up to the month August. Both data prints remain very strong in comparison to historical arrears levels.

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SEPTEMBER 2022

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