

### Fund Strategy

The Realm Strategic Income Fund Enduring Units is a follow-on strategy of the Realm Capital Series Fund 2018-1 Units. The differential feature is the limited withdrawal windows set by Realm Investment House (RIH). The strategy will invest in balance sheet funding, secured corporate loans and syndicated bank warehousing facilities. RIH will partner with the major banks and best of breed non-bank corporate lenders to acquire exposures in these newly capitalised facilities. RIH's assessment of the opportunities will generate good risk adjusted income returns, derived mainly from complexity, liquidity and aversion premiums, particularly when compared to the 'public term out market' for the same level of risk. Diversification within the Fund will be achieved by diversity of banking partners, facility sponsors and the number of individual facilities. RIH's risk management and assessment overlay are used in assessing eligible exposures. RIH will actively manage & monitor the risk of each funding facility exposure during the term of the fund.

### Fund Objective

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

### Net Performance

Period	Enduring Units	RBA Cash Rate Return
1 Month	0.46%	0.04%
Since Inception*	0.51%	0.05%

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

## Gross Running Yield\* 6.15%

### Fund Withdrawal Windows

The fund is structured to take advantage of the premium in complexity, aversion and liquidity in the bank facility and secured loan market. A key feature of the funds design is to match these return attributes with assets that would present no more credit risk in the market, if they traded over the counter (OTC).

We purposely designed the recommended investment period of 5 years so we can confidently extract these premiums from the market, and in times of high volatility protect investors capital from those investors try to access liquidity from these asset – when liquidity in the market costs allot. So in the old saying its nice to have your cake and eat it to, to benefit from the return premiums this strategy has to offer, having liquidity at call is an impossibility.

RIH will make regular withdrawal offers, with the intention to make available applications and also projected maturities to met redemptions. See next page for Maturity profile.

### Fund Next Withdrawal Window

RIH anticipates that the next withdrawal window will open early June, and close as at June 30. RIH intends to make available up to 10% of the Fund for withdrawal via the Fund Cash reserves. In accordance with the Corps Act, the withdrawal offer may be reduced. Further details will be posted on both our website and OMFILs website closer to the opening of the offer.

### Fund Details

**Distribution Frequency:** Monthly  
**Applications:** Monthly  
**Pricing & Reporting Frequency:** Monthly  
**Inception Date:** 21.2.2020  
**Fund size:** Target \$500m  
**Benchmark:** RBA Cash Rate  
**Buy/Sell:** 0.2%/0  
**APIR Codes:** OMF5868AU  
**Management Fees:** 0.99% plus GST  
**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/>

### Fund Statistics

Running Yield	6.15%
Volatility†	0.33%
Interest rate duration	0.04
Credit duration	1.03
Average Credit Rating	BBB
Number of positions	5
Average position exposure	17.72%
Worst Month*	0.46%
Best Month*	0.46%
Sharpe ratio <sup>o</sup>	6.26
Information Ratio <sup>o</sup>	6.26

\*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 30<sup>th</sup> of June.

## Fund Update

The Portfolio is in ramp up and the medium term objective of RIH is to ensure minimal volatility of return, target a portfolio constructing that sees a smooth asset maturity profile that will compliment the ability to raise cash and focus on the fund diversity.

The portfolio is invested across a range of Corporate facilities backed by structured mortgage facilities (41.55%), as well as over the counter residential mortgage backed securities (RMBS) transactions (47.05%). The weighted average credit rating of the portfolio sits at BBB, with a short weighted credit duration of 1.03 years and a pre fee running yield of 6.15%.

## Domestic Economic Performance & System Risk

**Realm System Risk Monitor:** Our system risk rose significantly during the course of the month peaking in the midst of global market volatility at +4.3 and moderating slowly to finish at +3. Market participants continued buying large amounts of protection as volatility in the system rose substantially amidst the sell off in equities. Market risk is elevated across global markets as COVID-19 continues to dominate investor sentiment.

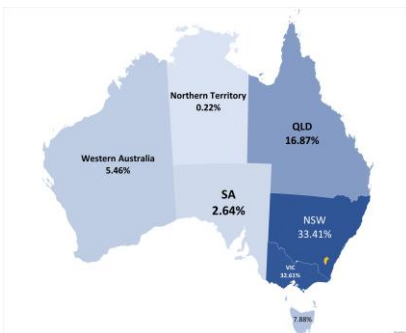
**Realm Australian Eco Monitor:** Our domestic economic monitor continued to show weakness which was again driven by large recent slides in equity markets. Retail sales fell significantly, which lead large falls in part time employment as many Australians were not able to continue working, especially in the hospitality and tourism sectors. Commodity indexes also fell driven by large price falls in crude oil as several countries continue to produce to maintain employment despite output prices being below cost curves.

The Australian Government announced a range of support packages for both corporate and mortgage markets. More specifically the establishment of a \$15bn Structured Finance Support Fund (SFSF) was seen as being key. The SFSF will be implemented with the intention to support COVID-19 hardship missed payments, giving support to both public term deals and private bank facilities. The Australian Government has provided a triple net support program, firstly, increased social safety net for mortgage payers who have lost their job, support for COVID-19 arrears for loans that are funded off balance sheet, and the funding of mortgage pools via the SFSF. An explicit allocation to this market by Treasury shows the importance of securitisation and non-bank competition to government.

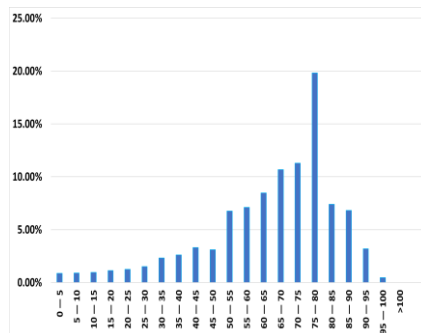
## Housing Arrears & Portfolio Performance

Portfolio arrears finished the month at 0.28%. These arrears will be closely monitored and managed according to our internal risk/return criteria. The S&P arrears index (SPIN) showed prime arrears for the month of January weakening slightly to 0.95%, while non-conforming arrears weakened to 3.61%. Major bank arrears weakened 3bps to 1.11%, while regional banks moderated slightly to 1.44%. These numbers incorporate a high degree of seasonality with borrowers typically recovering from the Christmas period. Geographically, performance was softer across all states as was expected, with NSW, VIC and QLD moderating 8bps, 6bps and 9bps to 1.28%, 1.26% and 1.71% respectively. The remaining states and territories also weakened however this weakness was well within acceptable margins.

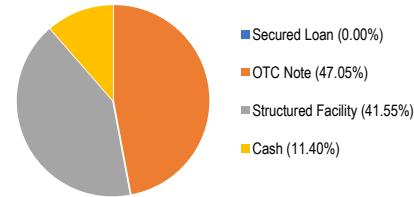
### Weighted Average Geographic Exposure



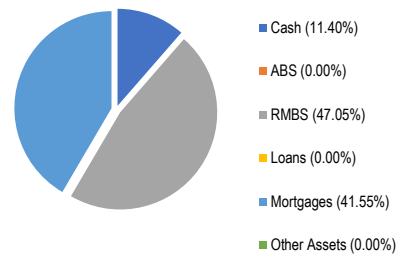
### Weighted Average Portfolio LVR



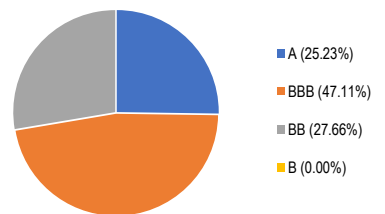
## Portfolio Composition



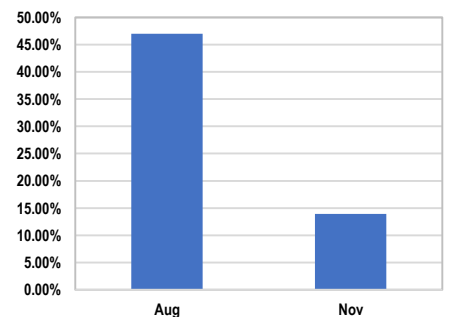
## Collateral Type



## Credit Quality



### 12 Month Maturity Profile



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