

Realside Capital Flagship Fund



Monthly Report
November 2020

Structure

Australian stapled unit trust

Target Total Return

12% p.a.

Distributions

Annually

Fund Term

3 year lock up

Liquidity

Quarterly (post 3 years)

Eligibility

Wholesale clients

Minimum Investment

\$500,000

Management Fee

1.50% p.a.

Performance Fee

15% p.a.

Return Hurdle

6% p.a.

APIR Code

RSM8774AU

Overview

The Realside Capital Flagship Fund (the "Fund") aims to achieve strong equity like returns with debt like characteristics through investments in a range of unlisted situations with a predominant focus on asset backed senior secured debt.

Fund Objective

The investment objective is to provide consistent positive returns irrespective of the market cycle on a superior risk adjusted basis. This is achieved by seeking to allocate to private market investments with a predictable investment outcome and strong capital protection. The Fund will gain exposure to high quality assets or businesses through a more secured investment position.

Investment Strategy

The Fund invests across a diversified range of illiquid investments in order to provide a predictable return profile over time, with a focus on capital protection. The Fund will predominantly gain its exposures through debt instruments, ranging from senior secured instruments through to a range of mezzanine or second mortgage structures with tailored security arrangements. The returns are predominantly fixed, although the Fund may benefit from additional upside, through profit share, convertibles, or equity options issued by investee companies.

Investment Universe and Portfolio Construction

The Fund will invest across a range of sectors, with a strong emphasis on asset security and cashflow realisation. Key exposures will include both project finance and term finance on property or operating assets, asset finance for commercial assets and growth funding for businesses with asset-backing and strong cash generation. The Fund will seek to diversify investments across industries, geographies, asset types as well as counterparties.

Why Realside?



Long track record of consistent absolute returns.



Disciplined and systematic approach to selecting opportunities.



Strong focus on protection of capital as priority.



Investment team who have delivered strong through-cycle returns.



Transparent approach to the investment process.



Risk-targeted approach to due diligence and ongoing asset management.

\$38,143,663

Gross asset value

3.39%

Total Net Fund Return*

8

Assets

Performance Update

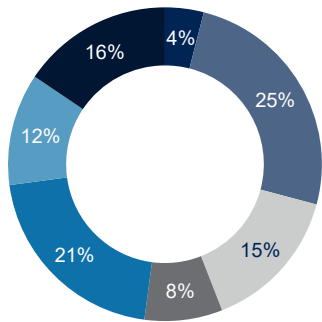
Market & Portfolio Commentary

November was a strong month for both global and Australian markets, with announcements on progress for a COVID19 vaccine, US elections and locally on re-opening of Victoria all lifting investors' and consumers' confidence. Companies are now looking at progressing investment plans, and this has been translating into increased demand for financing, especially in mid-markets as SMEs have been the most impacted by limited liquidity in credit markets.

We are seeing increased activity across industries, in food manufacturing, leisure & entertainment, information technology, resources, education services and property (residential and commercial opportunities).

The Fund portfolio performed strongly across all investments. Construction facilities have been progressing well, with costs & timing in line with their original feasibilities. Our recent financing of a leisure asset is performing well, with occupancy recovering to satisfactory levels following lifting of lockdown restrictions in Melbourne, ensuring the asset is operating profitably.

Industry Allocation



- Cash
- Hospitality, Tourism, Entertainment
- Asset Finance
- Industrials & Energy
- Commercial Property
- Residential Unit Development
- Hotel Accommodation

Total Net Fund Returns (%)

1 month	0.94%
3 months	2.85%
1 year	N/A
Since inception*	3.39%

Top 5 Assets

Asset	Type	Value (m)	Capital Position	Interest (p.a.)
1	Leisure Asset	\$9.62	Senior Debt	15%
2	Mixed-Use Development Project	\$5.91	Senior Debt	19%
3	Securitised Loan Book Asset	\$5.70	Senior Debt	12%
4	Operating Hotel Asset	\$5.96	Subordinated Debt	18%
5	Presold Development Project	\$4.42	Subordinated Debt	12%

*Represents total net fund returns since inception of the Fund on 14 August 2020.



Contact Us

For more information and to express your interest, visit realside.com.au

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