

REALM STRATEGIC INCOME FUND ENDURING UNITS

REALM INVESTMENT
HOUSE

January 2023

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:

28 February - \$40,000,000

Pricing & Reporting

Frequency: Monthly

Inception Date: 21.2.2020

Fund size: \$448m

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	0.73%	0.26%
3 Month	2.06%	0.75%
6 Month	3.82%	1.31%
1 Year	5.92%	1.53%
2 year p.a.	5.84%	0.81%
Since Inception p.a.*	5.89%	0.63%

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

FUND STATISTICS

Running Yield	9.54%
Yield To Maturity	9.58%
Volatility†	0.55%
Interest rate duration	0.04
Credit duration	0.96
Average Credit Rating	BBB-
Number of positions	141
Average position exposure	0.68%
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* 9.54%

*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.

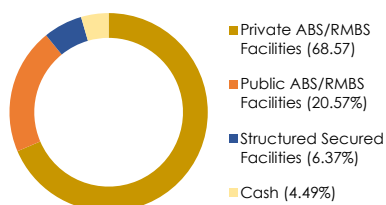
FUND WITHDRAWAL WINDOWS

The next withdrawal window will be closing at 5pm AEDT on 28 February We are accepting redemption requests for up to \$40,000,000 (about 9% of fund assets). The fund holds 25.06% in cash and marketable securities. Further details will be posted on our website. See the link on page 3.

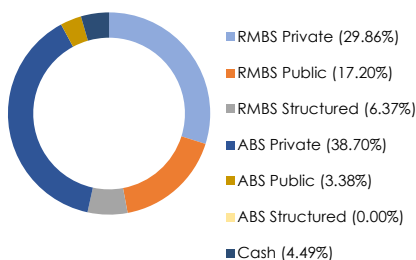
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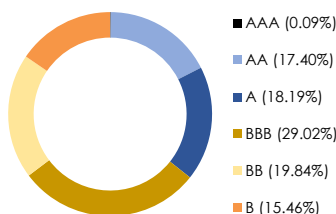
PORTFOLIO COMPOSITION



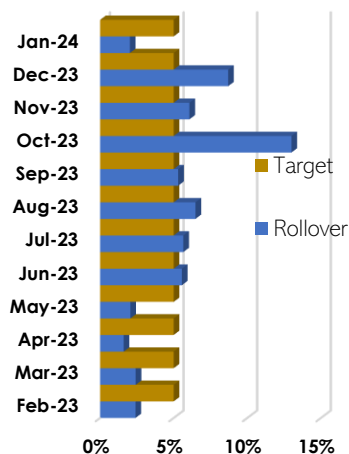
COLLATERAL TYPE



CREDIT QUALITY



ROLLOVER VS TARGET



FUND UPDATE

The portfolio is invested across a range of Private ABS/RMBS Facilities (68.57%), Public ABS/RMBS Facilities (20.57%) and Structured Secured Facilities backed by loans (6.26%). 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 9.54%.

The Realm Strategic Income Fund closed one new trade over the month, and was able to successfully reprice one facility at higher yields for a further period. The Running yield and Yield to Maturity of the fund both continue to rise respectively, led by two main factors. Firstly, currently funded facilities continue to be extended and negotiated at better yields. Secondly, through the increases to the Reserve Bank of Australia's overnight cash rate target and subsequently BBSW.

This has **resulted in an increase to the fund's gross running yield from 9.32% to 9.54% as at month end**, while also maintaining a weighted average credit rating of **BBB- (investment grade)**.

The weighting to public securities remains slightly elevated, driven by both the strong relative value on offer by these securities, and the timing differences between documenting and funding facilities. This position will be expected to decrease over the coming months as recently documented private facilities are funded, increasing the portfolios allocation to private assets. Private markets continue to exhibit strong relative value, presenting better yields for investors as public credit market yields begin to tighten. Protections within the documentation of these assets remains very strong, with all funded facilities performing within expectations and agreed portfolio parameters. 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 1.1% over the month of January as reported by the CoreLogic 5 capital city property index. The index fall was again broad based led by Brisbane (falling 1.3%) while Sydney and Melbourne fell 1.2 and 1.1% respectively.

Clearance rates for the month of January remained around 60%, but on very low volumes due to the holiday period. Housing finance data showed buying remaining weak across both owner occupiers and investors, with new lending indicators for both cohorts falling 4.2% and 4.4% respectively for the month of December.

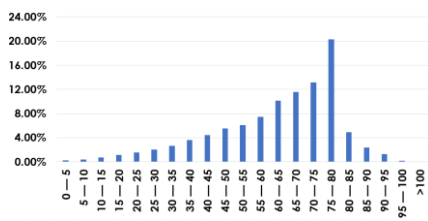
In terms of sector performance, arrears within the system remain low and our outlook for the strategy remains constructive.

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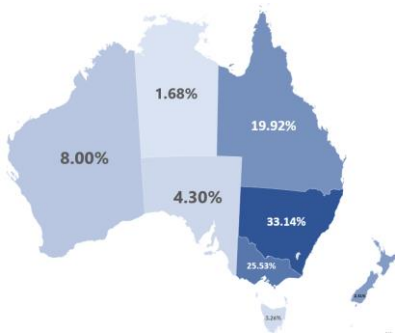
January 2023

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 – February 2023

TRANSACTION AND MARKET FLOW

Market Update; Public structured credit market yields continued to trade in line with the previous month as no new trades came to primary markets. Secondary markets on the other hand were very active, with investors competing to pick up as much stock as possible as global credit markets continued to rally. This led to dealer inventory sheets being lifted for substantial amounts of stock. Dealers are holding very low levels of inventory to offer to the market, leading to a considerable amount of pent-up demand for new public issuance from all market participants. The upcoming primary market pipeline is very strong, with several issuers now looking to use the market strength to issue into the public market over the next few weeks.

Private Assets; The relative attractiveness of private assets has increased as public market yields have begun to compress. Private market yields continue to compensate investors significantly more than public market yields, with asset quality remaining very strong throughout the sector. Arrears and portfolio parameters within each of these warehouses remain well within both expectations and agreed limits for each of the funded facilities.

Portfolio Pipeline; The private deal funding pipeline remains robust with several new opportunities from high quality issuers added to the pipeline over the January break. Eighteen high quality proposals are currently being assessed, with one facility closed over the month of January and a further currently being documented. 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 1.29% for the month of January. 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 weakening slightly to 0.65% for the month of November. Non-conforming arrears also weakened slightly, rising to 2.66%. Both data series remain very strong in comparison to historical arrears levels.

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January 2023

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