

Realside Capital Flagship Fund



Monthly Report
December 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.

\$47,890,151

Gross asset value

5.02%

Total Net Fund Return*

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Assets

Performance Update

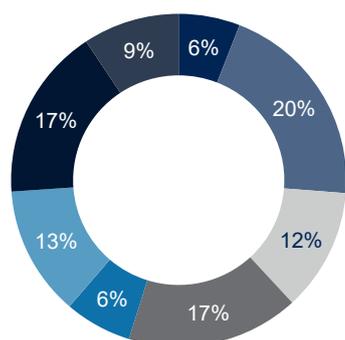
Market & Portfolio Commentary

December was another strong month in global financial markets, on the back of the November rally post US elections and vaccine announcements. Business confidence rebounded sharply in Australia in November, further buoyed by progressive recovery in employment figures. This constructive macroeconomic backdrop is supportive of financing activity as companies look to invest and recapitalise in a less uncertain environment.

The Fund portfolio has performed strongly across all positions. December returns benefited from the funding of the first tranche of the Fund's most recent investment, a senior secured land acquisition and construction facility to support a townhouse development in ACT. As a result of the strong monthly performance, the Fund has generated more than 5% return since its launch a little over 4 months earlier.

The pipeline of potential investment opportunities remains very strong and as a result, we are extremely confident about the Fund's ability to continue to meet or exceed its investment objectives. Our process continues to focus on ensuring strength of capital security in all circumstances and only allocating to investment opportunities that offer very strong risk adjusted returns.

Industry Allocation



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

Total Net Fund Returns (%)

1 month	1.58%
3 months	3.88%
1 year	N/A
Since inception*	5.02%

Top 5 Assets

Asset	Type	Value (m)	Capital Position	Interest (p.a.)
1	Leisure Asset	\$9.74	Senior Debt	15%
2	Securitised Loan Book Asset	\$5.71	Senior Debt	12%
3	Residential House & Land Development	\$4.97	Senior Debt	12%
4	Operating Hotel Asset	\$6.04	Subordinated Debt	18%
5	Mixed-use Development Project	\$6.01	Subordinated Debt	19%

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



Contact Us

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