

# Realside Capital Flagship Fund



Monthly Report  
September 2020

## Structure

Australian stapled unit trust

## Target Total Return

12% p.a.

## Distributions

Annually

## Fund Term

3 year lock up

## Liquidity

Half-yearly (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”) invests in a range of private debt investments with a predominant focus on asset backed senior secured securities and aims to achieve strong equity like returns with debt like characteristics.

## 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 debt investments with a predictable investment outcome and strong capital security. The Fund will gain exposure to high quality assets or businesses through a more secured investment position.

## Investment Strategy

The Fund invests across a range of private debt 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 senior debt security, but with flexibility to through to a range of mezzanine or second mortgage structures tailored across security arrangements. The returns are predominantly fixed, although the Fund may benefit from additional upside, through profit share or convertibles and other illiquid securities 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 generative abilities. The Fund will seek to diversify investments across 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.

# \$36,192,088

Gross asset value.

# 1.45%

Total Net Fund Return\*

# 6

Assets.

## Performance Update

### Portfolio Commentary

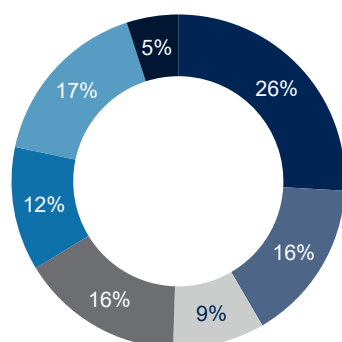
The Fund successfully launched on 14 August 2020 with five assets providing a diverse exposure to both existing cash generative property and commercial assets as well as quality development projects. The exposures to property and asset backed investments are forecast to deliver a stable mix of income and capital growth.

The Fund settled on a new asset during the month, a senior secured term loan providing working capital to a leisure & hospitality asset operator in Tullamarine. The primary security is a property and plant operating asset completed in early 2020. The 18-month facility, which capitalises monthly, benefits from an all assets charge over the company, which has shown strong profitability and free cash flow generation whilst operating, with a clear path to operating within VIC Government guidelines .

Private markets continue to adjust to changes in the availability of traditional bank credit, economic uncertainty and risk around foreign investment landscapes. The Fund is well positioned to continue taking advantage of mispricing opportunities and further de-risking from asset price volatility through investing further up the capital stack.

We have continued to monitor each asset as it relates to the prevailing economic environment, with an initial focus on underlying cash flows and, the intentions of counterparties (e.g. senior bank with a mortgage over a commercial property or construction project).

### Industry Allocation



- Leisure Asset
- Securities Loan Book Asset
- Operating Industrial Plant Asset
- Mixed-Use Development Project
- Presold Development Project
- Operating Hotel Asset
- Cash

### Total Net Fund Returns (%)

1 month	0.93%
3 months	N/A
1 year	N/A
Since inception*	1.45%

### Top 5 Assets

Asset Type	Value (m)	Capital Position	Interest (p.a.)
Leisure Asset	\$9.38	Senior Debt	15%
Mixed-Use Development Project	\$5.72	Senior Debt	19%
Securitised Loan Book Asset	\$5.67	Senior Debt	12%
Operating Hotel Asset	\$6.03	Subordinated Debt	19%
Presold Development Project	\$4.33	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](https://realside.com.au)

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